



AMERICAN FORK CITY COUNCIL
JANUARY 13, 2026
CITY COUNCIL AGENDA

Members Present:

Bradley J. Frost	Mayor
Staci Carroll	Council Member
Ryan Hunter	Council Member
Tim Holley	Council Member
Ernie John	Council Member
Clark Taylor	Council Member

Staff Present:

David Bunker	City Administrator
Camden Bird	Assistant City Administrator
Anna Montoya	Finance Officer
Stephanie Finau	Deputy Recorder
Patrick O'Brien	Development Services Director
Sam Kelly	Public Works Director
Aaron Brems	Fire Chief
Cameron Paul	Police Chief
George Schade	IT Director
Heather Schriever	Legal Counsel

Also present: Royce Shelley, Steve Reiber, Rio Honaker, Richard Mickelson (TSSD), David Barlow (TSSD), and Brandon Watt (TSSD),

The American Fork City Council held a public hearing in conjunction with the regular session on Tuesday, January 13, 2026, in the American Fork City Hall, 31 North Church Street, commencing at 7:00 p.m.

REGULAR SESSION

1. Pledge of Allegiance; Invocation by Council Member Taylor; roll call.

Mayor Frost welcomed everyone to the meeting. Those present recited the Pledge of Allegiance and an invocation was offered by Council Member Taylor.

Mayor Frost welcomed attendees and clarified that, although the agenda indicated a public hearing would be held, the public hearing had been canceled and was not advertised. Therefore, no public hearing would be held that evening.

2. Twenty-minute public comment period - limited to two minutes per person.

Steve Reiber introduced himself and requested a variance related to irrigation costs for two properties he owns in American Fork. He explained that he is paying double for one property and triple for a second property for pressurized irrigation. He questioned if he would be allowed to get more than one dump pass for each of the properties. Mayor Frost indicated he would have staff contact him tomorrow,

Royce Shelley introduced himself and expressed sincere appreciation to the City Council for taking an additional month to consider the proposed bond. He stated that he was pleased to see a 9.5 percent reduction in the bond amount. He noted that he still had some concerns with the cost and encouraged the Council to continue seeking additional cost savings. He thanked the Council for its efforts and for the clarification provided.

Rio Honaker introduced himself and addressed the Council regarding longstanding concerns related to development near his property. He stated that he had previously allowed access through his property for a roadway and that he and his father had attempted to work cooperatively with the City to improve conditions. Mr. Honaker expressed frustration that certain commitments he believed the city had made, specifically replacing a fence and providing a driveway, had not been fulfilled. He further stated that City personnel had recently visited and photographed his property and that he had received a nuisance weeds notice, despite his belief that his property is located within the county. Mr. Honaker questioned why enforcement actions were taken on his property while, in his view, similar conditions existed on nearby development properties. He asserted that he felt he was being unfairly targeted.

Mayor Frost and Mr. Honaker agreed to meet at the mayor's office at 9:00 a.m. the following morning. Mr. Honaker thanked the mayor for his time.

3. City Administrator's Report

Mr. Bunker explained the fitness center is offering sales on annual passes. He noted that many residents, including himself, are working toward improved fitness goals and encouraged anyone interested to visit the fitness center for details on the promotional pricing.

4. Council Reports

Council Member Hunter had nothing to report.

Council Member Holley expressed personal appreciation for the American Fork Fire Department. He shared that the department had recently participated in his son's firefighter-themed birthday celebration by stopping by with a fire truck and allowing the children to explore it. He thanked the Fire Department for not only performing their duties with excellence, but also for being an engaged and supportive part of the community.

Council Member John had nothing to report.

Council Member Carroll reported that the PARC Tax process is beginning, noting that the kickoff meeting is scheduled for the following day and that she would be in attendance. She further stated that the PARC applicant workshop will be held on January 21 at 5:30 p.m. and encouraged anyone interested in applying for a PARC Tax grant to attend. She noted that additional meetings are scheduled over the coming months as part of the process. She reported that she spent several hours participating in the evaluation of applicants for the school district superintendent position and commented that there are a number of strong candidates.

Council Member Taylor had nothing to report.

5. Mayor's Report

Mayor Frost reflected on the recent holiday period and noted that the Council had not met since the holidays. He shared that the quieter pace in the community provided a meaningful opportunity to focus on family and neighbors and described the break as refreshing and beneficial. The mayor thanked City staff for their work during the holiday period, noting that while the city was quieter, essential public safety services remained on call and responsive. He stated that the community remained safe and that overall conditions were positive. He concluded by expressing pride in the community and appreciation for the environment and quality of life in the city.

COMMON CONSENT AGENDA

(*Common Consent* is that class of Council action that requires no further discussion or which is routine in nature. All items on the Common Consent Agenda are adopted by a single motion unless removed from the Common Consent Agenda.)

