

MINUTES OF THE BUDGET WORK MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, APRIL 29, 2025, AT 3:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Matt Packard

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

City Staff in Attendance: City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, City Recorder Kim Crane, Community Development Director Josh Yost, Director of Administration Patrick Monney, Internal Services Director Scott Sensenbaugher, Library Director Dan Mickelson, Museum of Art Director Emily Larsen, Parks and Recreation Director Stacey Child, Power Director Jason Miller, Public Works Director Brad Stapley, Lieutenant Warren Foster and Fire Chief Hank Clinton.

CALL TO ORDER

Mayor Packard welcomed everyone at 3:02 p.m.

SHIFTING METHODOLOGY - A REVIEW OF THE NEW BUDGET APPROACH - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle presented on the city's new budget methodology implemented over the past two years. He explained that the city moved from a traditional approach where departments request funding and then negotiate cuts, to a target-based budgeting model. This new model focuses more on revenue forecasting, with departments responsible for forecasting their own revenue streams. The finance department only forecasts centralized revenues like property and sales taxes. Departments are given base allocations that they can allocate internally. Bruce noted this approach aims to reduce competition between departments and increase accountability, transparency, and innovation. He acknowledged it has been challenging with low growth and higher inflation, but believes they are on the right path. This year's budget has been a little difficult with low growth. Directors have been working hard to produce a balanced budget.

Councilmember Wright asked whether every department generated its own revenue. Bruce responded that most departments did have revenue, but some were more dependent on tax revenue. He stated that the new budgeting model aimed to promote accountability and transparency.

Councilmember Millsap inquired if the new budgeting model might lead to the creation of silos of funds. replied that this had not been a significant issue and noted that departments were encouraged to collaborate.

Councilmember Wright asked if the city was preparing for a possible economic downturn. Bruce replied that the city was evaluating its year-end financial position and intended to take a conservative approach to revenue forecasting.

Bruce explained that the Streets department had previously been funded through the general fund, but due to various restrictions on street and road funds, a new street fund would be established to manage all related resources.

Bruce also provided a report on property tax, sales tax, and transfers. He reviewed the budget timeline and recommended a 3% increase in property tax.

WAGES AND BENEFITS - PATRICK MONNEY, DIRECTOR OF ADMINISTRATION

Director Monney reported on wages and benefits, and where Springville ranked with actual overall wage increases in the past three years. In 2021, Springville received just under a 10% wage increase. Troy stated the goal is to be 2% of the market and keep grades where we need to be. Mayor Packard asked what the actual wage was compared to other cities.

Patrick reported pay grades increase by 3% to keep pace with the Cost-of-Living Adjustment (COLA) based on the Consumer Price Index (CPI) in July 2025 and a 3% merit in January 2026 based on employment evaluation.

Patrick explained that pay grade adjustments, when needed, are made if a review of neighboring cities is done, and to keep competitive. Average time on the job is also compared.

Councilmember Smith requested to have the retention rates broken down by department.

Patrick highlighted that total compensation, including benefits, is quite rich compared to the private sector. As an example, an employee making \$66,000 in salary has a total compensation value of \$91,000 when factoring in benefits. He noted they try to educate employees on the full value of their compensation package.

DEPARTMENT PRESENTATIONS

Administration - Patrick Monney, Director

Director Monney presented the Administration budget highlights. There are no personnel changes planned. Funds were moved from the League of Cities and Towns budget to the library to support training. Most expense lines were decreased or held flat to balance the budget.

Councilmember Snelson asked about the increase in council salary. Patrick replied that a policy was put in place years ago, and included the council with employee increases in wages.

Community Development - Josh Yost, Director

Director Yost presented on the Community Development budget. He noted continuing revenue declines, especially in building permits and plan review fees. As a result, they reduced staffing by not filling vacant positions for the chief building official and business license officer. They are using more third-party contracts for plan reviews and inspections to allow flexibility. Josh said they can rehire if demand increases enough to justify it financially. They budgeted reserve funds to complete the general plan update and zoning overhaul.

Councilmember Smith asked how to ensure quality is represented with an outsourced company. Josh said they will continue to look for feedback from customers.

Internal Services - Scott Sensanbaugher, Director

Director Sensanbaugher presented on the Internal Services budget, which includes facilities maintenance, IT, engineering/GIS, and the central shop. He noted that personnel and benefits costs increased more than their base allocation, requiring cuts in other areas. Major changes include consolidating IT costs that were previously spread across departments. They plan to implement Microsoft 365 this year. For capital projects, they budgeted \$1.7 million to replace the roof at the art museum. Sensanbaugher said this is a priority due to ongoing leak issues.

Councilmember Snelson asked about the timeline for the roof replacement. Scott replied that they are currently discussing the scope and pricing, along with grants. Museum Director Larsen said a lot will depend on the scheduling of events with the Museum.

