

Interlaken Town Council Work Session Minutes
Tuesday, 22 October 2024, 6:32 PM – 7:43 PM
Meeting Conducted Remotely with Zoom Video Conferencing Software

Zoom Meeting ID: 516 337 9977

Password: 84049

Zoom Meeting Link

<https://us02web.zoom.us/j/5163379977?pwd=QlJNT3loV3J4Nm83TFJOdGVVSUE1ldz09>

1. Call to Order – Mayor Harrigan called the meeting to order at 6:32pm

2. Roll Call

Greg Harrigan, Mayor
Sue O’Nan, Council Member and Treasurer
Jill Jacobson, Council Member
Erin Merryweather, Council Member

Timm Dixon, Council Member, was absent

3. Approval of Agenda or Changes

Motion: Council Member O’Nan moved to approve the agenda.

Second: Council Member Jacobson seconded the motion.

Discussion: no discussion.

Vote: The motion was approved with the Council Members unanimously voting Aye.

4. Discussion – FY2025 Budget Amendment Proposal

Smith presented a report on the FY2025 Budget. See the attached report for details. The report makes a case for a budget amendment to include the additional expenses for repair and capital improvements to the water system and our roads. Smith also recommends raising water rates mid-fiscal year, starting on January 1, 2025, to cover the additional water system expenses and to preserve balances in the water reserve fund.

Smith spoke with Jones-DeMille Engineers about our water system repair and replacement issue and Matt Laurendeau suggested we contract them to do a Water System Model and Master Plan.

This plan could include some or all the following tasks:

- Analytical Water System Model – uses the elements of our system to calculate pressures in various zones, system flow, and other information
- Water System Master Plan – takes the model data and creates a plan for additional PRVs, pipe replacement, and source capacity
- Soil Chemistry Test – a Geotech report that samples soil throughout the water system with regard to corrosion
- Impact Fee Analysis – develops a replacement timeframe for areas most susceptible to corrosion
- Grant Research – assists the town in grant applications related to future replacements and upgrades
- GIS survey – creates a map of the system’s service lines. It could also include lot lines, terrain, water zones, putting everything together on a digital map. This would also require an annual subscription fee of around \$700.

A ballpark estimate for all these tasks would be in the \$30K-\$40K range.

The unplanned expense for repair and replacement of the lower St. Moritz water line was around \$93K. The actual cost of the road project was larger than budget because of the additional square footage replaced. Smith noted that one critical section of road that was replaced, the corner of St. Moritz and Interlaken Dr., was widened to make the corner more suitable for turning traffic. The net cost to the town, including contributions from The Reserves, BHR, and Midway Sanitation District was \$271,395.

Smith proposed a water rate increase of 42% beginning 1/1/25. This would spread the impact of the increase over 2 fiscal years, 21% for FY2025 and another 21% for FY 2026.

Base Fee Category	FY2025	FY2025	FY2026
	Current Budget Rates	42% Rate Increase over current for 6 months	42% Rate Increase over current for 12 months
Connected Lots Monthly	\$ 81	\$ 98	\$ 115
Connected Lots Annual	\$ 972	\$ 1,176	\$ 1,380
Empty Lots Monthly	\$ 68	\$ 82	\$ 96
Empty Lots Annual	\$ 816	\$ 984	\$ 1,152
Total Connected	\$ 144,828	\$ 175,224	\$ 205,620
Total Empty	\$ 28,560	\$ 34,440	\$ 40,320
Total Base Fee Revenue	\$ 173,388	\$ 209,664	\$ 245,940

The revenue increase for FY2025 would be around \$35K, which is the cost of a Water System Model and Master Plan as estimated by Jones-DeMille.

Smith also proposed an increase in Wasatch County tax revenue for FY2026 from \$200K this fiscal year to \$310K for FY2026. Mayor Harrigan suggested we shelve that discussion until budgeting for FY2026 begins in the spring.

Jill asked about how long the Water System Study would take, if it would be 6 months to a year. Smith felt it would be significantly less. Jill asked if it made sense to raise rates this year prior to conducting the study before we have a prediction of future repair and replacement costs. Smith noted that if we were to play it safe, we would raise rates about 100%, and that would put around \$100K in water reserves annually and cover current budgeted costs, without major expenses like we encountered this year. We don't want to do that large of an increase all at once. The suggested approach reduces the pain and spreads the increase over 2 fiscal years – FY2025 - 21% over previous year, and then FY2026 - 17.5% over the previous year.

Smith doesn't feel that we'll be shocked over the water system study results. It will likely tell us what parts of the system are most vulnerable and provide a strategy to address those areas. For example, placement of additional pressure reduction valves to extend the life of specific pipe sections. We may also discover that we have hot, corrosive soil in just a few areas. That is wishful thinking but would significantly impact our reserve planning and budgeting. Erin noted that it was a challenge for her and Jill, being new to the community, to grasp the relative need for this type of increase. For example, what if the water study indicates that we are overly concerned about additional failures in the system. Smith noted that we can always reduce the rates if the study is optimistic. He feels it makes sense to do it this way because it spreads the increase over 2 years. If we wait until FY2026 to increase rates, it will present a \$408 increase all at once, and we'd not receive the \$35K additional revenue for this fiscal year. Smith noted that we've been cautious regarding our roads. We've maintained our road system, and put some funds into the reserves, but haven't really prepared for major improvements.

Sue reminded us that water rates have been decreased in past years when it was felt that expenses had dropped. Erin agreed that it made sense to spread the increase over 2 years. Greg noted that we can only afford 2 or 3 more line breaks like the St. Moritz break before we drain our water reserves. Raising water rates makes sense. The

council members agreed that this was the right approach. Erin felt that getting the survey would help them understand the scope of the issue, and will probably show us that it's not a cheap fix.