1. Approval of the December 2, 2025, work session minutes.
2. Approval of the December 9, 2025, city council minutes.
3. Approval of the authorization to release the Improvements Durability Retainer of \$35,235.00 for Autumn Crest Plat F, located at 935 East 1060 North.
4. Approval of the authorization to release the Improvements Construction Guarantee in the amount of \$123,940.25 and issue a Notice of Acceptance for the American Fork 860 Apartments (Arza) construction of public improvements located at 778 South 860 East.
5. Approval of the authorization to release the Improvements Construction Guarantee in the amount of \$1,571,739.21 and issue a Notice of Acceptance for the Meadowbrook Phase 3 construction of public improvements located at 560 South 850 West.
6. Approval of the authorization to release the Improvements Construction Guarantee in the amount of \$2,019,929.78 and issue a Notice of Acceptance for the Meadowbrook Phase 2 construction of public improvements located at 560 South 850 West.
7. Ratification of city payments (December 3, 2025, to January 6, 2026) and approval of purchase requests over \$50,000.

Council Member Taylor moved to approve the common consent agenda. Council Member Hunter seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Taylor, Council Member
SECONDER:	Ryan Hunter, Council Member
YES:	Carroll, John, Holley, Taylor, Hunter

ACTION ITEMS

1. Review and action on the following appointments to boards, commissions, and committees:
 - a. Robert McGee to the PARC Tax board.
 - b. Bob Nelson to the PARC Tax board.

Mayor Frost noted that two appointments being considered were to replace two members who needed to step down and expressed gratitude to the individuals willing to fill the vacancies. He then asked if there were any questions regarding the two appointments.

Council Member Hunter asked whether the new appointees would be filling the remainder of the current terms or beginning new terms. Mayor Frost responded that the appointees would likely fill the remainder of the existing terms.

Mr. Bunker confirmed that the terms would run through 2029 and explained that because appointments typically occur in January, the new appointees would begin their terms at that time. He noted that if the prior members had left midterm, the replacement terms would have been adjusted accordingly.

Council Member Hunter expressed concern about creating an irregular cycle or uneven turnover. Mr. Bunker agreed to review the schedule to ensure it does not create an offset in future terms.

Council Member Carroll moved to approve the appointment of Bob McGee and Bob Nelson to the PARC Tax Board with the terms ending in 2029. Council Member John seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Staci Carroll, Council Member
SECONDER:	Ernie John, Council Member
YES:	Hunter, John, Carroll, Holley, Taylor

2. Review and action on a resolution recognizing the American Fork Utah250 Committee, along with a memorandum of understanding and licensing agreement for support of America250 Utah.

Mr. Bird stated that this was for a small grant and is intended to engage communities in partnership with state-level activities to support branding and celebrations. He explained that a committee had been formed to organize a single event and that the grant application focused on leveraging existing community celebrations, including Steel Day, America Day, and Pioneer Day. Mr. Bird noted that the application requested funding for the minimum activities, specifically a drone show and associated branding in publications. Mr. Bird stated that the city has obtained the necessary licensing agreement and will adhere to the requirements. Mr. Bird stated that the City's approach would start with a simple implementation and that additional examples from other cities could be gathered and presented for reference.

Council Member Hunter moved to adopt Resolution No. 2026-01-01R to recognizing the American Utah250 Committee along with the memorandum and the management and licensing agreement for the Support America250 Utah. Council Member Holley seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Tim Holley, Council Member
YES:	Hunter, Carroll, Hunter, Carroll, John

3. Review and action on approval of an amended reimbursement agreement with Phelon Lakeland LLC for infrastructure improvements.

Council Member Carroll moved to approve the amended reimbursement agreement with Phelon Lakeland LLC for an amount no greater than \$991,538 for system improvements in conjunction with the Lakeland Industrial Park Development.

Council Member Taylor seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Staci Carroll, Council Member
SECONDER:	Clark Taylor, Council Member
YES:	Holley, Taylor, Hunter, Carroll, John

4. Review and action on a water banking agreement for water shares with Layne Downs for 19-acre feet of water.

Council Member John moved to approve the water banking agreement for water shares with Lane Downs for 19-acre feet of water. Council Member Carroll seconded. Motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ernie John, Council Member
SECONDER:	Staci Carroll Council Member
YES:	Holley, Taylor, Hunter, Carroll, John

5. Review and action on a revised water banking agreement for water shares with Patterson Construction for 17.6-acre feet of water.

Council Member John moved to approve the amended water banking agreement for water shares of Patterson Development LLC for 17.6-acre feet of water. Council Member Hunter seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Tim Holley, Council Member
YES:	Carroll, Taylor, John, Hunter, Holley

6. Review and action on a resolution to consider the petition for annexation of the TSSD Boat Harbor Pump Station Annexation, consisting of 31.956 acres at approximately 20 East 1700 South.