Finance - Bruce Riddle, Director

Director Riddle presented on the Finance Department budget. The finance division budget increased about 5% to \$780,000, mostly due to internal service allocation changes. In the treasury division, they moved merchant credit card fee expenses out to the individual departments that generate those fees for better transparency. Otherwise, there were no major operational changes. Bruce noted that 40% of finance costs and 84% of treasury costs get billed out to the enterprise funds for services provided.

Legal - John Penrod, Director

Attorney Penrod presented on the Legal Department budget. He noted they are getting smaller as some functions have moved to the library. The department provides prosecution services, victim advocacy, and youth court programs. John highlighted that court cases have been declining in recent years. The budget includes increased funding for outside counsel and claims settlements due to some recent lawsuits. They are working to build up a reserve fund to cover future legal costs without impacting the general fund reserves.

Library - Dan Mickelson, Director

Director Mickelson presented on the library budget. He noted the overall budget is similar to last year, with some line items increasing and others decreasing as they try to maintain service levels with minimal changes. Key challenges include rising costs for staffing, collections, and vendor services. They are projecting a 13% increase in revenues next year from incremental fee increases. For capital projects, they plan to renovate some staff spaces. Dan said they are experimenting with ways to potentially increase revenues, like vendor fees for events, but noted libraries generally do not charge for most services.

Parks and Recreation - Stacey Child, Director

Director Child presented on the Parks and Recreation budget. For the cemetery, they recently completed improvements to two sections and purchased cremation niches. They have future plans for fencing and other upgrades as funding allows. For parks, they have a maintenance fund to help sustain existing parks and equipment. Child showed their 5-year and 10-year maintenance plans for park assets. She also noted new park projects were in the design phase for areas such as Lakeside Landing.

For recreation programs, they are projecting increased revenues as they add new programs like youth pickleball, hockey clinics, and expanded soccer/football for 3-year-olds. Senior citizen programming continues to expand as well.

For the Clyde Recreation Center, they are projecting decreased usage and revenues due to a new competing facility opening nearby. They have made cuts to part-time staffing and will adjust operating hours to reduce costs.

For Hobble Creek Golf Course, they are proposing a 9% fee increase to generate just over \$2 million in revenue next year. This includes higher weekend rates that will go into effect in December. Child noted they try to keep fees in line with neighboring cities while balancing cost recovery needs. She said they are always looking for efficiencies to stretch their budget further as they add new facilities and programs.

Mayor Packard asked about the remaining sandbags at the golf course. Stacey reported they are looking to build up the creek bank.

BREAK

The council took a brief dinner break. Time Out: 5:13 p.m. Time In: 5:33 p.m.

DEPARTMENT PRESENTATIONS (continued)

Museum of Art - Emily Larsen, Director

Director Larsen presented on the Art Museum budget. She highlighted their strategic priorities, including providing engaging art experiences, increasing brand awareness, growing revenue, addressing facility challenges, and expanding public art programs. They are projecting a 17% increase in museum-generated revenue for FY2026. Some minor personnel changes were made to add a second full-time registrar position. Rental revenues for events like weddings have increased significantly. Larsen noted they are working on long-term facility planning and expanding public art initiatives. She emphasized the economic and health benefits that arts and culture bring to communities.

Mayor Packard asked how it will be promoted. Emily said they would invest more in marketing, as a lot is word of mouth. They are working on growing their email list, as most of their audience prefers email. Emily said tapping into tourism is something they can look into as well.

Power - Jason Miller, Director

Director Miller presented on the Power Department budget. He explained the breakdown of their revenue sources, with residential and commercial each making up about 40% of the rate revenue. They are proposing rate increases of 2-3% for different customer classes. For an average residential customer, this equates to about \$2.50 more per month. Miller noted Springville's rates remain competitive regionally. Key budget impacts include a 2.7% increase in wholesale power purchase costs. Capital improvement spending is down 72% after completing some major projects. They have left some positions vacant after retirements to control costs. Miller said they are trying to take a measured approach to rate increases to avoid sharp jumps, while still covering rising costs and maintaining reserves.

Councilmember Wright asked if a modest rate increase would cover the inflation cost. Jason explained that the rate of wholesale power went up, and they want to take it slowly, and it should cover the recent impact.

Councilmember Jensen inquired about power investment hedges. Jason said they are looking good for now, and fuel is down. Future power purchases are good for a few years.

Public Safety - Lance Haight, Director

Fire Chief Hank Clinton and Lieutenant Warren Foster presented on the public safety budgets. They noted this was a challenging budget year, but they were able to maintain core services without reducing positions.

For fire/EMS, call volumes have stabilized around 1,700 per year. They are estimating increased ambulance billing revenues of \$1.1 million next year due to improved collections. Capital purchases include a new ambulance and some medical equipment upgrades.

Police are suspending one vacant officer position to balance the budget. Crime statistics show increases in some violent crimes and officer assaults in recent years. They added funding for a new K-9 unit focused on detecting THC/marijuana.

Both emphasized the need to stay competitive on wages to retain and recruit personnel in a tight labor market for public safety positions.

Troy explained how shared revenue was currently being handled and gave an example of fire inspections as a part of business licensing.