The water rate hearing and budget hearing require a 7-day advance notice. Since the Wasatch Wave is published on Wednesdays, the soonest these hearing could be held is Wednesday 11/6/24. The council agreed to schedule it on this day, with a quorum available to attend.

5. Discussion – Public Works Manager Position

Greg and Bart previously discussed how we could offload some of Bart's responsibilities to another person. Bart is planning on leaving town on December 1st to travel throughout the country in his RV. Bart could continue to perform duties remotely, like budgeting, and hire someone to take over tasks that require a presence in town. Bart presented his invoice structure and noted that he can do most of these tasks remotely. See the attached document. He noted that he spends 32% of his time on task TC.03, Communicating with Town Officials, employees, outside entities, lot owners. He noted that his role in communicating with lot owners distinguishes Interlaken Town from other communities, as it provides one stop shopping to get information, make requests or complaints, and receive important updates about the town's activities and services, for example, fire mitigation pickups. Some of this time may be reduced by limiting responses to phone calls and emails, and adding more content to the town website to address inquiries. Many of these invoice categories are part of his official duties, like running an election, GRAMA requests, and others. There's a lot of document creation, time spent on budgeting, financial reporting, processing building permit applications. It's possible we could offload some of the permit tasks to Jones-DeMille. Smith noted that Daniel is contracting Jones-DeMille to take care of many of those permit tasks, and it's possible we could offload those tasks as well. The town does charge applicants for those services, so it is revenue that's passed through our budget.

Smith created a table showing Public Works Management Categories. Some of these tasks possibly could be performed in part by someone who is paid less. Some of these categories have supervisory roles as well as boots on the ground roles, presenting an option of 2 different pay scales.

Public Works Management Categories	Notes
Monitor, Maintain, & Manage Town Facilities, Property & Equipment	Pumphouse, Generator, DPW Site, Water Tank, Municipal Property, Verkada Security System, The Beast Brush Cutter, Other Equipment
Roads	Manage Maintenance & Improvements, working with Road Committee and Contractors
Water System	Manage Maintenance & Improvements, working with Water Masters and Contractors
Fire Mitigation	Annual Debris pickup & Shoulder brush cutting
Noxious Weed Mitigation	Manage municipal and private property weed mitigation
Building Permits	Track building site progress, compliance with town code
Communication	Report and communicate with Town Council, Planning Commission, Town Administrator, Town Engineer, other Entities

Smith also presented a list that the council was shown at the last council meeting. A very detailed list of tasks that present some of the details regarding performance of the above duties. Greg noted that the Public Works Management position would touch on both of these lists. See the attached document for details.

Many of these tasks could be divided between an oversight-management role and the person doing the actual task. With Bart currently, he performs both of these roles, when a cost saving may be obtained by hiring out the actual work to someone paid at a lower hourly rate. For example, paying someone to visit the generator to remove snow. Availability has always been the problem. Finding someone to do the work now. His job has mirrored SuperDave's job in a sense, being available 24-7, and performing critical tasks without delay.

Greg noted that it will be a bit of a learning curve figuring this out. There very well could be cost savings in hiring the public works position. It may be around 8 hours a week. Smith is averaging around 25 hours a week now and could probably get that down to 12-15 hours per week working remotely, eliminating the physical in-person tasks. Smith is also looking into using alternate payment methods for our annual water billing. If we can do online bill pay, it would save time and money. There is a number in the budget now that covers Bart. If we offload some of these responsibilities, it could reduce costs. Greg noted that we penciled it out and saw potential savings, depending on the hourly rate we'd have to spend on the new position.

The right thing to do is to advertise the position. We'll go through that process and see who is interested. The decision to be made here is whether to go ahead and pursue applicants. Sue noted that it should be someone who lives in town. Greg suggested we need someone who can get their hands dirty, who lives in town, and who has other work and is willing to take on extra responsibility. A lot of this stuff could be done around other work. Smith noted that we're not looking for someone with an engineering degree or 25 years of construction management experience. We want someone who knows these systems, how they're put together, how they're repaired, managed, and maintained. It's definitely more of a boots on the ground position than an engineering position. We have a town engineer for engineering tasks.

The biggest payback for Smith's time spent and billed is his work related to enforcement. Smith spent about 2 hours enforcing the town's short term rental ban, and generated revenue in fines of \$3700. Enforcement includes everything from parking violations, building permit violations, short term rentals and other town code violations. It doesn't include things like speed limit violations, reckless driving, and other count, state, and federal law violations. Our enforcement is limited to our code, as a class C misdemeanor violation. RMA violations from The Reserves could also be addressed more rigorously.

Greg noted that our task is to wordsmith a job description and advertise. For Greg it's a no brainer. This would spread the knowledge to keep the town running and probably lengthen Bart's ability to continue his contribution. The council agreed to take this approach. Smith will get an advertisement in the Wasatch Wave next week.

6. Other Business - None

7. Council Comments

Greg noted that this meeting was well attended and expressed appreciation for those who were willing to witness the process as listeners. He pointed out that the November 6th meeting and hearing will afford attendees the opportunity to make public comment on these issues.

8. Adjournment

Council member O'Nan moved to adjourn the meeting. Council member Merryweather seconded the motion. The motion passed unanimously. The meeting was adjourned at 7:43 pm. The next regular town council meeting is scheduled for Wednesday November 6th, 2024, starting at 6:00pm with a public hearing, via Zoom.