



**ADOPTED MINUTES**

**WORK SESSION ANNUAL CONFERENCE (MIDWAY) MEETING**

**January 29, 2026 10:00 am to 5:00 pm**

**January 30, 2026 8:00 am to 5:00 pm**

**January 31, 2026 8:00 am to 5:00 pm**

**160 W Main Street Midway, UT 84049**

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**Councilmembers Present:**

Mike Mendenhall, Mayor  
Landon Tooke, Councilmember  
Stacy Beck, Councilmember

Kevin Oyler, Councilmember  
Shane Marshall, Councilmember  
Jesse Cardon, Councilmember

**Councilmembers Absent:**

Councilman Jesse Cardon (January 29, 2026 left at 11:12 am and was on the phone later and then returned at 2: 47 pm).

Mayor Mike Mendenhall (January 30, 2026 10 am to 11:15 am)

Councilman Landon Tooke (January 31, 2026 at 1 pm to 2:15 pm)

**Staff Members Present:**

Dave Anderson Anderson Anderson, Community  
Development Director  
Jordan Hales, Finance Director  
Chief Matt Johnson, Police Chief  
Tara Silver, City Recorder  
Tyler Jacobson, Assistant City Manager  
Dale Robinson Parks and Recreation Director  
Vaughn Pickell, City Attorney  
Bronco Hunter 12:30 pm to 2 pm

Seth Perrins, City Manager  
Jack Urquhart, Public Information Officer  
Scott Aylett, Library Director  
Cory Pierce, Public Works Director  
Chief Eddie Hales, Fire and EMS Director  
Jared Bartel, IS/SFCN Director  
Shelley Hendrickson, Executive Secretary  
Nick Porter 12:30 pm to 2 pm

**Staff Members Absent:**

Eddie Hales (was absent January 29, 2026)

Jack Urquhart (January 31, 2026, left after Public Works  
and returned for the Parks and Recreation)

Jared Bartel (January 30, 2026, 10:45 am to 11:16 am)

**Visitors Present:**

None

**WORK SESSION: Discussion took place regarding the item(s) listed below; no formal actions are taken in a work session.**

**Thursday, January 29th, 2026**

**CALL TO ORDER:****Meeting Overview**

The Spanish Fork City work session convened on Thursday, January 29th at 10:07 a.m. The session was conducted as a work session. The meeting functioned as part of a multi-day work session intended to review prior-year activities, prepare for the upcoming year, and facilitate extended collaboration among elected officials and staff.

The meeting was opened by the Mayor Mike Mendenhall, who formally called the work session to order and confirmed the meeting format. Introductory remarks established context for the gathering, noting the continuity of annual work sessions and acknowledging the long-standing participation of several attendees. The opening emphasized the dual purpose of the session: reflection on the previous year and planning for the year ahead. Appreciation was expressed for departmental staff and participants who adjusted schedules and completed preparatory work to support the session.

Following these opening remarks, responsibility for the meeting transitioned to Seth Perrins, who assumed primary facilitation duties for the remainder of the session.

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**Welcome - Seth Perrins**

After assuming facilitation, Seth Perrins addressed logistical and housekeeping matters for the multi-day work session. He acknowledged the time commitment required of elected officials and staff and expressed appreciation for their participation. He outlined meal logistics for the duration of the session, including lunch arrangements for the day, dinner plans for the evening, and upcoming meals for the following days. He clarified that participation in evening meals was optional and explained how future meal orders and confirmations would be handled. Perrins also addressed general expectations for attendance and participation throughout the session.

The facilitator recognized staff members responsible for logistics and coordination related to the venue, food service, and scheduling, noting that these arrangements had been managed over an extended preparation period. Technical setup and audiovisual support were

acknowledged, including advance preparation to ensure consistency with prior years and readiness for the session.

Attention was drawn to microphone usage and room acoustics. Participants were advised to be mindful of side conversations due to directional microphones and were encouraged to step away from the table for private discussions if needed. The facilitator emphasized flexibility, stating that participants were free to move around as necessary during the session.

The facilitator explained that the work session included planned engagement activities integrated into the agenda. One such activity was an axe-throwing competition, referred to as an annual tradition, with prior participants recognized and procedures outlined for the current year. Rules, brackets, and expectations for participation were described, and scheduled breaks were identified as designated times for these activities.

Additional adjustments to the session format were introduced, emphasizing that engagement activities were intended to occur during specific diversion breaks listed on the agenda and would not interrupt formal work segments.

Responsibility then transitioned to introduce a themed interactive activity designed to span multiple days of the work session. The activity structure was outlined procedurally, including team formation, daily team rotation, point accumulation, and scoring mechanics. Expectations for participation were explained, along with how individual performance would be tracked within team-based activities.

Rules governing scoring, placement, and bonus elements were described, including the existence of hidden elements to be discovered during the session. Participants were instructed on confidentiality and timing related to these elements. The overall structure was framed as an organized diversion integrated into the agenda rather than a standalone event.

The facilitator clarified how the interactive activities aligned with the formal agenda, specifying that designated diversion breaks would be used for participation. The segment concluded with a check-in regarding participant readiness and team identification, allowing the facilitator to prepare for upcoming activities.

The meeting then proceeded according to the established agenda following the completion of procedural instructions and transitions.

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## **Finance - Jordan Hales Finance Director**

Jordan explained that he had a few reference slides and began with a personnel request, noting that the utility office had changed significantly over the past ten years. Ten years earlier, the office had five full time employees and four part time benefited employees, and across the city there were roughly 12 to 15 part time benefited positions. The city had since made a deliberate shift away from part time benefited employees toward either full time positions or part time roles without benefits, leaving only about three part time benefited

employees citywide. At that time, the utility office served just over 12,000 accounts with 294 total hours worked per week and was beginning to transition many services online. Currently, the office had seven full time employees and two part time non benefited employees, serving more than 18,000 accounts, a 50 percent increase over ten years. Weekly hours had increased from 294 to 320, an 8 percent increase, while the nature of the work had shifted toward more technical processing and less in person customer service as customers completed more tasks online. Jordan explained that part time staff were not present enough to become proficient in the increasingly technical work, so the proposal was to convert the two budgeted part time positions into one full time benefitted position.

This change would not add hours but would provide stronger technical capacity, more redundancy and backup, and additional time for quality control. The proposed employee was a Spanish speaker, which would give the utility office a second full time Spanish speaker, aligning with the city's policy of compensating employees who regularly use a second language and supporting a growing Spanish speaking customer base. The annual cost increase for benefits would be approximately \$28,000, spread across seven utility funds, resulting in no more than a \$6,000 increase to any single fund. Because the office had effectively been operating short one part time employee for the past four months, those savings would allow the position to start immediately without going over budget.

Jordan then transitioned to utility rate data, explaining that the average residential utility bill had increased from \$125 in 2005 to \$208 twenty years later, representing an average annual growth rate of about 2.5 percent, roughly matching inflation over the same period. He noted that rates remained relatively flat until 2020, when increases reflected the need to build a \$110 million sewer plant. When broken out by service, sewer costs showed the most significant increase since 2020, while power costs remained relatively stable and water rates were still slightly lower than they had been twenty years earlier, even after the first water rate increase in more than two decades. Discussion followed, noting that the flat trend in power costs would likely surprise the public and that average household electricity usage had remained largely flat over many years as appliances and devices became more energy efficient, despite households using more technology overall.

Over the next few days, and beginning that afternoon, there would be continued discussion about how this trend needed to change because the city was starting to feel the effects of zero or flat growth, which in some areas meant moving backward. Most of the overall growth had effectively been absorbed by power and sewer, which had seen rate increases of 7 to 8 percent, while the other utilities had remained flat or experienced minimal increases. As a result, the overall 2.5 percent growth rate was largely driven by those two utilities rather than broad-based improvement across all funds. It was noted that when discussing the finances of a fund, rates could not be separated from the conversation because rates are how the fund is financed. While raising rates can make a fund appear healthier on paper, it comes at a cost to customers and must be weighed carefully.

The water fund was then reviewed. Beginning cash for the fiscal year was \$2.8 million, with ending cash projected at \$2.5 million, representing about 120 days of cash on hand. That projection included an early repayment of a \$1.2 million water loan to the golf fund, which

helped stabilize the water fund. Without that repayment, projected ending cash would have been closer to \$1.3 million. Both drinking water and pressurized irrigation are included in the fund, and cash levels have been volatile over time even though rates remained relatively stable. Rates were increased the prior year for the first time in more than two decades. Historically, the city relied on issuing debt to keep water rates low. Large water rights purchases are ongoing and expected to continue indefinitely, with annual costs reaching about \$1 million and increasing over time as additional water is secured. While the city holds sufficient water rights on paper, actual wet water availability depends on long-term conditions, though the city is currently well positioned for growth and long-term planning. State law also limits the city's ability to sell or exchange water rights.

The sewer fund was then discussed. Beginning operating cash was \$16.8 million, with ending cash projected at \$12 million following completion of the new treatment plant. The fund consists of two divisions, the treatment plant and collections. Mapleton owns 20 percent of the plant's capacity but is not involved in collections. Mapleton contributes its proportional share of operating, capital, and debt costs and receives 20 percent of any grant funding. The new plant is operational, and sewer rates have increased significantly, consistent with statewide trends. The annual budget for plant personnel and operations is approximately \$3 million, with an additional \$7.2 million in annual debt payments, making this fund unique due to the size of its debt obligation. Mapleton's share of the debt is included in those payments, with the city issuing the debt and Mapleton paying its portion.

The power fund was reviewed last. Beginning cash was \$20 million, with ending cash projected at \$14 million. The power fund has historically been a major financial support for the city, contributing approximately \$680,000 annually for 18 years toward justice center debt, with two years remaining. It also transferred \$9 million to the storm drain fund in fiscal year 2020 and carries an IOU from the general fund related to Adventure Heights Park, with annual repayments of about \$343,000. The fund's capacity to support other funds has declined significantly, as cash reserves have dropped from roughly \$30 million in prior years to closer to half a year of operating cash, representing a much different financial position than in the past.

There was discussion about the increasing need for power, which is frequently highlighted in news articles at both the state and national levels. Power generation is expensive and difficult to expand, and while the shortage of power resources is clearly visible on the horizon, the path to fully address that shortage is much less certain. Permitting new power generation is challenging, time consuming, and complex. Additional insight on this topic was expected from the UMPA conference in March. It was also noted that emerging technologies are accelerating demand, including the fact that an AI search uses roughly ten times more power than a traditional Google search, which helps explain the rapid growth in data centers and overall electricity demand.

The airport fund was then reviewed. Beginning cash was approximately \$130,000, with ending cash projected at \$100,000, and this projection included a \$500,000 loan. Without that loan, the fund would be projected to end the year at roughly negative \$400,000, indicating a clear need for additional cash support. Operating expenses are minimal, while

capital expenses are largely grant funded. Typically, about 92 percent of capital costs are covered by the federal government, roughly 4 percent by the state, and about 4 percent by the city. This marked the second consecutive year without a \$100,000 transfer from the general fund. Historically, when the airport was jointly operated by Springville and Spanish Fork, each city contributed \$50,000 annually, and Spanish Fork later continued the full \$100,000 contribution for several years. FAA rules require that all airport revenue be spent exclusively on airport purposes, meaning excess cash cannot be transferred elsewhere. Cash balances fluctuate significantly due to the timing of grant reimbursements and annual land lease billing, which occurs in December. A landing fee was implemented in August, and while revenues from ground leases and landing fees are growing, expenses are increasing at a similar pace. The fund was described as highly dynamic and difficult to budget, as it changes significantly from year to year.

The solid waste fund was described as very stable and predictable. Beginning cash was \$1.5 million, with ending cash projected to remain at \$1.5 million. There are no major capital expenses. The largest costs, aside from payments to Republic Services for collection and the solid waste district for hauling, are replacement garbage and recycling cans, which total approximately \$150,000 annually. About 71 percent of residents now have a recycling can, a relatively high participation rate compared to other communities. A policy encouraging new residents to try a recycling can for six months has contributed to increased adoption. Of the \$3.7 million budget, approximately \$2.6 million is outsourced. Recycling costs were noted to be volatile, fluctuating with fuel prices and the cost of producing new plastics, which affects demand for recycled materials.

The streets and storm drain fund was identified as highly volatile due to significant capital spending. Beginning cash increased by \$1.6 million, with ending cash projected at \$1.8 million, representing roughly 90 days of reserves. Ideally, reserves would be closer to double that amount. This projection did not include an anticipated \$13 million state contribution for the U.S. 6 Trail Bridge project. Unlike many projects where costs are reimbursed after spending, this project involves receiving funds up front and then delivering the project within that budget. Over the past six fiscal years, \$52 million has been spent on capital projects, with an additional \$12 million budgeted, much of it focused on major corridors such as 3rd West, 3rd East, and 8th East. Those projects were completed without issuing debt, which was noted as unusual given the scale of investment. Traffic remains the top resident complaint, and while some grants are received, the city often must front large sums before reimbursement. A \$500,000 annual transfer from the general fund is planned. Future funding approaches, including transportation utility fees and pending state legislation, were identified as key discussion points.

The gun club fund was reviewed next. Beginning cash was \$130,000, with ending cash projected to remain the same. This is a small fund that has changed significantly in recent years. Sporting clay practices have not been particularly popular, but sporting clay events have seen strong participation. Revenues have increased compared to previous years, but expenses have risen as well. Similar to the airport fund, this fund is evolving rapidly, making it difficult to predict its long term financial position.

The SFCN fund showed beginning cash of \$6.5 million and projected ending cash of about \$7 million, representing roughly nine months of reserves. Cash increased while completing the fiber to the home project, constructing a fiber ring, and paying off a \$2 million loan from the power fund. Internet revenue is expected to fund debt service for the new SFCN building. The fund continues to lose television and phone subscribers, though bundled discounts remain in place. Over the past six months, customer counts and average bills have begun to flatten, and new utility customers are choosing city internet services at a lower rate than in prior years, reflecting increased competition. While television service rates have increased, internet revenue growth has been driven by customers selecting higher speed tiers rather than rate increases. Additional details were deferred for later discussion.