Lieutenant Foster reported on the dispatch center. State legislation changed the formula and dollars for the Public Safety Answering Point (PSAP) transfer rate of \$ 50 K. Two full-time dispatchers have transitioned too part-time. They are currently in the process of hiring two full-time dispatchers. The

Utah Communications Authority (UCA) digital radio upgrade this year and has much of the infrastructure in place. He reviewed the police department organization chart. He reviewed the standard law enforcement measure.

SERVICE LEVEL DISCUSSIONS - PATRICK MONNEY, DIRECTOR OF ADMINISTRATION

Patrick Monney led a discussion on the city's current service levels for preserving local history. He outlined the current activities and costs, including records management, landmark preservation efforts, and support provided to local historical societies. The total financial value the city contributes towards history preservation is about \$309,500 annually.

Patrick presented options for potentially expanding history preservation efforts, like acquiring historical buildings or investing more in educational programs and exhibits. He used the example of preserving an old log cabin to illustrate different preservation approaches and associated costs. The council discussed the need to better define and quantify current service levels, explore partnership opportunities with historical groups, and consider sustainable funding options for any expanded preservation efforts. They directed staff to develop more detailed proposals and cost estimates for council consideration.

Councilmember Snelson raised questions about the Carnegie Library building, specifically whether it should be maintained and what its future use should be. He noted that the Historical Society and the Daughters of Utah Pioneers (DUP) Museum were currently occupying the building. Josh responded that the building could potentially be rented at a market rate or considered for use by the chamber of commerce. He added that staff would need to review the Historical Society's documentation.

Councilmember Smith expressed concern about the longevity of the Historical Society and stated that it should be preserved. He inquired about what would be required to bring the Historical Society under city oversight. Josh explained the distinctions between the Historical Society and the DUP.

Mayor Packard asked the council whether they wanted to continue exploring various options or pursue a more definitive course of action.

Councilmembers Smith and Snelson indicated they were in favor of mothballing the cabin. By consensus, the council agreed to explore additional options involving the DUP and the Historical Society.

Mayor Packard directed Patrick to develop a plan for relocating the cabin and to present further options concerning the DUP and the Historical Society.

Public Works - Brad Stapley, Director

Director Stapley presented on the Public Works budgets, which included water, sewer, storm water, streets, solid waste, and engineering. Brad noted they are using some fund balance reserves for capital projects, but still maintaining policy minimums. He said long-term financial modeling shows they will likely need additional rate increases beyond inflation in future years to fund major infrastructure needs.

Mayor Packard inquired about overfilled garbage cans and whether residents would be charged for them. Brad responded that the city had the capability to track which cans were overfilled. Mayor Packard expressed concern about the possibility of a large number of cans being left uncollected.

Brad also reviewed the fund balances for capital improvement projects. He noted that the implementation of a Transportation Utility Fee would require a formal study and stated that a consultant was currently involved. The projected timeline, including public education and council approval, was set for January 2026.

Looking ahead, Brad stated that the long-range financial outlook appeared stable but indicated that future rate increases would be necessary, beyond standard inflationary adjustments.

IMPORTANT REMAINING ISSUES - TROY FITZGERALD, CITY ADMINISTRATOR

Troy reported on service level and budget philosophy. The budget over the last twenty years has increased by 346%, and the police budget increased by 272%. Went to a full-time fire department, built a new library, and a recreation center. What will the general fund look like twenty years from now?

Councilmember Wright asked whether the city was able to maintain all of its parks. Troy responded that the proposed approach would involve identifying and defining all park assets, then calculating the corresponding service levels. He explained that by using base allocation and analyzing what is currently supportable, they could determine which service levels might be underfunded. Directors would be tasked with finding solutions through efficiencies and new revenue sources, while the council would be responsible for balancing any funding gaps.

Councilmember Millsap asked how this approach would integrate with the city's general plan. Troy stated that costs would need to be considered alongside any new initiatives.

Mayor Packard asked about the portion of the general fund that would be supported by the enterprise fund.

Councilmember Wright recommended considering how to incorporate future master plans into budgeting and planning efforts.

CONCLUSIONS AND QUESTIONS - TROY FITZGERALD, CITY ADMINISTRATOR

Troy Fitzgerald concluded by highlighting that the budget now provides a high level of cost accounting accuracy across departments. He commended the directors for their work on the budgets and noted that they are making departmental decisions that they will be accountable for.

Mayor Packard thanked everyone for their presentations and participation. He noted the process allowed directors to take ownership of their budgets.

ADJOURNMENT

Motion: Councilmember Snelson moved to adjourn the meeting at 8:11 p.m. **Councilmember Smith seconded** the motion. **Voting Yes:** Councilmember Jensen, Councilmember Millsap, Councilmember Smith, Councilmember Snelson, and Councilmember Wright. The motion **Passed Unanimously**; 5-0

CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

The Springville City Council may temporarily recess the regular 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 Budget Planning meeting held on Monday, April 29, 2025. I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, 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 Monday, April 29, 2025.

DATE APPROVED: May 20, 2025



Kim Crane
City Recorder