Mr. O'Brien explained that the item represented the first legislative step in the annexation process. He noted that the applicants had already participated in three meetings with staff and had met all county requirements. The petition before the Council was for consideration of whether to accept the annexation into the city. He noted that an annexation agreement, including specified zone and other requirements, would be drafted at a later date. The packet included a document outlining existing and required utilities, as well as other pertinent information required by municipal code.

Mayor Frost indicated that representatives from TSSD were present to answer any questions.

Ms. Schriever informed the Council that amendments to the resolution had been distributed, noting that the changes were minor and not substantive. She summarized the key revisions:

- The first "whereas" statement was updated to reflect a single petitioner, removing the plural reference to "owners."
- The fourth "whereas" statement was revised to clarify that the petition contains the signature of the owner of all publicly owned property within the area proposed for annexation, and that the public owner is not the federal government.

Ms. Schriever explained that these changes clarified the annexation qualifications for a single public entity and removed references to private property owners and associated statutory requirements.

Council Member Carroll asked whether there are any differences in the annexation process when annexing public property. Mr. O'Brien explained that the process is generally the same but noted that certain distinctions arise when both public and private properties are included in the same annexation. He described that for private property components, requirements such as private land volume and valuation must be met, including approval by over 50% of private property owners. He clarified that these private property requirements do not apply to public entities, and public institutions or governmental groups cannot be compelled into annexation through this process.

Council Member John asked how much of the property would be designated as shoreline-protected. Mr. O'Brien responded that the exact amount had not yet been determined. He explained that shoreline protection and other designations would be specified in the annexation agreement.

Council Member Taylor moved to adopt Resolution No. 2026-01-02R accepting the petition for annexation for the TSSD Boat Harbor Pump Station annexation consisting of 31.956 acres approximately 20 East and 1700 South. Council Member John seconded the motion.

Ms. Schriever asked Council Member Taylor to clarify on the record that the motion being proposed is articulated as amended.

Council Member Taylor moved to approve the resolution as articulated and amended. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Taylor, Council Member
SECONDER:	Ernie John, Council Member
YES:	Holley, Carroll, Hunter, Taylor, John

7. Review and Action on an application for a Zone Change, known as Walton Lot Change, located at 794 West 1000 North Circle. The Zone Change will be on approximately 0.58 acres and is in the RA-1 and R1-12,000 zones. The applicant seeks to change to the R1-12,000 Zone.

Mr. O'Brien provided background regarding a subdivision lot currently under consideration. He explained that when the subdivision was originally approved, the lot was legally conforming to a 1-acre minimum. Over time, boundary adjustments recorded with the county but outside of City processes resulted in the lot shrinking and becoming an illegal, non-conforming lot. The current proposal is to rezone the property from RA-1 to R1-12,000, which would bring it into compliance with the required density and allow the applicants to build their home. Mr. O'Brien noted that the issue was identified during the winter building permitting process, when City staff perform verification checks to ensure compliance with zoning requirements. He stated that rezoning was the most straightforward process to bring the property into compliance.

Council Member Hunter asked for clarification on why the lot became non-conforming. Mr. O'Brien explained that prior ownership of both lots and an accessory structure built

over the property line led to boundary adjustments when part of the property was sold, resulting in the lot's irregular shape. Council Member Hunter noted that this would make the lot the only one in the cul-de-sac not zoned RA-1. Mr. O'Brien confirmed the adjacent subdivision is zoned R1-12,000 and acknowledged the irregularity. Council Member Hunter added that since the prior owner created the non-conforming situation, rezoning the lot to compliance is reasonable. Mr. O'Brien confirmed that all adjacent property owners were properly notified.

Council Member John moved to adopt Ordinance No. 2026-01-01 approving the zone change located at 74 West 1000 North Circle of American Fork City from the residential agriculture RA-1 to the residential R1-12,000 zones subject to any conditions found on the staff report. Council Member Holley seconded the motion. Voting was as follows.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ernie John, Council Member
SECONDER:	Tim Holley, Council Member
YES:	Holley, John, Taylor, Hunter, Carroll

8. Review and action on a resolution ratifying the action taken by the council to authorize the issuance of lease revenue bonds and establishing the maximum amount of the bonds.

Mr. Kelly outlined the City's need for a new facility, highlighting deficiencies in the current building. He stated that approximately ten staff members currently lack office space, particularly on the south side of the complex, preventing access to computers, GIS, timekeeping, and other basic functions. He also noted a shortage of bay space.