Finally, the motor pool fund was discussed. Beginning cash was \$5 million, with ending cash projected at \$4.5 million. Historically, lease revenue was recognized once per year, creating large annual swings in cash balances. The city has transitioned to recognizing lease revenue monthly, resulting in more stable and transparent cash tracking. Vehicle replacement cycles have been extended, and projected vehicle purchases for the upcoming year are significantly lower than in prior years, though those estimates were noted as needing further verification.

There was a question about whether changes in vehicle purchasing practices had increased maintenance and repair costs. The response was that, so far, costs had remained about the same. Vehicles are generally newer, and instead of replacing them strictly on a three, five, or seven year schedule, the city has shifted to more intentional asset management. Specific vehicles are evaluated individually, and when projected costs begin to rise, that is when replacement is considered. The approach has become more need based rather than automatic, with the goal of catching vehicles at the right point before maintenance costs spike.

It was explained that the city had experimented with a three to five year rotation for pickup trucks and more consumer type vehicles during a time when trucks were scarce and prices were unusually high. While the strategy worked reasonably well and did not cause harm, it also did not generate the level of benefit that had been anticipated. The experiment created more churn than desired and did not result in significant net revenue. The consensus was that it was worthwhile to have tried it, but that pivoting away from that model made sense. As a result, resale revenue will decline because vehicles will now be kept longer, sold later, and for lower resale values, but the tradeoff is longer useful life and greater overall stability.

It was noted that fleet billing across all funds was expected to remain generally flat for the upcoming year, with some funds seeing slight increases and others slight decreases depending on how individual vehicles were reassessed. Overall, this flat trend was viewed as a positive outcome and a benefit to the funds, especially given broader financial pressures.

The discussion then shifted to capital project funds, specifically the land acquisition and capital building fund. This fund began the year with approximately \$7.4 million and was projected to end at about \$5.8 million. It is funded primarily through transfers from the general fund and is used to pay for most land purchases and certain fairgrounds projects. About \$1 million was budgeted this year for a park shop at the golf course. Potential large

future items included seismic upgrades to Thurber, fire station and construction of a new fire station, though the latter would ultimately occur through a separate capital project fund. This fund exists to hold cash for medium sized projects that are too large to pay for directly out of the general fund but not large enough to justify issuing debt.

The golf capital project fund was also reviewed. This fund was created to set aside money specifically for golf course capital needs. Seventy percent of golf course profits, capped at \$200,000, are transferred into the fund, though that cap has become largely irrelevant because annual profits have consistently exceeded it. The golf course has been averaging about \$1 million in profit per year, resulting in roughly \$200,000 being set aside annually for capital projects. Typical golf course projects tend to range from around \$100,000 to \$150,000, with occasional larger projects, such as the \$3 million spring court project, being the exception rather than the norm.

The discussion briefly shifted to the golf course before returning to a broader explanation of the capital project approach. The golf course capital project fund was described as a relatively new but important tool. With the golf course performing well financially, the city has intentionally begun setting aside a portion of those profits to fund future capital needs. This allows the course to pay for projects with cash rather than relying on the general fund or new debt. While the general fund still has needs and the golf course continues to repay the general fund for past capital investments, saving money during strong years was viewed as a smart and sustainable approach. There was clear enthusiasm for this simple capital project fund, particularly because it creates flexibility for future projects that can be funded outright.

A similar strategy is being used for the recreation center, where equipment replacement will eventually be needed. The goal is to have cash set aside in advance so those future costs do not create sudden pressure on other funds. It was noted that in past meetings, project prioritization sometimes surprised Council members, such as when a golf course sprinkler project rose to the top of the list, but those decisions have generally proven sound over time.

The Verk Fund was highlighted as another major area of activity. Significant spending has occurred, with approximately \$30 million spent over the past two fiscal years and another \$23 million projected for the current year. All of these expenditures are reimbursed, primarily through the Public Infrastructure District (PID), with some funding also coming from the county and MAG. Because funds flow in and out quickly, there is typically little to no cash balance sitting in this fund. Ongoing development in the area, particularly near the airport and industrial zones, was noted as substantial and highly visible.

Other capital related funds were reviewed more briefly. The River Reclamation Trail Fund currently holds about \$150,000, with limited activity at this time. The Fire Station Construction Fund includes a planned transfer of \$2.25 million from the land acquisition fund to support continued progress on design and preconstruction work. It was clarified that this funding supports preparation and architectural work, not the full construction commitment. Final approval to proceed with construction, including total project cost, will require additional Council action.

The recreation center fund was also discussed. The facility itself was built using this fund, while ongoing operations are handled through the general fund. At present, recreation center operations are generating a profit, though it was noted that a clearer picture of long term performance will emerge over the next year. Further discussion on those operational details was deferred to a later, post lunch conversation.

The parks construction fund receives parks and recreation impact fee revenue and began the year with \$2.6 million. About \$200,000 of that annual revenue is dedicated to repaying recreation center debt, with additional payments of roughly \$343,000 going toward reimbursing the power fund for the Adventure Heights Park project. Approximately \$2.1 million is projected to be spent this year, including work on what is now named Sunset Ridge Park, a small neighborhood park located north of Woodland Hills Drive on land previously acquired from Salem that had been planned for a reservoir.

The fund is also used to acquire land for future parks and to construct new park facilities. The RAP tax fund collects about \$1.3 million annually and began the year with \$1.4 million in cash, ending at a projected \$1.1 million. Roughly \$1 million of that annual revenue is applied to recreation center debt, with the remainder funding playground replacements, several of which have already been completed. RAP tax revenue closely tracks sales tax trends, growing steadily until interest rate increases slowed growth, resulting in relatively flat revenue over the past two years. The RAP tax, which started at about \$750,000 annually, has nearly doubled over its ten year life and must be reauthorized by the 2028 election to avoid expiration. The LBA funds function primarily as pass through mechanisms and were used for projects such as the SFCN building and the library hall, with potential future use for a rebuilt Fire Station 61 and a public works building, likely financed through additional 20 year LBA bonds.

RDA funds include the North Industrial Project Area, which supported airport related improvements and now holds about \$200,000. The Sierra Bonita agreement with Young Living provides for a 65 percent property tax increment reimbursement through 2027, but no payment was made last year because Young Living did not meet its job creation requirements, resulting in roughly \$160,000 being retained by the city. The city has formally notified the company of the deficiency and clarified expectations, and the final years of the agreement will depend on whether those job targets are met going forward.

The discussion highlighted that the Young Living RDA agreement is a clear example of accountability that can be communicated to residents, emphasizing that the company is not receiving taxpayer funds when it fails to meet agreed upon job creation targets. If Young Living does not qualify for the final three years of the agreement, the retained amount could total roughly \$500,000, including about \$160,000 already held. These are RDA funds generated through tax increment financing, meaning they come from a proportional diversion of property tax growth that would otherwise be distributed among the city, county, and school district.

If Young Living does not qualify, the RDA retains discretion over how those funds are used rather than automatically redistributing them back to the taxing entities. The Krona project area was also reviewed, noting the current agreement with Target, which provides

reimbursement of 70% of sales tax, 50% of property tax increment, and 50% of utility bills for up to 10 years or until \$3 million is reached, whichever comes first. At present, projections suggest the agreement will reach the 10 year limit before hitting the \$3 million cap. The city issued its first reimbursement check last year totaling approximately \$245,000. Sales data showed an initial dip in local Target revenue when the Provo Target opened, followed by a return to growth after the first year. This fund functions strictly as a pass through with no cash balance retained.

RDA housing funds continue to accumulate slowly, as state law requires 10% of developer incentives to be set aside for affordable housing, with the balance currently around \$400,000. RDA administrative fees generated through managing these project areas are projected to end the year at approximately \$250,000.

A question was raised about long term planning for the gun club, and staff clarified that since the city took over operations in 2002, the facility has consistently covered its own costs without requiring subsidies, which has limited the need for a more formal business or financial plan compared to other city amenities.

The general fund revenue discussion focused on recent shifts across major categories and the increasing difficulty of forecasting due to volatility in external factors. Golf revenue has grown significantly, increasing from roughly \$1.6 million to \$2.7 million in just a few years. In contrast, energy tax revenue declined from about \$3.0 million to \$2.8 million, largely due to normalization in natural gas prices after a temporary spike in 2023 and early 2024. That spike had artificially inflated energy tax collections for several months. Community development revenue also declined modestly, from \$3.4 million to \$3.1 million.

Interest earnings were highlighted as another volatile but currently positive contributor. With higher interest rates, earnings are now near \$900,000, compared to roughly \$300,000 to \$500,000 in prior years when returns on cash balances were closer to half a percent. Staff emphasized that while individual revenue categories fluctuate, the overall general fund remains relatively stable because of diversification. As some revenues decline, others tend to increase, helping smooth total performance over time.

A key uncertainty discussed was the FitCity Center. The general fund budget assumed approximately four months of operations, but actual operations did not align with that timeline. Staff noted that it will likely take 12 to 15 months of real operating data before the city can accurately evaluate its financial impact.

On the expense side, personnel costs continue to be the largest driver of growth. This reflects both inflation driven wage adjustments and long term staffing expansion, particularly in public safety. The fire department was cited as an example, growing from three or four full time firefighters decades ago to more than 40 today. The city has intentionally shifted capital costs out of the general fund and into capital project funds to avoid long term structural pressure on operations.

The general fund balance was reviewed in detail. Cash reserves are projected to decline by approximately \$1.5 million this year due primarily to a loan to the airport fund and early

repayment of a water fund loan. Absent those one time actions, the fund balance would have remained flat. Even with the decline, the general fund balance remains in the \$12 to \$13 million range. However, because revenues have grown significantly, the fund balance as a percentage of revenue is projected to decline from about 30 percent to roughly 22 percent.

This prompted a broader policy discussion about reserve targets. Historically, the city has aimed to keep general fund reserves between 25 and 30 percent, but as revenues increase, that approach leads to very large dollar amounts sitting largely unused. A similar issue exists in enterprise funds, particularly the power fund, where reserve targets continue to rise in absolute dollars as operating costs grow.

Council members raised the question of whether reserves should be evaluated as a fixed percentage or as a risk based dollar amount. Several noted that without context, it is difficult to say whether \$13 million versus \$15 million in reserves represents an appropriate level of caution. Staff suggested that a risk based analysis would be more helpful, modeling scenarios such as a major sales tax downturn similar to 2008 and 2009. In that period, comparable cities experienced declines of up to \$2 million in annual revenue. Using that framework, reserves could potentially support multiple years of shortfalls while the city adjusts spending and revenue levers.

The consensus was that the city is financially strong, but that further analysis is needed to define an appropriate reserve target tied to real risk exposure rather than a static percentage. This is an area where staff plans to continue analysis and bring recommendations back to the Council for discussion.

The discussion returned to reserve levels and risk exposure, noting that the city has already experienced significant one-time events, such as flooding, that required several million dollars in response. In addition to one-time emergencies like floods or earthquakes, there is also the risk of longer term economic downturns that could impact revenues over multiple years. Framing reserves around identifiable risks and the potential revenue impact of those risks was seen as more helpful than asking for a single target number. The goal is not to assign an exact reserve amount today, but to understand whether the city should be concerned about having too much money in reserve, particularly if there are unmet needs that could otherwise be addressed.

One perspective shared was that excess reserves only become a concern if there are clearly identified city needs that are not being met due to funds being held back unnecessarily. Absent unmet needs, holding additional reserves does not create discomfort. The current internal "Goldilocks" range for reserves has been 25 to 30 percent, even though state law allows a range from 5 to 35 percent. The open question is whether strict adherence to a percentage continues to make sense as overall revenues grow, or whether reserves should instead be tied to realistic risk scenarios.

The conversation then shifted to a comparison of Spanish Fork's property tax rate with neighboring cities. Based on average home values and tax rates, the average annual property tax bill in Spanish Fork is approximately \$270 per year, or about 75 cents per day. By

comparison, Orem's average is about \$213 per year, while Provo's is roughly \$470 per year. Despite Provo's higher property tax burden, it has recently been recognized nationally for city management, which prompted discussion about what residents receive in return for their tax dollars. In Spanish Fork's case, residents benefit from a full service library, recreation center, fire and EMS services, parks, and other amenities, providing strong value for the amount paid.

It was emphasized that property tax revenue in Spanish Fork generates roughly \$5.3 million annually, which represents only a small portion of the city's approximately \$80 million overall budget. Many services would not be fully funded through property tax alone without the city's robust sales tax base. This makes Spanish Fork less reliant on property taxes than many other cities, which was seen as a strength.

Council members noted the importance of proactively educating residents on these comparisons, especially given ongoing legislative discussions about property tax reform. Increased communication could help residents better understand how Spanish Fork compares to other cities and what their taxes support. There was agreement that timing is important, as residents are likely to receive communications from state legislators seeking feedback on potential property tax changes.

The discussion also addressed potential changes being considered at the state level, particularly adjustments to the primary residence exemption rather than changes to tax rates. Currently, primary residences are taxed at 55 percent of market value. Proposals have included reducing that taxable percentage further, potentially to 50 or 45 percent, though deeper reductions appear less likely. Reducing the taxable value of primary residences would require tax rates to increase to generate the same total revenue, which would shift a greater share of the burden to secondary residences and commercial properties.

Because roughly two thirds of Spanish Fork's taxable value comes from primary residences, even modest reductions in the primary residence taxable percentage would require proportionally larger increases to the rate applied to secondary and commercial properties. This prompted discussion about how such changes would affect cities differently, particularly those with a high percentage of secondary homes, such as resort or tourist communities, compared to cities like Spanish Fork that are predominantly primary residence based.

Because Spanish Fork does not have nearly as many secondary homes as a city like St. George, any shift in the primary residence exemption would place a greater burden on commercial properties and the smaller number of secondary residences that do exist. If the primary residence taxable value were reduced significantly, the remaining taxable base would have to absorb the difference to keep total collections the same.

When earlier analysis was discussed, reducing the taxable value from 55 percent to 40 percent showed a meaningful savings for homeowners, but a substantial increase for commercial properties. The savings to primary residences was estimated at roughly 18 percent, while the increase to commercial and non primary properties was close to 50 percent. The exact impact varies widely by community depending on how much of the tax base is commercial versus residential.

Communities with very little commercial tax base would see a much larger percentage increase placed on businesses than cities with a more balanced mix. In some cities, the commercial impact could approach or exceed a doubling of taxes, while in others it would be less pronounced. These differences are amplified because different portions of a property tax bill are tied to different geographic areas, such as the city versus the school district, which means changes would not be uniform across the entire bill.

There has long been discussion at the legislative level about requiring nonprimary residents to pay the full property tax amount. The argument has been that if a property is not a primary residence, it should not receive the same exemption, regardless of whether it is rented, used seasonally, or occupied part time. Proving primary residency is not always straightforward, and enforcement can be difficult, but the concept has been debated for years.

The conversation concluded by noting how eye opening it has been for airport users and residents alike to better understand how little revenue the city receives from property tax compared to the cost of essential services such as police, fire, and EMS. That context has helped clarify why property tax alone cannot fund city operations. The group confirmed that additional time will be spent in upcoming sessions reviewing finances, debt, and long term obligations, including potential future construction projects and bonding scenarios.

A request was made to see a chart at some point that would show all existing bonds, current debt obligations, and the projected payoff schedule. This would include a full picture of outstanding debt over time, similar to what might be called a burn down chart. There was interest in also including potential future projects, such as Station 61 and the public works building, if those move forward. It was noted that some of this information is already part of the budget materials, but those future projects are not currently projected in that format.

Following completion of the finance discussion, the facilitator briefly returned to an earlier request regarding the creation of a comprehensive debt visualization. It was clarified that while some debt information existed within the budget, certain potential projects were not yet reflected. Staff acknowledged the request and noted it for future coordination.

Before moving to the next agenda item, a logistical update was provided regarding lunch timing due to a vendor issue.

Responsibility for the meeting then transitioned to Vaughn, who began the next scheduled presentation.

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### **Legal- Vaughn Pickell. Director of Legal**

Vaughn was excited to share some of the key statistics and trends within the department, followed by a brief update on the trademarks currently being pursued. The first chart reflected the total number of cases handled by prosecutors. New cases received during the year are shown in red, while unresolved cases from prior years are shown in gray. Over the past four years, new cases have steadily increased, which aligns with population growth

trends. However, despite the increase in new filings, approximately 200 older cases were resolved this year, resulting in a slight reduction in the total overall caseload. In total, the department saw roughly 45 more new cases than the prior year, bringing the annual caseload to approximately 1,200 to 1,300 cases.

When looking at case types, there is typically a split of approximately 55 percent traffic cases and 45 percent criminal cases, though this fluctuates. In 2024, the breakdown shifted to roughly 62 percent traffic and 35 percent criminal. Code enforcement cases make up a small portion of filings, though most code enforcement work does not result in a formal case. When it does, those cases can be complex. Additionally, some cases are referred to the county if they were filed in the wrong jurisdiction or involve potential felony charges, which the city does not prosecute.

This marks the fourth consecutive year of increased new case filings and the highest number of new criminal cases on record. Several factors contribute to this trend. Local factors include law enforcement activity levels, staffing changes, and internal screening practices. The office reviews each referral to determine whether probable cause exists and whether charges should be filed. Cases may be declined due to evidentiary or constitutional deficiencies. Broader macro factors also contribute. Population growth correlates with increases in crime levels, particularly in rapidly growing and higher-density communities.

In terms of case categories, drug-related cases were elevated in 2020. This past year saw significant increases in domestic violence and theft cases. Domestic violence filings rose sharply, nearly increasing by half compared to prior years. Theft cases also increased substantially. One contributing factor may be that certain retailers previously handled minor thefts through civil processes but are now referring them for misdemeanor prosecution.

Monthly case trends appear slightly lower in December and somewhat higher during summer months. Moving forward, it may be helpful to establish a monthly average baseline and compare future months against that average to better identify trends.

An important workload factor is whether defendants are represented by counsel. Cases involving private counsel and public defenders typically generate more hearings than cases where defendants proceed without representation. Pro se defendants averaged approximately one and a half hearings per case, down from roughly two and a quarter in prior years. Cases involving private counsel average over one additional hearing compared to pro se cases, while public defender cases average nearly three and a half hearings. The increased hearings in represented cases reflect more contested matters and procedural motions.

Public defenders are appointed only if defendants qualify as indigent and submit a financial affidavit for judicial review. Otherwise, defendants must hire private counsel or represent themselves. Overall, the number of hearings per case has declined, potentially due to improved case screening and increased efficiency, including the use of remote hearings that became more common after COVID. However, trials and evidentiary hearings still require in-person proceedings.

Contested cases, including jury trials, bench trials, evidentiary hearings, preliminary hearings, and suppression motions, have generally declined. Improved screening practices likely eliminate problematic cases earlier, reducing the number that advance to contested stages.

On the civil side, total case numbers show consistent growth except for 2023, which reflects incomplete data due to an unintentional six-month data loss. Excluding that year, civil matters increased from approximately 1,200 cases in 2022 to significantly higher numbers in 2024 and 2025.

Development-related legal work continues to be the largest category of civil workload. This includes development agreements, bonds, real property issues, and related negotiations. Real property work peaked in 2023 due to eminent domain and mediation efforts tied to infrastructure projects. In 2024, Government Records Access and Management Act (GRAMA) requests, including appeals, required significant time and became a top workload category. In 2025, litigation related to land use matters, including the Eagle Haven case, rose into the top five workload areas.

The legal workload remains diverse and highly variable from year to year. One category that has increased significantly is right-of-access background checks for volunteers and employees. These checks authorize the city to review criminal history before hiring or allowing volunteers to work with youth. Historically, background checks were conducted on a five-year rotation. However, new legislation effective in May now requires annual sex offender registry checks for all youth workers. As a result, background checks increased approximately 62 to 63 percent this year.

This increase is driven both by the new statutory requirement and by the additional staffing and volunteers associated with the FitCity Center. The statute creates heightened liability exposure. If a city fails to conduct the required checks, or knowingly retains someone on the registry who later commits misconduct, the statute establishes per se negligence. Given the expanded facilities, increased public use, and additional programming, proactive compliance is essential to mitigate risk.

In today's environment, there is an agreement that a heightened level of scrutiny is necessary when it comes to individuals who interact with youth and other vulnerable populations. The expectation is that technology will eventually improve and make the background screening process more efficient, but at this point the system has not meaningfully changed. The statutory requirement applies to new hires and new volunteers, but the city's insurer has asked that all youth workers be rechecked annually. That means any employee or volunteer who works directly with youth, including coaches, recreation volunteers, and certain library or program staff, must undergo a registry check every year rather than on a multi-year rotation.

The practical reason for annual checks is that there is no automatic notification system that would alert the city if someone were convicted in another jurisdiction. If a volunteer lived in another city and was prosecuted there, Spanish Fork would not automatically be informed. Without an annual check, that individual could continue serving in a youth role without the city knowing about a disqualifying conviction. The current system requires the individual to

complete authorization paperwork, provide identifying information such as date of birth and driver license number, and then staff runs the check against the appropriate databases. Sex offender registry checks are public and searchable, but broader criminal history information is more restricted and requires authorization through the Bureau of Criminal Identification. Access to that data is limited to specific authorized personnel, including law enforcement and prosecuting offices.

Very few individuals actually fail the background screening. The issue is not high disqualification rates but the amount of administrative time required. The city also strengthened its internal policy around the same time the insurer did, broadening disqualifying offenses. Rather than only considering convictions within the past five years, the policy allows consideration of older convictions depending on the nature of the offense. Alcohol-related, violent, and sexual offenses are reviewed carefully, and sexual-based crimes are effectively automatic disqualifiers for youth-related positions. The expanded review standard increases the time commitment but reduces risk exposure and strengthens the city's defense in the event of future claims.

From a staffing perspective, the legal department currently consists of one and a half civil attorneys, one full-time prosecutor, and two legal assistants who work permanent part-time schedules with benefits. Caseloads have leveled slightly this year due to the resolution of a significant number of older cases, so no additional legal staffing is being requested at this time. However, if growth trends continue, future needs could include an additional full-time attorney, ultimately moving toward two civil attorneys and two full-time prosecutors.

On trademarks, the purpose of registration is to protect the city's unique event names and branding and prevent outside parties from using them in a way that implies city endorsement or affiliation. Registering the word mark allows the city to stop unauthorized use of phrases like FitCity or Fiesta Days, even if the graphic design changes over time. Strong trademarks tend to be fanciful or arbitrary, such as made-up words or words used in a way unrelated to their ordinary meaning. Descriptive terms are more difficult to register, so applications are carefully drafted to meet federal standards.

Both trademark applications have progressed positively. They cleared the initial review phase and have now been published for opposition, meaning the public has a defined period to object. If no objections are filed during that window, the U.S. Patent and Trademark Office will issue a notice of allowance. After that, the city must file a statement of use within six months, demonstrating that the mark is actively being used in commerce. In the case of FitCity, proof of use is straightforward because the mark appears on signage, advertising, membership materials, event promotions, and online platforms. Screenshots, printed materials, and event documentation are all acceptable evidence.

There was a minor delay in one application due to descriptive language that referenced a term already registered as a trademark by another party. That wording was revised to more generic language describing activities rather than naming the protected term, and the application moved forward after correction. Although the federal trademark review process has been slow due to nationwide backlog, both applications are now advancing through the

final stages. Assuming no objections are filed, the city is on track to secure ownership of both marks.

At the conclusion of the presentation, the facilitator provided a logistical update regarding lunch timing and confirmed a scheduled break. Participants were instructed to return promptly for the next agenda item, which would focus on FitCity operations. The meeting then recessed until the designated restart time, concluding this portion of the work session.

12 noon.

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### **BREAK/LUNCH - Served at Noon**

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#### **Parks and Recreation Dale Robinson, Nick Porter, and Bronco Hunter**

The discussion opened with a light acknowledgement of additional staff in attendance, noting that if they appeared tired it was because they are the ones running the FitCity Center. The group transitioned into an update on the FitCity Center, reflecting on the extensive pro forma work that had been done months earlier and how meaningful it now was to compare projections with real results. Leadership noted it was exciting to see how the facility was actually performing and handed the presentation over to staff to walk through current data and outcomes.

A brief moment was spent on a newly taken Parks and Recreation team photo, which included all full-time employees, something noted as difficult to coordinate. There was lighthearted commentary about team members smiling and even one staff member removing his hat, underscoring team unity and morale.

The presentation then moved into operational updates. As of the previous evening, the FitCity Center had 7,115 memberships, representing 21,481 individual members. This volume has resulted in a consistently busy facility. Membership revenue at that point totaled approximately \$1.68 million. The busiest day on record so far was Martin Luther King Jr. Day, which had been anticipated based on comparisons with similar facilities. Nearly 5,000 people visited the center that day, creating a very high-traffic environment. Staff noted that while that day set a record, it would be helpful over time to establish a clearer sense of what an average day looks like, especially as usage continues to normalize. It was shared that current daily attendance typically ranges between 2,500 and 3,000 visitors.

Membership types and durations were then outlined. Founders are defined as those who purchased memberships prior to December 15 and retain that status as long as their membership remains active. There were just over 3,600 founder memberships, representing approximately 13,000 individuals. These early adopters played a key role in helping launch the facility. Memberships are offered in three formats: annual, three-month, and monthly. The majority of memberships sold have been annual, driven in part by promotional pricing that

rewarded longer commitments. Nearly 12,000 individuals are on annual memberships, which was highlighted as a significant and positive indicator of long-term engagement. In addition, there were just over 1,000 three-month memberships and close to 1,200 monthly memberships.

There was a brief exchange acknowledging that some members have asked whether similar promotional pricing or discounts would be offered again in the future. At this time, no additional promotions are planned, and the original promotional window lasted approximately three months during October and November.

Overall, the tone of the update reflected strong performance, high community engagement, and early validation of many assumptions built into the original planning and forecasting for the FitCity Center.

Most of the promotional period extended through December as well, and while many people took advantage of it during that window, there has since been interest from others who now want a similar deal after having used the facility. While additional discounts, such as corporate or group-based incentives, are not completely off the table, there is no current need or plan to introduce new promotions. The decision on whether promotions are necessary will become clearer once the pro forma discussion is reviewed and long-term revenue needs are better understood.

There are currently 962 insurance-based memberships. These memberships are separate from the annual, three-month, or monthly categories and are most commonly used by seniors, though some insurance plans also allow youth and non-senior adults to participate. To date, only one insurance billing cycle has occurred, as billing began in January, so insurance revenue is minimally reflected in current totals. As a result, the majority of the reported membership revenue does not yet include insurance payments in any significant way.

There are also 417 employee memberships, which include full-time city employees and FitCity Center employees. Part-time city employees do not fall into this category, as they instead receive a discounted rate and are counted within the standard membership frequency categories. When looking beyond individual categories and focusing on total participation, there are more than 20,000 individuals connected to a membership. While the daily usage numbers differ from total membership counts, the fact that over 20,000 people have chosen to align themselves with the facility within roughly two months of operation is a significant indicator of early success.

Child Watch operations were then discussed. Child Watch is open four hours in the mornings Monday through Friday and four hours in the afternoons Monday through Thursday. There are currently 106 subscribers enrolled in the Child Watch program, paying a monthly fee that allows them to reserve up to two sessions per day. The space is heavily used and consistently full. The area is closed for three hours each morning to accommodate Child Watch operations, during which time up to 100 children may be present across that four-hour window. To date, more than 1,800 children have participated in Child Watch, generating

nearly \$5,000 in revenue. Child Watch is not offered on Saturdays or Friday afternoons, as its schedule is coordinated with the broader fitness programming.

A question was raised about whether recreation center memberships tend to fluctuate seasonally, especially given that this facility is brand new. While it is difficult to gauge patterns so early, industry experience shows that most recreation centers see a large surge around New Year's due to resolutions and holiday gift memberships. Many also run promotions around Black Friday. In addition to that winter spike, another significant increase is typically seen in May as summer approaches. Based on that pattern, a large jump in usage and participation is anticipated going into the summer season.

There was discussion about overall daily traffic expectations, including both day passes and memberships, with anticipation that between 7,000 and 8,000 people could move through the building on peak days. Questions were asked about opening the outdoor amenities and whether that timing is fixed annually or dependent on weather conditions, with further explanation planned shortly after.