Mr. Kelly compared the proposed facility needs to those of Orem, a city with a similar projected population (approximately 80,000–90,000). He explained that Orem's facility totals roughly 18,900 square feet, with an additional 4,000 square feet for the Sewer department and 12,000 square feet dedicated to Development Services, including Zoning, Planning, Engineering, and Building safety, resulting in approximately 34,000–36,000 square feet overall. He stated that the City's proposed building would provide comparable space, with two stories and a basement, sufficient to house all departments at full build-out without requiring future remodels or retrofits.

Mr. Kelly noted that while the City's land area is smaller than Orem's, the infrastructure needs—particularly water lines and pressurized irrigation—are similar. He further noted that the current facility has 22 bays, compared to Orem's 36, indicating that the proposed facility would meet comparable operational requirements. Mr. Kelly concluded by emphasizing that the proposed size aligns with the City's anticipated needs and asked if there were any questions regarding the planning process.

Council Member Taylor sought clarification on whether the current building project addressed the garages and sheds south of 200 South. Mr. Bunker explained that Phase I does not, and that Phase II would cover the south side. Council Member Taylor asked whether the bond would cover Phase II, and Mr. Bunker confirmed it would not; a separate bond would be required.

Council Member John expressed support for consolidating all City services in one location, providing a "one-stop" for the public from the utility building through development services and engineering. Mr. Kelly agreed on the need for the Administration building and

noted that while the number of bays could be adjusted between 22 and 36, the current concept plan of roughly 30,000 square feet aligns with facilities in similarly sized cities. Council Member John noted that existing space is inadequate, citing crowded pre-construction meetings and limited conference room capacity. Mr. Kelly noted that while the city has outdoor storage space, none of it is covered. He explained that many water supplies and materials, including plastic pipe and wire clamps with rubber fittings, are vulnerable to sun damage, which degrades the materials and renders them unusable. He added that certain equipment, such as a tractor used for mowing and a grader, also requires storage that does not necessarily need to be in a bay but must be protected from the elements.

Council Member Taylor noted that the current bond does not address the outdoor storage and equipment protection needs previously described by Mr. Kelly. Mr. Kelly clarified that Phase I, on the north side, would include some covered three-sided storage around the building perimeter, providing protection from the sun for equipment such as tractors, graders, mowers, and Parks vehicles. Council Member Taylor asked whether all storage needs would move to the south side after Phase II construction. Mr. Kelly explained that in Phase II, the larger bays and material storage currently on the north side, including aggregate bins, would be relocated to the south side. He noted that some of the existing bays are outdated and have issues, such as pest intrusion, and that relocating these functions would allow for construction of new bays and proper material storage on the south side.

Council Member Carroll asked how many staff from the utility building department would be relocating. Mr. Bunker explained that the utility billing staff would be relocated to the new building, consolidating services in one location. Currently, residents needing assistance with bills, leak checks, or planning inquiries must navigate between multiple offices. Moving the utility billing group, which is approximately six staff members, would streamline these interactions. He noted that other departments, including Finance, the Recorder's Office, the Mayor's Office, and HR, would remain in the main administration building. Mr. Bunker emphasized that consolidating utility services with the water department in the new building would improve efficiency and convenience for both staff and residents, especially as meter reading demands increase with the expansion of the pressurized irrigation system.

Mr. Kelly added that coordination between departments is intensive, noting that during December and January, approximately 120 meters required work orders and integration with other building operations, highlighting the high level of interdepartmental coordination.

Mayor Frost asked Mr. Dugdale to discuss the timing of the City's current actions, including potential risks and market trends.

Mr. Dugdale provided a municipal bond market update, noting that while future interest rates cannot be predicted, historical trends can inform timing decisions. He explained the "January effect" in the municipal bond market, where bond supply is typically lower due to fewer issuances nationwide, often resulting in higher demand and lower interest rates. He stated that this timing strategy had been discussed previously with City staff. Mr. Dugdale reviewed current market data, including recent declines in AAA-rated municipal yields across 5, 10, and 30-year terms, and noted that rates had decreased

compared to the prior week. He stated that the City's strategy has been to issue bonds during favorable market conditions to secure the lowest possible rates, given the size and scope of the project. He reported that the City's bonds are rated AA2, with the City's overall rating having been upgraded to AA1 and noted that while lease revenue bonds are typically rated one step below general obligation bonds, the City's rating remains strong.

Mr. Dugdale outlined the remaining process, stating that the city is targeting January 22 for the bond pricing date. He explained that pricing is the point at which bonds are offered to investors, interest rates are locked in, and orders are received. Following pricing, there is an approximately two-week period to finalize documentation and close the transaction. He concluded by offering to answer any questions from the Council.