Fitness programming has been one of the biggest surprises so far. The center currently offers 86 fitness classes per week, supported by 62 instructors. In the most recent week, those 86 classes had approximately 2,100 participants, averaging more than 24 people per class. Some classes, including water fitness and youth classes upstairs, are approaching 50 participants per session. While it is January and some seasonal decline may occur later, demand has been so strong that space constraints are already an issue. With only two studios available, certain high-demand classes have been moved onto one of the gym floors to accommodate larger groups. Staff are carefully monitoring participation levels to determine whether this demand will stabilize or require schedule adjustments.

Adding additional class times, such as more early morning or evening sessions, is being considered, but changes are being approached cautiously. Any added class time typically requires a four-month commitment, so staff are working toward spring to better understand long-term demand before making permanent adjustments. Even so, the level of participation has been remarkable. Personal training services are also planned to launch within the next couple of months.

Gym usage has also been extremely high, particularly open gym basketball. On many occasions, 30 to 40 youth line up to shoot and wait their turn, with overflow spilling into adjacent courts as players rotate through games. Demand has been so high that participants often shoot free throws or practice on the side while waiting for a chance to play. The energy and enthusiasm in the gym spaces have been notable.

Swim lessons and swim team programming were also discussed. The first session of swim lessons concluded this week and sold out with 338 participants supported by 24 swim instructors, generating approximately \$37,000 in revenue. By comparison, the best full summer season at the old pool generated just under \$100,000 in swim lesson revenue. With expanded offerings at the new facility, total swim lesson revenue is projected to reach approximately \$300,000. Lessons have reached maximum capacity, meaning additional

demand could not be accommodated without expanding offerings. Summer is expected to be the strongest season, and this winter session marks the first experience offering indoor swim lessons during colder months.

The second session of swim lessons begins in a couple of weeks, and registration for the third session opened recently. Despite initial concerns that winter participation might be lower, demand has remained strong and participant feedback has been positive, particularly once people experience the water temperature firsthand.

Swim team registration is also open. The program will operate as a six-week recreational swim team in February and March, with additional sessions planned for April and May, followed by a summer team. This is a recreational program focused on skill development, technique, and time improvement rather than competitive club swimming. While there may be opportunities to meet other recreation-based teams in the summer, the intent is to keep the program accessible and non-competitive. The youth swim team will serve ages 10 through 17, and plans are also underway to develop an adult swim program similar to a masters-style format, though still recreational in nature.

Another notable trend has been the level of interest from residents aged 60 and older. Since reopening in late summer, more than 100 individuals have joined the 60-plus program. Demand has been so strong that a waitlist was created and recently capped at 50 people. The primary limitation is meal capacity, as the Fit 60-plus pass includes meals, and the current operation cannot accommodate additional participants without significant operational changes. While this represents a challenge, it is viewed as a positive problem to have and will require further discussion and planning moving forward.

It was noted that there will be a dedicated work session next month or in March to spend an hour, or however much time is needed, discussing senior programming and related capacity issues in more depth. For reference, membership at the senior center when it closed in June was 264, and even going back a couple of years, the key constraint was never membership itself but meal capacity. At the old center, approximately 140 to 150 meals were served, while at the new center, just this past Monday, 274 meals were served, even though it was not a member meal day. Memory café meals typically serve around 180 to 190 people. Mondays and Thursdays, which are congregate MAG meals, have not dropped below 225 participants since November. The first time attendance exceeded 200 was in September.

This level of participation is remarkable and underscores that the issue is operational capacity rather than lack of interest. As a result, there are several strategic questions to work through, including pricing, program structure, and how services might be adjusted or split to better manage demand. Those discussions are planned for a future session rather than today.

The presentation then transitioned into a review of the pro forma analysis that began about four years ago, when the city was still deciding whether to build another outdoor pool, phase in a recreation center, or construct a full facility. Extensive effort went into building the pro forma, including contacting recreation professionals across Utah who operate facilities ranging from outdoor pools to full recreation centers. Initial requests for multiple years of

financial data were met with hesitation, but over time those relationships developed, allowing for detailed comparisons. Significant effort was made to normalize the data, accounting for differences in how cities budget items such as concessions or shared departmental costs. Over the past four years, staff toured facilities, met with peers, and refined assumptions to develop realistic comparisons.

Provo ultimately became the primary comparison city due to similarities in facility type, scale, and available data. Provo's numbers were used as a baseline, adjusted for population size, facility capacity, and expected usage. One of the biggest challenges in the modeling process was estimating where users would come from geographically, given Spanish Fork's unique position as the southernmost facility of this size and the different growth and travel patterns compared to more centrally located cities. With limited precedent, estimates relied on population percentages and informed assumptions.

The pro forma initially estimated the distribution of membership types, projecting approximately 28 percent individual passes, 25 percent family passes, and 22 percent two-person passes, based on comparisons with Springville, Provo, and to a lesser extent Orem, while remaining conservative. Early results have been striking, particularly with family memberships. While only about 2 percent of memberships are youth-only passes, family memberships currently account for 47 percent of total pass holders within the first 37 days. This far exceeds the initial expectation of roughly 25 percent and represents a strong early indicator of community engagement, even acknowledging that numbers may stabilize over time. Individual memberships are underperforming relative to projections, which is viewed positively since family participation was a key goal.

There was also discussion about resident versus non-resident participation. Approximately 44 percent of family memberships are held by non-residents, which is a significant share. Notably, the breakdown between residents and non-residents is nearly identical across membership types, suggesting consistent appeal regardless of residency status. Geographic participation was another area where the pro forma was exceeded. While the model anticipated roughly 1.99 percent participation from surrounding populations, actual numbers are higher. Salem, in particular, has far exceeded expectations, with close to 10 percent of its population holding memberships. This trend will be interesting to monitor over time, especially as existing memberships at neighboring facilities expire. Within the 84660 zip code area, non-resident participation is approximately 8.5 percent, with those users paying resident rates due to county agreements.

Overall, non-resident participation is already outperforming projections, which is a positive outcome. Continued growth is anticipated from nearby communities such as Mapleton and Springville. While these cities are not viewed as competitors, some natural overlap and movement between facilities is expected over time. As memberships at other centers expire, there is optimism that additional users will transition to this facility, further strengthening participation and validating the assumptions behind the original pro forma.

It was clarified that the membership numbers being discussed include all types of memberships. Using Springville as an example, it was noted that summer months are a key

factor since Springville does not have an outdoor pool, while this facility will offer a high-quality outdoor pool. It is anticipated that summer usage will increase significantly, with expectations of as many as 8,000 people coming through the building during peak summer months. A similar pattern is expected with Mapleton, where residents may already be accustomed to indoor facilities, but once the outdoor pool opens, children and families are likely to gravitate toward this location. Another aspect discussed was the decision not to offer six-month passes. During the planning process, six-month passes were considered, but feedback from other facilities indicated they were not popular. As a result, the focus remained on three-month and annual memberships. Memorial Day is expected to be the strongest period for three-month pass sales, and staff are interested to see how those numbers perform after that seasonal push. Looking further ahead, there was discussion about whether, two years down the road, it might make sense to significantly increase the price of three-month passes for non-residents in order to help manage capacity at the outdoor pool during summer months if demand becomes overwhelming.

Some lighthearted commentary followed regarding the early days of building the pro forma, when calls to neighboring communities about pricing led to mutual curiosity and shared information. Through that process, collaboration among recreation providers strengthened, and several communities adjusted their pricing and practices based on shared data. This ultimately led to the formation of a more formal network where facilities regularly discuss trends, concerns, and best practices. That collaboration has benefited the region as a whole and created greater consistency across facilities, including aligned decisions such as remaining closed on Sundays. While there was some talk about potentially revisiting that decision in the future, it was emphasized that no immediate changes are planned.

Returning to the data, it was noted that initial projections assumed that if 18 percent of city residents held memberships, it would be considered a strong success. That figure was viewed as optimistic at the time. However, just 37 days into operations, approximately 31.5 percent of residents currently hold memberships. While it is expected that this number will settle over time, it remains a strong early indicator of community engagement. The availability of monthly payment options is expected to contribute to some natural ebb and flow in membership over time. Interestingly, prior assumptions suggested that more people would choose monthly payments to avoid large upfront costs, but current trends show the opposite, with a strong preference for annual memberships. It was acknowledged that this could shift in future years as members face renewing larger lump-sum payments and potentially opt for monthly billing instead.

It was also clarified that the \$1.66 million figure represents actual revenue received and deposited, not annualized projections. When memberships are annualized based on current participation, total membership revenue is approximately \$2.8 million. This distinction was emphasized to ensure clarity between earned revenue and projected annual performance.

There was clarification around how membership revenue and participation figures should be interpreted, specifically distinguishing between members and memberships. The \$1.6 million figure referenced represents actual revenue received to date, while the larger \$2.0 to \$2.8 million figures reflect annualized projections based on current participation levels. Although

approximately 31 percent of the city's population is currently represented as members, revenue appears lower than originally projected because the pro forma was built on an assumption of approximately 6,100 memberships, while current totals are closer to 4,200 memberships. This difference exists because memberships are generally counted per household, whereas members represent individual people within those households. As a result, population participation can be high even when the number of paid memberships is lower, which explains why revenue trails the original projection despite strong engagement. It was emphasized that roughly 31 percent of residents are members, not that 31 percent of households have purchased memberships, and that distinction is important for interpreting the data correctly.

Discussion then shifted to daily admissions. The original projection assumed daily admissions would reach about 65 percent of Provo's numbers as a conservative estimate. Based on the first 37 days of operation, actual daily admissions are averaging approximately 286 on school days and about 777 on non-school days, which is already a strong performance. To date, 18,320 day passes have been sold, generating approximately \$119,000 in revenue. If these trends remained flat throughout the year with no seasonal increase, day-pass revenue would still approach nearly \$1 million annually, equating to roughly 52 percent of Provo's annual totals and approximately 88 percent of the city's original projection. Confidence was expressed that summer usage, particularly once the outdoor pool opens, will significantly exceed these early averages. Day-pass pricing was confirmed at six to seven dollars, with full access to the entire facility included, and it was acknowledged that there is currently no effective way to restrict access to specific amenities based on pass type. Questions were raised about tracking repeat day-pass users, including collecting basic contact information to better understand usage patterns and potentially market memberships to frequent visitors. While current systems such as Square provide limited data, staff noted ongoing efforts to improve tracking and analytics in this area, recognizing both the operational challenge and the opportunity presented by strong daily admission demand.

It was noted that charging more during the summer could be justified because users receive greater access during that season, but there was concern that residents may mentally compare summer pricing to the former outdoor pool, which historically cost around four dollars and fifty cents to five dollars per day and did not include a membership model. The discussion emphasized the importance of being mindful when adjusting prices and learning from other communities that delayed increases for too long and later found themselves significantly behind the market.

The approach moving forward is to remain responsive to market conditions, be fair to residents, and avoid falling behind on revenue goals needed for future capital projects. As part of the current budget process, there is no intention to propose an increase to membership or daily admission rates for the upcoming fiscal year, although minor adjustments to rental pricing may be considered. It was acknowledged that changing prices mid-summer would be difficult, and any future adjustments would more likely be approved well in advance and implemented at the beginning of a calendar year.

The conversation then reflected on the grand opening event, which was described as a significant and emotional milestone for the community, with broad participation and enthusiasm, and while a similar event may occur again, it is unlikely to be on the same scale. Discussion shifted to outdoor pool operations, with the goal of opening the Saturday before Memorial Day weekend, weather permitting, recognizing that spring weather has become increasingly unpredictable. The plan includes opening for Memorial Day weekend, closing briefly, and reopening for the full summer season, with no commitment to school use of the outdoor pool early in the season. It was reiterated that past experience with the old pool showed that early openings were often unsuccessful due to cold temperatures and low attendance, even when heavily advertised, so the intent is to remain flexible and prioritize conditions that provide a good user experience rather than adhering to a fixed date.

It was noted that the data reflects approximately 13,000 unique conversations, excluding automated after-hours responses, which highlights how much direct interaction staff are handling. While Podium has been a valuable tool for improving communication and accessibility, it has also increased workload because residents now reach out more frequently and expect quick responses. Previously, many questions were answered in person with printed receipts that contained program details, whereas now residents can easily text staff without referencing prior information. As a result, message volume has compounded significantly, and with the FitCity Center open for just over 38 days, its communication volume is already on track to surpass recreation by a wide margin. Staff are now spending substantial time messaging rather than handling in-person transactions, and this applies across all 13 divisions, not just recreation and FitCity. Although some divisions, such as parks, receive fewer messages, all inquiries funnel through the same office before being routed appropriately, and staff often resolve questions internally before escalating them. This additional responsibility further supports the request to convert the existing part-time office coordinator position into a full-time role. Clarification was provided that this is not a new position, but a conversion of a current part-time role, increasing the budget by approximately \$60,000 primarily due to benefits and expanded hours from roughly 20 hours per week to full time. Council members confirmed understanding that hours are being added rather than replacing an existing full-time role, and appreciated that the request is position-based rather than tied to a specific individual.

Questions were also raised about Podium automation, and it was explained that while after-hours messages are automated and templates exist for common responses, all active conversations still require a staff member to manually respond, preserving a personal touch. Although calls have decreased, overall communication volume has increased due to the lower barrier to texting, and phones are still answered when needed, particularly for more complex issues. Staff acknowledged potential future opportunities for automation or AI support but emphasized caution to ensure quality and accuracy. The discussion concluded with appreciation for the Council's ongoing support and recognition of the scale and success of the FitCity project, noting that the increased administrative demand is a direct result of that success and will continue as programs expand.

It was discussed that Podium provides some insight by division regarding where questions are being directed, but the reporting on question types remains limited. While searchable

conversation history only became available within the last six months, staff have expressed interest in using emerging tools, including AI, to better summarize and identify the most common questions residents are asking, though those capabilities are still being developed. The conversation then shifted to the question of whether the FitCity Center should eventually open on Sundays. Concerns were raised about staffing challenges and budget implications, particularly given the need to operate an additional full day and the uncertainty around the exact cost. It was acknowledged that even partial openings would still require a baseline level of staffing, making costs relatively fixed regardless of attendance. One perspective emphasized that some residents may only have Sundays available to use the facility and are therefore excluded under the current schedule, potentially limiting access for a portion of the community. While it was recognized that opening on Sundays would likely not increase membership revenue, there could be some additional daily admission revenue, though the magnitude of that potential is unknown.

Operational realities were also discussed, including the fact that Sundays are currently used for critical maintenance such as pool shocking, chemical balancing, and deep cleaning, which cannot easily be accommodated during the week. Opening on Sundays could shift those maintenance needs into longer shutdowns at other times, potentially creating greater disruption. It was noted that peer facilities within the Kerpa network are also closed on Sundays and that there was an informal agreement among agencies not to be the first to open, given shared staffing and operational challenges. While there was agreement that dismissing the idea outright would be premature, staff emphasized the need for additional data, time, and operational experience before making any decisions.

The group acknowledged that the facility has not been open long enough to fully understand usage patterns, revenue trends, or maintenance impacts, and that a more thorough analysis would be appropriate at a later date. The discussion concluded with recognition of the strong early performance of the FitCity Center, appreciation for staff efforts, and agreement that the Sunday question warranted future study rather than immediate action.

It was noted that there has already been some positive feedback from residents who would like to see the facility open on Sundays, and there was agreement that the idea is worth studying further, though not immediately. There was openness to the possibility of a partial Sunday opening at some point, with the understanding that doing so could benefit members who have limited availability during the week. The topic was placed in the category of a future study rather than a current action item, and the meeting then moved forward.

Appreciation was expressed to the FitCity team for their work, with recognition that while leadership often hears direct praise, the collective experience residents are having with staff throughout the facility has been overwhelmingly positive.

The quality of service across all ages was highlighted, and it was noted that the team has clearly established the culture that was envisioned. Despite being only a few weeks into operations, the early results were described as impressive, with many expressing pride in seeing the facility actively used in the way it was hoped. It was also observed that even some

individuals who were previously skeptical now appear to enjoy the facility, setting aside earlier concerns and allowing themselves to have a positive experience.

A discussion followed regarding the financial outlook, with the expectation that the facility would not require a subsidy this year due to strong revenue and lower-than-anticipated expenses tied to phased staffing. While some existing subsidies, such as those related to the senior center, were acknowledged, it was noted that overall performance is offsetting those costs and that the operation is expected to be financially positive. Staffing needs for the outdoor season were briefly discussed, including anticipated lifeguard, concession, front desk, and cleaning positions, with estimates suggesting a significant number of seasonal hires. Finally, there was acknowledgment of how surprising and encouraging the daily admission numbers have been, reinforcing confidence in the facility's performance before the meeting transitioned to the next agenda item.

1:42 pm

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**DIVERSION BREAK 1:30 - 1:45 pm**

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**Public Works- Cory Pierce**

Cory introduced the Public Works segment by explaining that the presentation would focus heavily on financial analysis, particularly utility rate modeling. He noted that staff regularly adjusted their models as new data became available and welcomed feedback on what types of analysis Council members found most useful. He emphasized that the department's traditional approach had been to evaluate aggregate utility impacts on residents, with an informal goal of keeping combined utility increases within a manageable monthly range rather than allowing large single-category spikes.

The presentation began with water system planning. Cory outlined several major upcoming water projects, including a significant transmission line relocation at the Oaks, block replacements, and a large pipeline installation planned ahead of future road projects. He indicated that these projects were being sequenced to reduce disruption and align with broader infrastructure planning.

He then shifted to how these projects influenced water rate planning. Staff projected approximately \$4.5 to \$4.7 million annually in capital expenditures over the next five or more years. To support these investments, the model currently assumed an average \$2.50 monthly increase for residents in odd-numbered years, coordinated intentionally to alternate with sewer rate adjustments in order to minimize compounding impacts.

Cory explained that revenue projections were based on historical growth trends, noting that some water meter fee revenues had declined due to slower growth, while impact fee

revenues had increased, likely driven by larger meter installations associated with townhome and multi-family developments. He described this balance as a continually shifting target.

In response to questions, Cory clarified that the current projections did not include issuing new debt. While the city had previously considered bonding for water projects and had issued a water bond around 2022, staff had since chosen to avoid additional bonds where possible and instead rely on cash reserves and other funding sources.

Cory walked through a historical water fund revenue and expense chart, explaining how different expense categories were represented, including personnel, operations and maintenance, debt service, and capital expenditures. He noted that periods where capital spending exceeded revenue reflected either the use of reserves or external funding such as grants or bonds. A noticeable expense spike in 2024 was attributed largely to flood-related recovery and deferred work from earlier years.

Public Works staff continued the water presentation by reviewing the financial health of the water fund, focusing specifically on the relationship between operating revenue and operating expenses. Staff reiterated the importance of maintaining operating revenues at or above operating expenses in order for the fund to remain stable and sustainable.

Historical trends showed that this balance had been borderline in several years, with a notable exception during the 2024 emergency year, when operating expenses exceeded revenue. Staff noted that some reimbursement funds received during that period helped offset the impact. Looking forward, the stated objective was to adjust rates so that capital costs could increasingly be covered within typical annual revenues, reducing reliance on bonding.

Staff clarified that the projections being discussed assumed an average water rate increase of approximately \$2.50 per month in odd-numbered years. This approach was described as a smoothing mechanism to avoid larger, less frequent increases. An alternative approach of applying smaller increases more frequently or aligning water and wastewater increases in the same year was acknowledged, though staff explained that wastewater rate increases had been significant in recent years due to treatment plant investments. Because the wastewater treatment plant was currently coming in under budget and carrying excess funds, staff recommended allowing a pause in wastewater rate increases while addressing the water fund's needs.

Cash balance projections were reviewed, showing that the water fund was currently slightly below long-term target levels, though staff expressed confidence that upcoming adjustments would improve the fund's position. A key factor supporting this outlook was the water exchange agreement with Saratoga, which was expected to cover approximately \$1 million per year in ULS water costs for about four years. This temporary relief was described as critical in allowing the city time to adjust rates gradually before those costs resumed.

Staff then presented a comparison of historical water rates versus inflation-adjusted benchmarks. The analysis showed that water rates had been held flat for extended periods, particularly around 2018 through 2020, aided by bond financing. While this kept customer

bills low in the short term, staff explained that continuing capital expenses without additional bonding had resulted in a need to “catch up” through incremental rate increases. The comparison illustrated how delayed increases can ultimately lead to steeper adjustments later.

For the upcoming fiscal year, staff proposed an average monthly increase just under \$2.50 for water service. Under this proposal, a typical Schedule 1 residential bill would increase from approximately \$42 per month to about \$45 per month. Staff emphasized that this level of increase was considered manageable, aligned with long-term financial goals, and consistent with the strategy of maintaining infrastructure without issuing additional debt.

The discussion on water rates continued with clarification that Schedule 2 customers would experience a similar increase, moving from approximately \$50.66 to about \$53, with both Schedule 1 and Schedule 2 increasing by the same dollar amount. Staff confirmed that projections assumed neighboring communities would likely also adjust rates, even though exact future increases were unknown. Comparatively, Spanish Fork was expected to remain competitive regionally.

Council members emphasized the importance of clearly separating policy decisions from staff analysis. It was noted that while staff had historically proposed rate adjustments alongside capital plans, there was value in more explicitly presenting the “why” behind funding needs, including specific projects, timing, and cost drivers. This approach would allow elected officials to weigh options such as bonding, phased rate increases, or annual versus biennial adjustments as deliberate policy choices.

Staff acknowledged this feedback and agreed that future presentations could better frame the conversation around:

- The specific capital needs driving expenditures
- The consequences of delaying projects
- The range of funding mechanisms available, including debt and rate adjustments

The assumption of a \$2.50 increase every other year was described as a planning tool rather than a fixed recommendation, intended to illustrate one reasonable path forward. It was noted that alternative strategies, such as smaller annual increases, could also achieve the same long-term funding goals.

Long-term projections showed that under current assumptions, average water rates would need to rise gradually through approximately 2032, reaching the upper-\$50 range for Schedule 1 customers in order to sustain planned operations, maintenance, and capital investments. These projections were based on:

- Historical operating and maintenance growth trends

- An average \$4.5–\$4.75 million per year in capital spending
- The expectation that large projects would cause year-to-year fluctuations while averaging out over time

Staff reiterated that the goal was to maintain stable, predictable rate adjustments rather than sharp increases driven by deferred investment. Council members indicated that this framing helped clarify the relationship between infrastructure commitments and future rate levels.

With no further questions on water, staff summarized key ongoing water system priorities, including:

- Completion of the Oaks transmission line project
- Continued replacement and lining of aging supply lines along Highway 6
- Proactive maintenance to address older, high-risk infrastructure segments

The presentation then transitioned to wastewater, where staff noted that capital priorities would focus on lining large, high-risk concrete sewer lines, particularly in sensitive locations such as near freeway ramps. These assets were described as critical vulnerabilities requiring continued investment to reduce the risk of failure.

Discussion continued regarding the age and location of major sewer trunk lines, with staff estimating some segments to be approximately 30 to 40 years old. It was noted that certain lines, including the Mapleton trunk line, were constructed when surrounding areas were open fields but are now located beneath or between residential properties, increasing risk and complexity. Coordination with neighboring jurisdictions was ongoing, particularly where ownership and responsibility were shared.

Staff provided an update on the wastewater treatment plant, highlighting strong performance and improved treatment quality. Visuals were shown to demonstrate the clarity of treated effluent, with particular emphasis on successful reductions in phosphorus and ammonia, at times reaching non-detect levels. This was presented as validation of the significant investment made in the facility.

Operational challenges since commissioning were also reviewed. These included:

- Periodic surges related to contractor activity
- Electrical issues involving harmonic filters intended to stabilize power quality
- A recent transformer failure that required a temporary shutdown during peak flow hours

Staff described this incident as a critical near-miss. Although redundancy existed across most systems, the facility relied on a single large backup generator, meaning power still flowed through shared transformers. During the outage, staff closely monitored manholes and system pressure to avoid surface discharges. While no overflow occurred, the event highlighted a vulnerability at the plant's lowest hydraulic point.

To address both operational efficiency and emergency resilience, staff reintroduced the concept of an equalization (EQ) tank, which had been part of the original plant planning but deferred. The EQ tank was described as serving multiple functions:

- Smoothing peak inflows during morning and evening usage cycles
- Allowing steadier treatment loads and extending equipment life
- Providing four to five hours of emergency storage capacity in the event of power or system failures

Conceptually, the tank would capture excess flow during peak periods and release it during low-demand periods, improving overall plant performance. Preliminary estimates placed the cost of such a tank at approximately \$5 million. Staff proposed beginning design work in the coming year, with construction potentially following within the next one to two years, subject to funding decisions.

The presentation also revisited another deferred component from the original plant design: a maintenance shop. Staff noted that the current facility lacked adequate space for equipment storage, repairs, and routine maintenance work. This limitation had operational impacts, but the decision had previously been made to postpone construction to manage overall project costs. The maintenance shop was identified as a future need to be revisited alongside other wastewater capital priorities.

Staff discussed the decision to defer construction of a maintenance facility at the wastewater treatment plant. During the first year of operation, the plant remained under warranty, allowing staff to avoid immediate operational risk. Initial design discussions with architects and engineers produced cost estimates exceeding \$1 million, driven by traditional construction methods. As a result, staff chose to pause and revisit alternatives.

A revised concept using a pre-engineered metal structure was presented, with an estimated cost of approximately \$500,000. Staff noted that the current lack of dedicated maintenance space has led to inefficiencies, including spare parts stored in shipping containers and scattered locations, which is not sustainable long term.

#### Treatment Plant Underrun and Available Capacity

Staff reported that the wastewater treatment plant project is currently tracking approximately \$5 million under original planning assumptions. This underrun consists of:

- Roughly \$2 million in unused contingency
- Approximately \$3 million in savings from reduced engineering and construction management costs, achieved by handling much of the work in-house

These savings were attributed to strong internal project management and coordination among public works leadership and staff. The underrun creates an opportunity to fund additional infrastructure needs without immediate new debt.

#### Equalization Tank and Capital Strategy

The discussion tied the treatment plant underrun directly to the proposed equalization (EQ) tank and maintenance facility. Staff clarified that:

- The EQ tank and maintenance building together represent approximately \$5 to \$5.5 million in identified needs
- The existing underrun could be strategically applied to fund these improvements
- Ongoing collection system work would continue at an average of \$2.2 million per year, focused primarily on pipe linings and eventual clay pipe replacement

This capital spending level is averaged over time, meaning the rate model already assumes use of accumulated savings to fund large projects like the EQ tank.

#### Wastewater Rate Modeling

Staff explained that wastewater rates are modeled to increase by approximately \$2.50 per month on even years, alternating with water rate increases on odd years. This approach was designed to:

- Reduce compounded impacts on residents
- Maintain fund stability without frequent large adjustments
- Avoid new bonding where possible

Council members confirmed that the modeled rate increases do include spending down the \$5 million underrun over time, rather than preserving it indefinitely.

#### Debt Considerations and Transparency

A chart showing capital expenditures, debt service, and operating costs prompted discussion about how debt is presented. Council members noted that:

- Capital spending and debt service can appear additive in charts, even though bond proceeds funded much of the capital work
- The visual representation could be misleading without showing bond revenue alongside expenditures

Staff acknowledged this concern and agreed that future presentations could better distinguish between:

- Capital funded by debt proceeds
- Capital funded by cash reserves
- Ongoing debt service obligations

Despite presentation challenges, the discussion reinforced a key takeaway: debt service from the treatment plant bond now exceeds annual employee and operational costs, underscoring the long-term impact of bonding decisions.

#### Policy Guidance from Council

Council members emphasized a desire to separate policy decisions from technical modeling, requesting that staff:

- Clearly define what infrastructure is needed and why
- Present funding options such as rate increases, bonding, or phased implementation
- Allow Council to weigh tradeoffs rather than defaulting to a single assumed approach

Staff responded that the current assumption of a \$2.50 increase every other year was intended as a planning baseline, not a fixed policy decision, and welcomed further direction.