Mr. Johnson reminded the Council that at the December 9 meeting, the Council approved a bond resolution authorizing the issuance of bonds, after which the required public notice was published. He noted that the original resolution approved a maximum bond amount of \$50 million, but that Council members had expressed concern about the size of the bond. As part of that action, the Council directed staff to return with a revised amount for consideration. Mr. Johnson explained that the item before the Council was to approve a new "not-to-exceed" amount of \$45,250,000, which represents the staff-recommended figure based on the project scope. He clarified that while the Council may set the amount at any level it chooses, it cannot exceed the previously authorized maximum of \$50 million.

Mayor Frost emphasized that while even small expenditures represent meaningful taxpayer dollars, the magnitude of this project requires careful deliberation. He stated that the proposed building is intended to be practical, durable, and designed to serve the community for generations. He stressed that the facility will not be excessive or impractical, but rather thoughtfully designed and appropriate to its surroundings. He noted that Public Works represents the backbone of the community's infrastructure and houses a significant portion of the City's workforce, underscoring the importance of investing wisely in the facility. He expressed confidence in the project while acknowledging the need for thorough Council discussion, stating that the matter warrants deliberate consideration to ensure alignment with the City's values and long-term goals.

Council Member Holley stated that after discussions with the Mayor, Council members, and staff, reviewing staff materials, and comparing facilities in other cities, he believed the proposed building is larger and more expensive than appropriate for the city. He noted that comparable public works facilities typically range from 15,000 to 25,000 square feet and supported a more modest, fiscally responsible approach, particularly given other major capital projects on the horizon. Council Member Holley indicated support for a facility in the range of 25,000 to 30,000 square feet, which he estimated could reduce costs by \$5 million to \$10 million. He concluded that he would be unlikely to support a bond exceeding \$35 million to \$40 million and did not support the currently proposed 45,000-square-foot scope.

Council Member Carroll emphasized the importance of ensuring that comparisons with other public works facilities account for differences in staffing levels and departmental functions. She noted that the proposed facility would serve a broader range of departments than a traditional public works operation, extending beyond sewer, storm drain, and pressurized irrigation. She acknowledged that the proposed bond represents a significant

financial commitment to the City and stressed the need to ensure that the decision is fiscally prudent.

Council Member Carroll questioned whether excluding the utility billing department from the move would reduce the required building size or overall project cost. She expressed uncertainty about whether consolidating departments into one facility would meaningfully reduce inefficiencies or public inconvenience, noting that two buildings would still exist and some level of coordination would continue to be required. She concluded by asking staff whether retaining the utility billing department in its current location would result in measurable space or cost savings.

Mr. Bunker explained that reducing the number of staff housed in the proposed building would allow for a reduction in square footage, which would in turn lower overall construction costs. While he could not specify an exact amount, he noted that decreasing the office space by several thousand square feet would reduce the bond amount required for the project.

Council Member Carroll asked for clarification on how construction would be phased and whether the existing building would remain in use during construction. Mr. Bunker responded that the proposed phasing plan would allow the new building to be constructed while staff continue operating out of the existing facility. Once construction is complete, staff will relocate to the new building, after which the old building will be demolished. He noted that this approach avoids the need to lease temporary off-site space, reduces disruption to operations, and minimizes logistical challenges commonly associated with rebuilding on an active site.

Council Member Taylor expressed reluctance to approve the bond at this time, citing the scale of the project and the Council's responsibility to taxpayers. He stated that, unlike other major City projects, this proposal had not yet been fully vetted through a dedicated work session. While acknowledging the importance of timing the bond issuance and the operational need for the facility, he raised concerns about committing to a bond amount near the maximum without first exploring alternatives, including potential reductions in square footage and overall cost. He stated that additional discussion would help clarify needs and cost tradeoffs and indicated that, based on these concerns, he was not prepared to support the bond that evening.

Council Member John expressed general agreement with Council Member Taylor's desire for additional discussion but cautioned against delaying the project too long. He emphasized the importance of planning and building for long-term build-out rather than taking a short-sighted approach. Drawing on past experience with the pressurized irrigation (PI) system, he noted that repeated delays significantly increased costs over time, citing how the project grew from under \$8 million to \$47 million by the time it was finally built. He used this as an example of how postponement can lead to substantially higher costs.

Council Member John acknowledged that further review and refinement would be beneficial but stressed that population projections and infrastructure planning often lag behind actual growth. He stated that this project presents an opportunity to thoughtfully determine current and future needs without overbuilding. He expressed confidence that staff are not seeking to overspend but rather to create a functional, practical facility that meets operational needs. Ultimately, he supported taking a measured look at the project

now to balance fiscal responsibility with long-term value, ensuring the city gets the best outcome and use of taxpayer dollars over time.