#### Overall Direction

The wastewater fund was described as being in a strong position, with:

- A new, high-performing treatment plant
- Significant underruns available for reinvestment
- Manageable long-term capital needs if rates are adjusted gradually

Key decisions moving forward include:

- Whether to proceed with the EQ tank and maintenance facility using existing savings
- How aggressively to replace aging collection system infrastructure
- Whether future capital should be cash-funded or bonded
- How to align rate increases with Council policy priorities

Following discussion on wastewater rate modeling and chart presentation, Council and staff briefly addressed how financial information is displayed publicly, emphasizing transparency and clarity. Staff agreed to revise future charts to better distinguish between:

- Capital funded by debt
- Capital funded by cash reserves
- Ongoing debt service obligations

The goal was to avoid any perception of hiding information while also preventing misinterpretation when charts are viewed without verbal explanation. Staff committed to updating visuals to show bond-funded capital separately or through cross-hatching or additional lines to reflect available reserve balances.

With that context established, the meeting transitioned into stormwater and streets, where staff noted that policy guidance would be even more important due to the discretionary nature of those systems compared to water and wastewater.

#### Stormwater Rates and Capital Needs

Staff explained that stormwater differs fundamentally from water and wastewater in that:

- It does not have a direct usage-based revenue model
- It relies almost entirely on rates rather than impact fees
- Deferred maintenance carries higher risk of visible failure, flooding, and emergency response costs

As a result, stormwater funding decisions are more explicitly policy-driven, rather than being tied to regulatory or operational minimums.

## Capital Pressures

Staff outlined that stormwater capital needs are driven by:

- Aging pipe and culvert infrastructure
- Capacity deficiencies in older neighborhoods
- Increased runoff from growth and redevelopment
- Rising construction costs

Unlike wastewater, stormwater does not benefit from large one-time grant opportunities or shared regional infrastructure. Projects tend to be incremental but widespread, making long-term underfunding more visible over time.

## Rate Modeling Approach

Staff indicated that stormwater rate modeling remains less settled than water or wastewater. Options discussed included:

- Small annual increases
- Larger increases every few years
- Bonding major projects versus pay-as-you-go

Staff emphasized that direction from Council is needed to determine whether stormwater should:

- Prioritize system preservation only
- Begin addressing known deficiencies more aggressively
- Be funded primarily through rates or through occasional bonding

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## Streets (Transportation Utility Fund) Discussion

### Streets as a Policy-Driven Utility

Staff noted that streets funding is the most policy-sensitive of the utility discussions because:

- Streets do not generate direct revenue tied to usage
- Gas tax and state funding are volatile and insufficient
- Public expectations are high, but deterioration is gradual

As with stormwater, deferring maintenance reduces short-term costs but increases long-term liability.

#### Pavement Preservation vs. Reconstruction

The discussion distinguished between:

- Preventative maintenance (slurry seals, overlays)
- Full reconstruction of failed streets

Staff emphasized that:

- Preserving good roads is significantly cheaper than rebuilding failed ones
- Falling behind on preservation quickly multiplies future costs

#### Funding Strategy Considerations

Council and staff discussed several strategic questions:

- Should streets funding aim to maintain current pavement conditions or improve them?
- Is bonding appropriate for large street projects, or should rates be increased instead?
- How much variability in annual rate increases is acceptable to residents?

Staff reiterated that, similar to stormwater, clear policy direction is necessary to finalize any recommended rate structure.

Staff clarified that the financial model being shown included all capital expenditures, including those that had been discussed earlier in the meeting. The projected cash balance at the end of FY26 was approximately \$12 million, reflecting the intentional sequencing of projects rather than excess or unused funds.

It was emphasized that the available cash did not represent surplus money, but rather the result of deliberately delaying certain planned projects to ensure the treatment plant was fully funded and operational first. With that major work now complete and under budget, the city was positioned to move forward with additional infrastructure needs, including the equalization (EQ) tank and a maintenance facility, using funds that had been set aside for that purpose.

Council members stressed the importance of how this information would be presented publicly. They agreed the narrative should reflect that:

- Funds were intentionally reserved, not leftover
- Projects were deferred strategically, not canceled
- The city now had the financial capacity to complete remaining planned improvements

Staff acknowledged the need to revise language and visuals so that public-facing documents conveyed this context clearly without requiring audio explanation.

Staff indicated that no additional wastewater rate changes were being recommended beyond what had already been modeled. While there had been concern earlier in the process about how high sewer rates might need to rise, updated analysis showed that:

- Neighboring cities had experienced similar or larger increases
- Spanish Fork's rates remained below the regional average
- The gap between Spanish Fork and other cities had narrowed but not reversed

The modeled approach of approximately \$2.50 increases every other year showed wastewater rates flattening after several years of adjustment, placing the city on a more stable long-term trajectory.

The discussion then transitioned to the garbage utility, which staff described as the most stable and predictable fund.

Key points included:

- Garbage operations involved virtually no capital expenditures
- Revenue and expenses were closely aligned
- Cash balances were near target levels, indicating residents were not being overcharged

Staff noted that a modest increase from the transfer station was anticipated, but growth alone was expected to absorb most of that impact. No significant rate changes were proposed.

The city's existing contract with Republic Services was identified as a major advantage, as it remained significantly lower than comparable contracts in other cities. Staff flagged 2031, when the contract expires, as a key year to monitor.

Council highlighted that the stability of the garbage fund created an opportunity to strategically smooth rates across all utilities. Because garbage rates were predictable and resilient, staff could allow temporary deviations where:

- Garbage revenue dipped slightly below expenses in a given year
- Other utilities required more aggressive adjustments

This flexibility was seen as a way to maintain a balanced overall rate structure and avoid sharp increases in any single utility.

After some lighthearted comments, staff continued with the garbage and recycling rate discussion.

Staff explained that:

- The blue line represented recycling rates
- The black line represented garbage rates
- The red line showed the combined impact

Looking ahead to 2031, when the Republic Services contract expires, the model included a \$1.50 increase to help smooth potential future impacts. Council noted this was not a firm decision but an early placeholder, with ample time to evaluate whether:

- The increase should occur all at once
- Or be spread over multiple years to reduce rate shock

The overall takeaway was that garbage remained one of the city's most predictable and manageable utilities, allowing flexibility in future planning.

The discussion then moved to power rates, which staff identified as one of the largest upcoming cost drivers.

Key points included:

- The city had budgeted \$3.6 million this year for the SUVPS true-up, reflecting shared infrastructure costs with other participating cities
- This true-up effectively represented the city's share of a new substation investment, estimated at 10 to 15 megawatts

Staff explained that:

- A Phase 1 bond had already been issued, with Spanish Fork's share currently about \$1.3 million per year
- A second bond was anticipated, which could increase the city's annual obligation to approximately \$2 million
- Combined, SUVPS-related costs were projected at roughly \$3.3 million annually going forward

Over a 10-year horizon, projected SUVPS payments totaled approximately \$31.5 million, compared to about \$6.6 million over the prior 10 years, highlighting a significant structural shift in power system costs.

Staff noted that:

- Several major SUVPS system upgrades were driving these costs
- UMPA was currently conducting a system-wide study that could result in future rate adjustments, though details were not yet known
- The city was assuming historical growth trends for now and planned to revisit assumptions once the UMPA study was completed

Staff also indicated they would follow up with additional analysis once the study results were available, particularly to understand long-term impacts on Spanish Fork's rates.

The power model assumed:

- Approximately \$4 million per year in capital expenditures, excluding potential future projects in the Burke area and the 138 kV transmission line
- A proposed increase of roughly \$2.50 per month on the average residential power bill in FY27 and FY28

- Non-residential impacts were estimated at slightly under 2.75%, though those figures were acknowledged as harder to project

Council clarified that the \$2.50 figure referred to the total monthly power bill, not a per-kilowatt charge.

This segment reinforced that:

- Garbage and recycling remain stable and flexible for rate smoothing
- Power costs represent one of the city's largest long-term financial pressures
- SUVPS investments are unavoidable but planned, requiring gradual and transparent rate adjustments
- Several assumptions remain subject to refinement as regional studies and infrastructure plans are finalized

Staff clarified that the proposed \$2.50 average monthly increase for power would be:

- Based on using the same amount of electricity
- Split between the base rate and the usage (per-kWh) rate
- Applied as a combined adjustment, not a single flat fee

Staff noted that the average base power bill was currently around \$85 per month, and upcoming analysis, including the Dave Berg study, would help evaluate whether future adjustments should lean more heavily toward:

- Base charges, or
- Usage-based charges

Staff reviewed additional charts showing:

- The \$3.6 million SUVPS true-up and its impact on the power fund
- Transfers to the general fund
- Operating revenue versus operating expenses

Despite the large true-up, the fund appeared stable, even with capital spending included. Cash balances were tracking close to minimum targets, which staff described as acceptable but worth monitoring.

It was noted that:

- Cash reserves were approximately \$17 million
- This provided a buffer if UMPA rates increased more than expected
- The city had previously adjusted power rates mid-year, typically in February, which reduced risk if assumptions proved inaccurate

Council and staff discussed broader risk management considerations, including:

- The possibility of unexpected major events such as transformer failures or natural disasters
- The need to invest in future power infrastructure as national and regional energy systems evolve

Key points raised:

- Mid-year rate adjustments remain an available tool
- Cash reserves could be used as an interim solution, including internal loans or support for bonding if a major emergency occurred
- Compared to garbage, power carries significantly more uncertainty, with ongoing projects and system volatility

Several participants expressed concern that:

- While current projections met minimum reserve targets, the margin was too tight given the inherent instability of power infrastructure
- There should likely be more space above the minimum, even if that meant slightly higher balances than strictly required

At the same time, it was acknowledged that:

- Excessive reserves, potentially approaching \$20 million by the mid-2030s, could also be inappropriate
- The city needed to balance preparedness with rate fairness

Staff emphasized that:

- The current model included increases in FY27 and FY28, then held rates steady
- No additional assumptions were added yet due to uncertainty around UMPA's upcoming study
- Future refinements would likely occur once clearer regional power cost data was available

The group generally agreed that:

- Power rates and reserves warranted closer scrutiny than other utilities
- The upcoming Dave Berg / UMPA study would be a key input
- Further discussion was needed to define a comfortable minimum reserve level that reflects both operational risk and long-term capital needs

No decisions were finalized in this segment, but there was clear consensus that power requires a more cautious, flexible approach than other utility funds.

Staff reviewed comparative billing data showing a lower illustrative residential bill based on 572 kWh per month, noting that Spanish Fork's actual average residential usage is closer to 788 kWh. While the example was lower than prior figures discussed, it was still useful for comparison purposes.

Key takeaways:

- Spanish Fork does not yet have strong peer comparisons for large commercial or industrial users
- Residential rates appear to have room to grow compared to neighboring communities
- Large commercial and RGS customers are already on the higher end relative to peers

Staff emphasized that there are only about 11 very large power users in the city, each paying on the order of \$30,000 per month, and acknowledged that:

- Competitive rates are likely one reason these users locate in Spanish Fork
- Any changes affecting this group are highly sensitive and require careful analysis

Staff noted ongoing discussions about a potential special rate structure for the Verk area, which may better reflect:

- The scale of industrial usage
- The true cost to serve large users
- System impacts and infrastructure demands

At this stage:

- No large new industrial load growth has been assumed in the financial models
- Projections currently assume growth patterns similar to recent history

Council emphasized that industrial load analysis would be a major topic at an upcoming Tuesday work session, with participation from:

- Jake
- UMPA representatives

That session is expected to focus on:

- System impacts of large users
- Cost versus revenue by customer class
- Long-term implications for infrastructure and rate equity

Council reiterated a shared policy principle:

- Rates should be driven by identified needs and costs, not by available headroom in comparisons
- Comparative data should be used as a check at the end of the process, not the starting point

There was discussion around the broader philosophical question of:

- Whether large commercial users should bear a greater share of system costs, potentially easing pressure on residential rates
- Whether current structures already accomplish that to some degree

Staff noted that a cost-of-service comparison by customer class would be particularly helpful to inform that discussion.

Staff acknowledged time constraints and noted that:

- Streets and stormwater funding is especially complex due to multiple constrained revenue sources
- The city has limited direct control over many of those sources

The discussion on streets and stormwater was formally paused and deferred to a future session, with staff indicating:

- Additional time would be needed
- A short explanatory video was prepared but postponed
- The topic would be resumed in a dedicated continuation session

The discussion transitioned to streets and stormwater, emphasizing the complexity of funding transportation infrastructure and the limited number of revenue sources directly controlled by the city. It was noted that storm drain revenue represented a significant portion of overall public works revenue, while expenditures on storm drainage were proportionally lower. This prompted reflection on whether current allocations continued to align with community priorities.

Staff reviewed existing funding mechanisms, including the road repair assessment applied to other utilities when roadway impacts occurred, as well as the historical use of general fund transfers to support streets. It was noted that while a general fund transfer had not occurred in one recent year, the financial model continued to assume an ongoing annual transfer of approximately \$475,000, along with the continuation of the road repair assessment at its current level.

The group discussed broader transportation concerns, acknowledging that traffic remained the most common public complaint. There was agreement that addressing traffic issues would require understanding what investments or solutions could meaningfully reduce complaints and what those solutions would cost. It was recognized that some traffic-related concerns stemmed from corridors outside direct city control, particularly Highway 6, as well

as Main Street, which limited the city's ability to fully resolve those issues through local funding alone.

The possibility of alternative funding approaches was raised, including the long-term consideration of a transportation utility fee. However, no specific recommendation was made, and staff indicated that further analysis would be required to evaluate the feasibility and impacts of such an option.

The brief back-and-forth at the end reflected agreement among participants that the location being discussed was already a known high-incident area prior to the roundabout, reinforcing the earlier point that roundabouts were often installed in response to existing safety concerns rather than being the cause of them.

With that confirmation, the group effectively wrapped the transportation discussion, having agreed to:

- Pause further streets and stormwater analysis due to time constraints
- Revisit the topic in a future session with additional data and visuals
- Bring forward clearer safety comparisons and context for public-facing communication

2:10 pm

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## **DIVERSION BREAK**

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### **Police Chief - Police Chief Matt Johnson**

The Police Chief opened by thanking the Mayor, City Council, City Administration, and department heads for their continued support of the police department. He also expressed appreciation for the City Attorney's Office and staff for their strong cooperative working relationship, noting that officers are very appreciative of this support.

#### Presentation Overview

The department provided a high-level overview covering:

- Department structure and assignments
- Workload and calls for service

- Traffic accident data, including major locations and severity
- Recruitment and retention
- Use of force and citizen complaints
- Artificial intelligence pilot program
- Drone program
- Manpower needs
- Investigations division caseloads and data

## Department Structure

### Bureaus

The police department is organized into three bureaus:

1. Administrative Division
2. Patrol Division
3. Investigations Division

### Administrative Division

- Commanded by Lt. Slaymaker
- Sgt. Nielsen is retiring February 13, with Sgt. Rudd assuming the role
- Recent staffing changes include the hiring of Celeste Thorpe as Office Coordinator and the promotion of Emily Williams to Administrative Specialist
- Responsibilities previously held by Jill Thorpe were redistributed and are functioning well
- School Resource Officers (SROs) are supervised through the administrative division but also receive investigative case assignments, which can create coordination challenges when availability is not communicated

The department is evaluating future options for SRO supervision, including potentially assigning a dedicated sergeant as staffing levels grow.

### School Resource Officers

- Operate under a contract with Nebo School District
- Nebo School District pays 50 percent of salary and benefits
- Officers are embedded in schools, strengthening relationships with students and faculty

### Patrol Division

- Commanded by Lt. Harding
- Six patrol sergeants provide 24/7 supervision
- Two graveyard sergeant positions were previously approved and are now in place

### Investigations Division

- Commanded by Lt. Anderson
- Staff includes Sgt. Harris, Detective Beebe, and Detective Wyatt Davis
- Detective Davis' last full-time day was noted; he is transitioning to private-sector employment but will remain part-time
- Major Crimes Officer David Bowen was recently promoted to Sergeant
- Logan Brower serves as the City Drug Officer

### Fire and EMS Transition

- Trevor has transitioned from police supervision to Fire and EMS, where he will also assist with fire inspections
- He was commended for his passion and contributions to the city

### Workload and Calls for Service

- Traffic accidents decreased from 1,155 to 973
- Calls for service also decreased slightly

- Average calls per officer declined correspondingly

The Chief noted that while selective enforcement plays a role, roadway engineering improvements, including roundabouts, are likely a significant factor in the reduction of traffic accidents.

#### Traffic Accident Data

#### Accident Trends

- Overall accidents are down year-over-year
- Three traffic-related fatalities occurred citywide during the year

#### Major Accident Locations

- High-incident locations remain largely consistent with prior years
- The intersection of 400 North and Main Street remains a frequent location for rear-end collisions, largely due to northbound traffic backups

Council discussion highlighted that while some locations feel like they experience constant accidents, the data shows more moderate frequencies, often closer to one accident per month rather than weekly. However, when accidents do occur at certain locations, they tend to be more severe.

City staff noted that monthly accident data is shared with elected officials and reviewed by the city's traffic team, which includes representatives from multiple departments. This team actively monitors trends and evaluates engineering or operational changes to improve safety.

#### Discussion on 400 North and 800 East

Council members discussed the concentration of accidents at 400 North and 800 East. Staff indicated there is no clear engineering defect, but traffic volume and the intersection's role as a major east-west connector likely contribute to higher accident counts compared to other east-side roadways.

#### Traffic Behavior at 400 North and 800 East

Staff and Council discussed driver behavior at the 400 North and 800 East roundabout area. It was noted that many drivers continue to behave as if east-west traffic has priority, likely due to long-standing historical traffic patterns before the roundabout was installed. Observations indicate that some drivers entering from the east and west fail to yield appropriately.

The consensus was that the issue is less about engineering flaws and more about driver understanding and habits, particularly regarding yielding behavior when entering roundabouts. Staff acknowledged that additional education or traffic-calming measures may help over time.

#### Recruitment and Retention

The department experienced significant personnel changes over the past year, including new hires, lateral transfers, resignations, and retirements:

#### New Hires and Transitions

- Emily began employment in January
- John Green graduated from the police academy in August
- Jax graduated from the academy in November
- Celeste began employment in December

#### Lateral Transfers

- Austin Lunt transferred from American Fork in March
- Cody Sampson transferred from American Fork and Lindon
- Fernandez transferred from Mapleton

#### Departures

- Officer Ballantyne retired
- One officer resigned in October
- One officer resigned in November
- Sergeant Hooley resigned to accept the Police Chief position in Mapleton
- Wyatt Davis resigned from full-time employment but will remain part-time
- Jill retired after 39.5 years of service
- Sergeant Nielsen is retiring February 13

Despite this turnover, the department emphasized that officers have not been leaving to join other agencies at a concerning rate. Leadership credited the city's culture, administrative support, and department environment as key factors in retention.

#### Use of Force Reporting

Use of force reports increased significantly beginning in 2021. The Chief explained this was due to a policy change requiring the Major Crimes Officer to submit use-of-force reports when assisting with search warrants across the county.

Use of force includes:

- Physical hands-on encounters
- Taser deployment
- Displaying a firearm

Most reports originate from search warrant activity involving the City Drug Officer and Major Crimes Officer, not from routine patrol interactions.

#### Citizen Complaints

The department reported a very low number of citizen complaints relative to department size and population served. Leadership highlighted this as evidence of:

- Officer professionalism
- Respectful treatment of residents
- Strong community relationships

Council members informally referenced recurring complaints related to parking enforcement from one person, specifically police vehicles parked on concrete areas near schools.

#### Clarification on School Parking Complaints

Staff clarified that complaints regarding police vehicles parking on "sidewalks" at high schools stem from a misunderstanding of right-of-way definitions:

- Concrete areas on school property are not considered public sidewalks under city code
- These areas are private property controlled by Nebo School District

- The district has explicitly requested police vehicles be visibly parked in specific locations on campus

This practice is district-wide and intentional, aimed at visibility and school safety. The issue has been repeatedly explained to the complainant involved.

Staff reiterated that police vehicles are intentionally parked in highly visible locations at Diamond Fork Junior High and Diamond Fork Middle School, including areas outside traditional parking lots. This practice was implemented at the request of Nebo School District and surrounding school administrators to increase visibility and deterrence.

It was clarified that officers are not permitted to park illegally, including:

- Parking the wrong direction on a public street
- Parking on sidewalks located within the public right-of-way

However, officers are allowed to park on private concrete surfaces owned by the school district, even if those areas are commonly referred to as “sidewalks,” provided they are not part of the public right-of-way. Staff emphasized that this distinction is legal, intentional, and supported by the school district.

#### Definition and Oversight of Use of Force

The Chief clarified that use of force is defined broadly and includes:

- Hands-on control techniques such as wrist locks
- Taser deployment
- Display of a firearm
- Any action taken to gain compliance during an arrest

It was noted that while officers may have many daily interactions, use-of-force reports are limited to incidents where an arrest or physical compliance is required, typically numbering fewer than ten per day.

The Chief stated that an estimated 80 percent of use-of-force incidents involve alcohol-related situations. Division commanders and the Chief reviewed all use-of-force reports weekly to ensure policy compliance, identify training needs, and maintain accountability.

#### AI Code 4 Pilot Program

The department reported participation in a pilot program called AI Code 4, an artificial intelligence system that generates police reports using body camera footage. The program was developed by a former MIT student and has been adopted by other agencies, including Heber City.

The Chief explained that the system:

- Processes body camera footage
- Generates detailed police reports with timestamps
- Significantly reduces report-writing time

A Fox 13 news segment was shown demonstrating the technology. Officers reported saving six to eight hours per week using the system, with reports that previously took one to two hours now being completed in minutes.

#### Report Quality Comparison

Council members reviewed two sample reports written by the same officer for similar domestic violence cases:

- One report was written manually and was approximately two pages
- The AI-assisted report was approximately fifteen pages

The AI-generated report contained substantially more detail and included a disclosure noting that it was created with AI assistance. The Chief stated that the department preferred the longer, more detailed reports, particularly for evidentiary and prosecutorial purposes.

#### Investigations Division Benefits

The Investigations Division reported additional benefits from the AI system, particularly for Children's Justice Center interviews. Reports that previously required two to three hours to complete were generated within minutes using recorded interviews, significantly increasing efficiency and allowing investigators to focus more time on casework.

Council members discussed officer responsibility for AI-generated reports. Staff confirmed that while AI Code 4 generates the initial report draft from body camera footage, officers remain fully accountable for the final content. Each report is reviewed, edited as necessary, and formally signed by the officer, who certifies the report as accurate and complete.

The Chief emphasized that officers do not rely on AI output blindly. Minor edits and corrections are routinely made to ensure accuracy, clarity, and context. Council members agreed that human review is essential and should remain a required part of the process.

## Time Savings and Operational Benefits

Staff noted that AI significantly reduces report-writing time. Reports that previously took two to four hours to complete can now be finalized in approximately 30 minutes, provided proper review occurs. This time savings was described as substantial when multiplied across the department, effectively returning the equivalent of one to two full-time officer workloads back into active service without adding staff.

It was further noted that faster report completion reduces the risk of incomplete or delayed reports, which can negatively impact investigations, prosecutions, and officer recollection of details.

## Impact on Body Camera Usage

Council members asked whether knowing that reports are generated directly from body camera footage could affect officer behavior. Staff responded that body cameras already influence professional conduct positively, and there was no expectation that AI usage would negatively alter behavior. Rather, staff suggested it reinforces the importance of accurate, consistent body camera usage.

## Data Security and Privacy

Staff confirmed that AI Code 4 processes data securely and that footage is not shared externally or used to train external AI models. Legal and IT staff had participated in demonstrations and asked detailed questions regarding storage, security, and compliance. At this time, staff indicated confidence that the system meets security and privacy standards.

## Cost and Return on Investment

The cost of AI Code 4 was reported as approximately \$35 per officer per month. Equipping roughly 40 officers would total just under \$17,000 annually. Council members agreed that this cost represented a strong return on investment given the significant time savings, improved report quality, and operational efficiency.

Staff and Council expressed optimism that while AI will not replace human judgment or decision-making, it can meaningfully enhance efficiency, accuracy, and officer effectiveness when used responsibly.

## Use of Drones in Law Enforcement

The Police Department discussed expanding the use of drones as a tactical and safety tool. Staff noted that many agencies locally and nationwide, including county partners, are already using drones for law enforcement and fire response. During a recent incident on January 3, Sanpete County Police had a drone deployed before Spanish Fork officers arrived, demonstrating the operational value of immediate aerial support.

Potential uses of drones include:

- Search and rescue operations
- Crisis intervention and negotiations
- Situational awareness during high-risk incidents
- Crime scene documentation and mapping
- Tactical operations
- Monitoring large public events such as parades, rodeos, and sporting events

Staff shared an example from Lehi City, where a drone was used to locate a suicidal individual along the Jordan River Trail, allowing officers to resolve the situation without placing personnel in danger.

#### Cost, Training, and Compliance

The department estimated the cost of acquiring a drone at \$6,000 to \$10,000, depending on features such as thermal imaging. One officer is already trained and certified to operate drones, and additional officers would be trained over time.

Staff confirmed that:

- FAA certification is required for drone pilots
- The city already has a drone policy in place
- The city maintains an approved list of trained pilots
- Risk Management and Legal staff have been involved in policy development

Council members acknowledged that the city is well-positioned from a policy and compliance standpoint to expand drone use responsibly.

#### First Responder Drone Programs

Staff discussed emerging models where drones are deployed as a “first responder,” launched immediately upon receiving a call, sometimes arriving before officers. Lehi City’s program was highlighted, where drones are routinely used for suspect tracking, fire response, and crash scenes. While Spanish Fork is not currently proposing a full first-responder drone program, staff indicated this could be a future consideration as technology and staffing evolve.

#### Transition to Manpower Needs

Following the drone discussion, staff transitioned into manpower needs within the Police Department. Council members asked whether staffing items were being presented in priority order, prompting the department to clarify the focus on Victim Services and support staffing as the next area of discussion.

#### Victim Services Unit

The Police Department presented data highlighting significant strain on the Victim Services function, which is currently staffed by a single full-time Victim Advocate.

#### Key points:

- The national average caseload for a victim advocate is 200–250 cases per year.
- In 2024, Spanish Fork's advocate handled 742 cases, approximately 300 percent of the national average.
- National best practices recommend 8–10 hours per victim, while Spanish Fork averages 2.6 hours per victim due to workload volume.
- High-risk and high-lethality domestic violence cases require significantly more time, and consistent advocacy has been shown to:
  - Increase victim participation in the judicial process
  - Improve prosecution outcomes
  - Reduce case dismissals due to victim overwhelm or disengagement

#### Proposed Solution

Staff proposed adding a part-time victim advocate (approximately 20 hours per week) to:

- Assist with administrative duties such as:
  - VOCA grant reporting
  - Grant writing
  - Victim compensation paperwork
- Provide coverage during peak demand times, evenings, weekends, and heavy court days

- Allow the full-time advocate to focus on high-risk victims and crisis response
- Reduce burnout risk and improve long-term retention

Staff indicated this could potentially be structured as an internship or early-career position, providing experience while addressing workload needs. Leadership emphasized the intent to start with a part-time position and evaluate effectiveness before considering a full-time expansion.

#### Detective Division Staffing and Burnout

#### Detective Staffing Request

The Chief formally requested the addition of:

- One detective
- Two patrol officers (as resources allow)

#### Context:

- No new detective positions have been added since 2016
- Recent and anticipated turnover within Investigations has raised concern:
  - A detective left after 18 months due to burnout
  - Another detective recently resigned
  - A third detective indicated they may leave the division without additional support

#### Detective work was described as:

- Emotionally taxing
- Highly time-consuming
- Carrying significant spillover impacts on family life and personal well-being

#### Detective Caseload Data

- Total assigned cases in 2024: 642
  - 447 cases assigned to full-time detectives
  - 195 cases assigned to School Resource Officers (SROs)
- SROs are currently absorbing investigative caseloads to relieve detectives, particularly for:
  - Juvenile cases
  - DCFS referrals
  - School-based incidents

This practice, while necessary, creates challenges:

- SROs are required to leave their assigned schools to conduct interviews, attend Children’s Justice Center appointments, or locate suspects
- This conflicts with the district’s expectation that officers remain present on campus during school hours

Adding a detective would:

- Reduce investigative workload per detective
- Limit reliance on SROs for investigative overflow
- Improve consistency in school coverage

Leave Utilization and Effective Staffing

In 2024:

- Sworn officers used approximately 12,400 hours of leave across a staff of 44 officers
- This equates to an average of 5.96 officers absent year-round
- Effective staffing level is closer to 38.4 officers, not 44

Leave includes:

- Vacation
- Sick leave
- Compensatory time
- Patrol holiday leave (used instead of paid holidays)

While leadership explored alternative holiday compensation models, officers strongly expressed the need to retain time-off benefits due to job stress and burnout.