Council Member Hunter supported consolidating City services into a single campus and emphasized the importance of long-term, phased planning. He noted that the current proposal represents Phase I rather than a full build-out, with additional land available for future expansion. He cautioned against comparing costs with other cities, explaining that many figures exclude total bond-related expenses, and expressed appreciation for staff's transparency in presenting an all-inclusive budget. Council Member Hunter recommended establishing a firm overall budget, hard bidding the project with defined add alternates, and deferring non-essential elements to a future phase. He emphasized the need for clarity on whether the city intends to fully build out the project now or deliberately stage development over time to manage costs while planning for future needs.

Council Member Carroll asked about the options available to the Council, noting that they could set a different standard, establish a different rate, defer action, delay the decision, or pursue an alternative approach. She asked whether the current rate was known or if it would only be determined once the bonds were taken to market. Mr. Dugdale responded that the rate can be estimated, explaining that it is typically about 5 percent of the interest rate. However, he noted that the actual rate is not known until the bonds are sold and investor orders are received.

Council Member Hunter asked a follow-up question, stating that he was unsure what bond market rates are typically tied to, and asked whether they are connected to Treasury bills or another benchmark. Mr. Dugdale explained that municipal bonds operate within their own market, which includes both a primary and secondary market. He clarified that they are not priced the same way as mortgages.

Council Member Hunter referenced recent federal investments of hundreds of billions of dollars into Fannie Mae and Freddie Mac, acknowledging that those entities are not directly related to municipal bonds, but asked whether such actions could still have an impact on bond rates. He noted that the Federal Reserve influences the broader financial markets and asked whether those investments might drive base rates down. Mr. Dugdale responded that he did not believe those investments would be a significant driver in the municipal bond market, adding that he was not aware of a comparable situation in the past. He explained that while estimates can be made, there are differing opinions among economists. Some anticipated rates could decline this year due to actions by the Federal Reserve, which would primarily affect the short end of the yield curve. Others believe long-term rates will remain relatively stable. He concluded by noting that there are many unknowns at this time, particularly due to geopolitical factors.

Council Member John stated that, based on historical experience, the current period is traditionally considered a favorable time to enter the bond market. He added that if the city were to wait two or three weeks, rates could move in the opposite direction, potentially affecting the city either significantly or minimally. He acknowledged that such projections involve uncertainty.

Mr. Dugdale responded that interest rates can move either up or down, but the timing and magnitude of those changes are difficult to predict. He noted that short-term movements over a two- to three-week period are generally modest and expressed appreciation for

staff's strategic approach. He emphasized the importance of reviewing historical trends and targeting the market appropriately.

Mr. Dugdale stated that interest rates alone should not be the primary driver of the decision; rather, the project itself, preferred timing, and the Council's comfort level should guide the process. He explained that once the city directs staff to proceed to market, more detailed analysis can be conducted. While rates change week to week, he noted that there have not been recent significant shifts. He explained that in the municipal bond market, even a 0.25 percent change is significant, particularly for a \$45 million issuance.

Council Member Hunter stated that he could support a \$40 million project cap, emphasizing that a firm budget would help staff manage scope and avoid an overly elaborate design while still delivering a durable, 50-year facility. He noted that certain features could be deferred to a future phase if necessary. Council Member Hunter expressed his belief that construction costs are unlikely to decline and that building sooner is generally more cost-effective, though he acknowledged the need to balance this project against other funding priorities, including road and infrastructure needs on the west side of the City.

Council Member Hunter further stated his concern about layering this bond on top of other major obligations, such as a recreation center, additional projects, Fire Station 53, and other capital improvements. In his view, the city has multiple competing needs. He noted that reducing the project budget by \$10 million would be significant, stating that such an amount represents approximately half the cost of a fire station. While acknowledging that the City may not be able to fund the entire project as envisioned, he expressed hope that a reduced budget could still deliver a substantial portion of the facility.

Council Member Hunter moved to adopt Resolution No. 2026-01-03R ratifying the actions by the council to authorize the issuance of lease revenue bonds and establish a maximum amount of bonds at \$40 million. Council Member Holley seconded the motion.

Council Member Holley stated that the \$40 million figure should be understood as a maximum cap, emphasizing that setting that amount does not mean the city intends to spend the full amount.

Council Member Taylor stated that he was not advocating for a lengthy delay or asserting that \$45 million was the correct budget but rather seeking additional discussion to clearly define the project scope and cost. He emphasized that the City's goal is to consolidate City administration, Public Works, and Engineering into a central facility to improve efficiency and customer service, following years of strategic property acquisition. While appreciative of the proposed \$5.2 million reduction, he noted that the revised figure still felt arbitrary and reiterated that his intent was not to stall the project, but to ensure the Council fully understands the plan and considers potential scope adjustments to reach an appropriate and agreed-upon budget.

Council Member Holley asked if staff could provide updated information for the Council to review and revisit in two weeks. Mr. Bunker responded that it would be difficult to provide precise numbers within that timeframe because an architect has not yet been hired. He explained that once an architect is procured, a detailed analysis of layout, space needs, and

design efficiencies could be conducted. He noted that through this process, including value engineering in the CMGC approach, the city would be able to refine the project scope and identify potential cost savings.

Council Members Hunter, Taylor, and Holley discussed the timing and amount of the proposed bond issuance. Council Member Hunter expressed concern about missing a favorable bond market opportunity and asked about potential costs and premiums if the full \$40 million were issued but only \$35 million were used. Council Member Taylor clarified that issuing \$40 million in bonds means \$40 million is raised, and unused funds would not be returned. Council Member Holley confirmed that a bond cannot be partially returned. The discussion concluded with Council Members Hunter and Taylor noting that funds could be reserved for future phases, including development on the south side of 200 North, which made the proposed bond amount more acceptable.

Mr. Dugdale clarified that once bonds are sold, the full amount is borrowed and must be spent within three years, noting that January has historically been a favorable time to issue bonds, though market fluctuations can occur.

Council Member Hunter asked whether the public works facility is the City's highest priority. Mr. Bunker responded that the project is a very high priority due to limited space and challenging working conditions, while acknowledging that other needs, such as additional fire resources, are also important. He emphasized the importance of keeping the bond amount as tight as possible and noted ongoing efforts to secure land on the south side for future phases.

Mayor Frost stated that the City Council has the authority to conduct work sessions as needed and expressed confidence in the staff's ability to manage the bond process responsibly. He noted that conceptual plans have been reviewed and that sufficient funds—potentially at least \$3 million—would be available for property acquisition across the street. He emphasized that even with a \$40 million bond, the city could accomplish a significant portion of the project and implement necessary infrastructure improvements, such as a bridge over the creek.

Council Member Taylor stated that he was comfortable proceeding with the bond, noting that funds could be applied for or reimbursed within the 5-year period, which allows flexibility in managing expenditure.

Mayor Frost called for a vote on the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Tim Holley, Council Member
YES:	Hunter, John, Carroll, Holley, Taylor

9. Review and action on a resolution executing a lease/purchase agreement for the purchase of Fire Engine 53 and related equipment.

Ms. Montoya reported that the truck ordered in April 2023 is expected to be received early next month, noting that the process from order to possession has taken approximately 33 months. She explained that the equipment will be added to the truck and that the financing is structured as a seven-year lease with a 4.47% interest rate through Zions Bank Corporation, with debt service beginning January 27.

Council Member Hunter asked whether there is a \$1 buyout at the end of the lease, and Ms. Montoya confirmed that it is a lease-to-own arrangement.

Council Member Huner moved to approve Resolution No. 2026-01-04R for the lease purchase agreement in substantial form with Zions Bank Corporation NA, Salt Lake City, Utah, in the amount of \$1,137,152 and authorize the executive execution and delivery thereof. Council Member Holley seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Tim Holley, Council Member
YES:	John, Taylor, Hunter, Holley, Carroll

10. Review and action on the award of the design contract for the Boley Well Rehabilitation Project.

Council Member Holley expressed concern about discrepancies in the estimated labor hours among three bids for a project. He noted that while the dollar amounts vary, the estimated hours differ widely, which raises concerns about whether a lower-bid firm can deliver the same quality in significantly fewer hours. He emphasized that the issue is not only cost, but also ensuring sufficient labor to meet project standards.

Council Member John noted that Horrocks is the engineer on a similar project and that while their proposal aligns closest to the requested skill set, they have not performed changeovers on the current project.

Council Member Hunter clarified that design hours from the engineering firm would not include construction work, whereas the other firms' proposals include both design and construction, highlighting a difference in scope.

Mr. Kelly noted that Horrocks has an advantage because they have previously been involved in other well-rehabilitated projects and are familiar with the equipment and processes. This prior experience allows much of the work to be "plug and play," reducing labor requirements.

Mayor Frost and Mr. Bunker emphasized that Horrocks' extensive experience with the City's water system and prior projects gives them a competitive edge. Mr. Bunker expressed confidence that Horrocks' bid accounts for all necessary work and noted that in the past, bidders who underestimated their scope were questioned and sometimes withdrew their proposals, ensuring accountability.

Council Member Taylor move that the city award Boley Well Rehabilitation design in the amount of \$53,286 to the responsible low bidder, Horrocks and to approve the design agreement substantially as presented in addition to a project engineering contingency of \$10,000 to be held by the city. Council Member John seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Taylor, Council Member
SECONDER:	Ernie John, Council Member
YES:	John, Taylor, Hunter, Holley, Carroll

11. Review and action on the award of the design contract for the Dixie Well Project.
Council Member Carroll moved to approve the design agreement and substantially the form as presented for the Dixie Well engineering project with Bowen Collins & Associates. Council Member Taylor seconded the motion.

Council Member Holley expressed concern that Horrocks did not submit a bid on the project, noting that the city may have missed an opportunity to secure a significantly lower price on a project valued at approximately \$300,000. He suggested that, where legally permissible, the city consider ensuring that preferred or previously successful vendors are made aware of RFPs, so they have the opportunity to bid and the city does not miss potential cost savings.

Mr. Bunker responded that the City uses pre-qualified firms through master services agreements, which allow eligible firms to bid on projects. He noted that Bowen Collins is a highly capable firm with strong experience locally and regionally and stated that he believes the city is receiving good value on this project.

Mayor Frost added that bid participation can be influenced by timing and strategic decisions by firms, noting that Horrocks is active across a broad regional market and may have chosen not to pursue this particular opportunity.

Mayor Frost called for a vote on the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Staci Carroll, Council Member
SECONDER:	Clark Taylor, Council Member
YES:	Holley, John, Taylor, Hunter, Carroll

12. Review and action on the award of the design contract for the 860 East 1300 South Storm Drain Project.
Council Member Hunter moved to approve the design contract and substantial form. Council Member John seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Ernie John, Council Member
YES:	Hunter, John, Carroll, Holley, Taylor

13. Review and action approving the design contract for the 100 East Waterline Replacement (740 North to 1120 North) Project.
Council Member Holley moved to approve the design agreement insubstantially the form as presented for the 100 East Waterline Replacement project with Hansen, Allen & Loose, Inc. Council Member John seconded the motion.

Council Member John asked whether his prior service on a board with a principal from Hansen, Allen & Luce created a conflict of interest. Ms. Schriever responded that it did not, noting that Council Member John has no economic interest. Council Member John confirmed that the relationship was limited to board service.

Council Member Taylor asked when the project would begin. Mr. Kelly responded that the intent is to begin design within the next few months and potentially proceed with construction later this year. He noted, however, that recent and repeated waterline breaks

on 200 West near Shelley Elementary may require the city to prioritize work in that area instead, which could affect the timing or location of this project.

Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Ernie John, Council Member
YES:	Carroll, Taylor, Hunter, Holley, John

14. Review and action on approval of the Standard Operating Procedures for Municipal Stormwater Responsibilities required under the American Fork City MS4 Permit.
Council Member Carroll moved to approve and adopt the standard operating procedures for American Fork City Municipal Separate Storm sewer system activities as presented and authorize the Storm Drain Division to implement and update procedures as required for compliance with the small MS4 permit. Council Member John seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Staci Carroll, Council Member
SECONDER:	Ernie John, Council Member
YES:	Hunter, John, Carroll, Holley, Taylor

15. Review and action on an ordinance approving a code text amendment, known as Easements, of the American Fork City Municipal Code. Amending Section 15.01.110, the code text amendment removes standard side yard easements.
Council Member Taylor moved to adopt Ordinance No. 2026-01-02, approving the proposed code text amendment amending section 15.01.110 title easements clarifying easements references removing side yard easements requirements and providing an effective date for the ordinance. Council Member John seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Taylor, Council Member
SECONDER:	Ernie John, Council Member
YES:	Carroll, John, Holley, Taylor, Hunter

16. Review and action on an ordinance approving a code text amendment, known as Sidewalks - Cleaning by Property Owner, of the American Fork City Municipal Code. Amending Section 12.12.030, the code text amendment plans to clarify the existing language to detail that the owner or occupant of a property is responsible for maintaining the entire frontage of the property, including front, side, and rear.

Mayor Frost stated that agenda item number 16 would be brought back for discussion during a future work session to allow additional time for review and discussion.

17. Review and action on an Encroachment Agreement with the Utah Department of Transportation (UDOT) for Project S-R-399(40).
Council Member John moved to approve the encroachment license agreement with the Utah Department of Transportation (UDOT) for the work project S-R-399 (40). Council Member Taylor seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ernie John, Council Member
SECONDER:	Clark Taylor, Council Member
YES:	Hunter, John, Carroll, Holley, Taylor

18. Review and action on a resolution providing for the continuity of government pursuant to the provisions of the Emergency Interim Succession Act.

Council Member Hunter moved to approve the resolution. Council Member Holley seconded the motion. Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Council Member
SECONDER:	Tim Holley, Council Member
YES:	Carroll, Taylor, Hunter, Holley, John

19. Adjournment.

Council Member John moved to adjourn the meeting. Council Member Hunter seconded the motion. All were in favor.

The meeting was adjourned at 8:57 p.m.



Stephanie Finau
Deputy Recorder