#### Overtime Impact

- Budgeted overtime: \$250,000
- Current 12-month rolling average projects \$450,000 in overtime usage
- Increased overtime is largely attributed to:
  - High leave utilization
  - Staffing shortages
  - Emotional recovery following critical incidents

Recent critical incidents highlighted the mental health toll on officers, with multiple personnel requiring extended time off. The department reported increased utilization of:

- Peer support
- First Responder mental health services

Leadership emphasized that overtime trends are a symptom of staffing strain, not inefficiency.

#### Key Takeaways for Council

- Victim Services staffing is significantly under-resourced relative to workload and best practices
- The Investigations Division is experiencing burnout and retention risk

- Patrol staffing shortages and leave utilization are driving overtime costs
- Additional staffing would improve:
  - Victim outcomes
  - Officer wellness
  - Investigative quality
  - Budget predictability over time

The discussion concluded with lighthearted comments referencing encouragement from Amber at the awards banquet, joking that the Chief could ask for anything and receive approval. Council members responded in kind, expressing strong support and appreciation for the department.

The Chief emphasized that:

- Personnel costs make up the majority of the department's budget, and leadership is mindful of that reality.
- Despite constraints, officers consistently step up to cover shortages across shifts.
- It is common for last-minute requests to go out seeking coverage for graveyard, swing, or day shifts due to staffing gaps.
- While the department continues to do more with less, additional staffing would materially reduce strain and improve coverage.

The Chief closed by thanking the Council for their time and support. The Mayor and Council members thanked the Chief in return

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**BREAK 4:00 pm**

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Landon Tooke gone

Mayor Mike Mendenhall gone

**Administration Seth Perrins/ Jack Urquhart**

## Purpose and Direction

- Overview of the creation of a standalone Communications Division.
- Focus on how city communications are evolving, including philosophy shifts, early successes, and upcoming priorities.
- Emphasis on adapting content to current consumption habits, especially mobile-first audiences.

## Key Philosophy Shifts

- Phone-first content strategy
  - Primary focus on short-form video content ranging from 30 to 90 seconds.
  - The goal is fast, clear, and engaging messaging optimized for mobile viewing.
- Rapid response and timeliness
  - The communications team prioritizes immediate content deployment following major city events.
  - Example cited: FitCity Center grand opening, with multiple videos and photos released within 24 hours.
- Reducing friction with departments
  - Streamlining collaboration to eliminate prolonged scripting, revisions, and approvals.
  - The communications team takes the lead on concept, filming, and editing to make participation easy for departments.
  - Early success noted with Wastewater and Streets divisions participating in on-camera educational content.

## Team Structure and Roles

- Dedicated assignments across departments to ensure coverage and responsiveness.
- Formalized role of city photographer.

- Increased production of both promotional and informational content, including Council and library features.

#### Resident Education Focus

- Intentional shift toward answering common resident questions through accessible content.
- Examples include:
  - Recycling processes.
  - Business development decisions.
  - Park planning and city growth.
- Educational content to be distributed across social media, newsletters, and the city website.

#### Engagement and Performance Metrics

- Strong emphasis on data-driven decision-making.
- Guiding principle: content should not be posted unless it is likely to generate engagement.
  - Acknowledgement that some posts are legally required, but effort is made to make them as engaging as possible.
- Tracking metrics include:
  - Post views.
  - Net follower gains or losses.
- Observations:
  - Typical posts result in marginal follower change.
  - High-impact events can generate significant follower growth.
- Significant growth over the past year:

- Facebook followers increased by approximately 11 percent.
- Instagram followers increased by over 21 percent.
- Audience growth viewed as critical to ensuring city messages reach residents effectively.

#### Algorithm Awareness

- Recognition that low-engagement posts negatively affect platform visibility.
- Decision to avoid posting content that consistently underperforms.
- Comparison shown with other cities that receive minimal engagement on routine posts.

#### Content Performance Examples

- Interactive discussion of high-performing Facebook posts from 2025.
- Examples included:
  - Garbage pickup calendar.
  - Tribute post.
  - Event promotion.
  - Buc-ee's rumor clarification.
  - Hay barn fire update.
- Discussion centered on why certain posts perform well and what drives resident interest.

#### High-Performing Post Analysis

- The Communications Director reviewed engagement data from recent high-performing Facebook posts to illustrate what resonates with the public.
- A post addressing the Buc-ee's rumor was identified as the highest-performing post in city history.

- The post received approximately 543,000 views, with significant engagement including reactions, comments, and shares.
- The post was text-based and did not include video content.
- Discussion emphasized that the post's success stemmed from:
  - Widespread public interest in business development rumors.
  - The rumor extended beyond Spanish Fork and gained regional attention.
  - A desire from residents and media for clarification directly from the city.
- It was noted that a KSL reporter had publicly stated that Buc-ee's was coming to Utah and potentially to Spanish Fork, which amplified speculation.
- City staff experienced a high volume of inquiries related to the rumor, including phone calls, emails, and public records requests.
- The Communications team initially hesitated to respond publicly, consistent with the city's usual practice of allowing private businesses to make their own announcements.
- A decision was ultimately made to clarify that the city had no knowledge or confirmation of the rumor.
- The post significantly reduced incoming inquiries and demonstrated the value of timely, authoritative communication.
- The post also resulted in a notable increase in new followers, reinforcing trust in the city as a reliable source of information.

#### Second-Highest Performing Post

- The tribute post honoring Bobby Kerr was identified as the second-highest performing post.
  - The post received approximately 182,000 views.
  - Engagement included a high number of reactions, comments, and shares.
- The Communications Director noted initial uncertainty about posting the tribute.
- After discussion with city leadership, the decision was made to publish the post.

- The post adopted a sincere and respectful tone, highlighting:
  - Bobby Kerr's career.
  - His long-standing connection to the Spanish Fork Rodeo and community.
- The post generated strong emotional engagement and community response, demonstrating the impact of content that reflects shared local history and values.

#### Key Takeaways from Engagement Discussion

- Posts that address:
  - Community rumors,
  - Widely shared local news,
  - Clarification of misinformation, and
  - Community identity and shared loss consistently performed at significantly higher levels.
- High-performing posts reinforced the importance of:
  - Timely communication.
  - Transparency when misinformation is affecting operations.
  - Strategic deviation from standard practice when warranted by public interest.
- The discussion reinforced the Communications Division's philosophy that engagement-driven content increases trust, reach, and operational efficiency.
- Platform Differences: Facebook vs. Instagram
- The Communications Director explained that high-performing content is often shared across platforms, but results vary by audience.
- Instagram content related to community figures and events, including rodeo appearances, performed exceptionally well.
  - One rodeo-related Instagram reel was identified as the best-performing Instagram post to date.
- Overall, Facebook posts consistently outperformed Instagram posts by approximately three to one in total views due to a larger audience.

- Differences in platform behavior were noted:
  - Instagram engagement tended to be more positive, shorter, and focused on tagging and sharing.
  - Facebook generated more commentary, including criticism and debate.
- Instagram was described as having a younger and more visually driven audience, while Facebook served as the primary platform for broader reach.

#### Continued Review of Top-Performing Facebook Posts

##### Hay Barn Fire Post

- The hay barn fire post received approximately 157,000 views.
- Key factors contributing to its performance included:
  - High visibility of the incident throughout the community.
  - Public concern and desire for timely updates.
  - Public safety content consistently performing well.
  - Recognition of firefighter efforts, including overnight response and sustained operations.
- The post helped inform residents while reinforcing trust in emergency services.

##### Harvest Moon Hurrah Promotional Post

- The Harvest Moon Hurrah promotional post was identified as a surprising high performer.
- The post was intentionally packaged to increase engagement and visibility.
- The timing aligned with:
  - National social media conversations around pop culture rebranding.
  - A widely discussed corporate rebrand that generated strong opinions.

- The city's post incorporated subtle humor and cultural references to increase relatability.
- The Communications Director acknowledged that the post carried a slightly edgy tone but remained intentional and measured.
- Audience interaction demonstrated:
  - Strong engagement.
  - Public discussion and debate.
  - Positive response outweighing negative commentary.
- The Director emphasized that occasional light humor, when balanced appropriately, helps humanize the city's voice and expand reach.

#### City Voice and Content Balance

- The Communications Director described an internal effort to define and document the city's communication voice.
- The city's tone was described as:
  - Serious when appropriate.
  - Transparent when clarity is needed.
  - Sincere during moments of loss or recognition.
  - Lighthearted or humorous when appropriate.
- Emphasis was placed on maintaining balance.
  - Humorous content is followed by transparency or reflection.
  - Engaging content is paired with informational value.
- The goal is to reflect the collective voice of city leadership while remaining relatable to residents.

#### Garbage Pickup Calendar Post

- The garbage pickup calendar post received approximately 65,000 views.
- Despite being informational in nature, it generated high engagement.
- The discussion highlighted that:
  - Practical, everyday information resonates strongly with residents.
  - Garbage collection schedules are universally relevant and frequently referenced.
- The post reinforced the importance of providing clear, accessible service-related information.

#### Communications Division – Resident Information Needs and Feedback Discussion

The Communications Director emphasized that even highly practical, non-glamorous content can be valuable if it meets a real resident need. The garbage pickup calendar was used as a clear example of identifying a simple but widespread concern and addressing it directly. Rather than directing residents to search for information independently, the city provided an accessible, easy-to-use visual tool that residents could quickly reference.

The Director reiterated that the Communications Division focused on recognizing everyday questions residents regularly face and delivering information in a way that reduces confusion and friction. The goal was not to produce award-winning content, but to meet residents where they are with information that is timely, useful, and easy to understand.

#### Guiding Communication Questions

The Communications Director outlined several guiding questions used to shape content strategy:

- What are residents worried about or frequently asking?
- What information would be most helpful right now?
- How can the city model transparency?
- What communication best reflects the quality of life in the community?
- What content will encourage residents to follow and engage with city channels?

Council members were invited to share feedback and ideas, with an emphasis that this input was ongoing and not limited to the current meeting.

## Council Feedback and Discussion

Council members noted the importance of:

- Responding to timely topics, such as property taxes and legislative activity, when public interest is high.
- Being attentive to changing concerns and trends rather than relying on static messaging.
- Creating faster feedback loops so Council members and staff could flag emerging questions or misinformation in real time.

It was acknowledged that Council members and staff often receive questions through different channels, including Podium, direct messages, and in-person interactions. These varied touchpoints highlighted the need for consistent internal communication to help the Communications Division identify patterns and respond effectively.

The discussion emphasized that:

- If one resident asks a question, many others likely share the same concern.
- Council members should not hesitate to pass along ideas, even if the topic does not initially seem engaging.
- The Communications team could focus on packaging and delivery, while Council members focused on identifying important information.

Leadership reinforced that good information should be shared even if it is not inherently engaging, trusting the Communications Division to present it clearly and effectively.

## Clarifying Misinformation and Real-Time Responses

Several participants noted the value of city leadership stepping in to clarify misinformation when it arises publicly. Rather than responding directly in comment threads, posting a clear, factual message from the city was seen as an effective way to “set the record straight.”

The Buc-ee’s post was referenced again as an example of how addressing misinformation directly helped reduce confusion, lessen staff workload, and demonstrate transparency.

The expansion of the Communications Division was identified as a key factor in enabling more timely responses. With multiple staff members now supporting communications, the city had greater capacity to respond quickly and consistently.

## Team Capacity and Growth

The Communications Director highlighted that the growth from a single communications role to a dedicated team had significantly increased capacity and talent. Team members brought strong skills in videography, editing, and visual storytelling, allowing the division to respond more creatively and efficiently.

Council members acknowledged early examples of success, including recent video content, and expressed confidence that the team was already delivering at a high level.

The segment concluded with recognition that while long-term messaging strategies are important, the greatest challenge and opportunity lies in responding quickly to changing public concerns and questions as they arise.

#### Communications Division – Ongoing Topics, Rapid Response, and Platform Strategy

The discussion continued with an emphasis on balancing consistent, recurring topics with the need to respond quickly to unexpected issues. Council members noted that certain subjects such as roundabouts, property taxes, and emergency notifications generate recurring questions and could benefit from regular, standardized communication. At the same time, participants emphasized the importance of having a clear avenue to address sudden, time-sensitive concerns, such as emergency events, facility closures, or questions about why residents did or did not receive alerts.

The Communications Director acknowledged the need to improve responsiveness to both evergreen content and spur-of-the-moment issues. He agreed that the city should continue building educational content that can be reused while also developing better systems to react quickly when new concerns arise.

#### Interactive and Transparent Engagement Efforts

The Communications Director described a recent Instagram “Ask Me Anything” initiative that allowed residents to submit questions privately through Instagram Stories. Because questions were not publicly visible, the city was able to filter out inappropriate or irrelevant submissions while focusing on meaningful, timely questions. Responses were posted quickly, often within 20 to 30 minutes, and accompanied by photos or on-site context when appropriate.

Based on positive feedback, the city planned to conduct this initiative quarterly with an all-hands approach. Staff across departments would be notified in advance so they could assist in answering questions as needed. The Director anticipated addressing 30 to 40 resident questions during each session and noted that the format allowed the city to reach audiences who may not engage on Facebook. The resulting content would be saved as a highlight so residents could review questions and answers later.

Council members were invited to participate in future sessions by helping answer questions, further increasing transparency and visibility.

## Social Media Reach and Performance Metrics

The Communications Director presented a comparison of Spanish Fork's digital reach relative to other Utah County cities. He introduced a "community reach ratio," calculated by dividing total social media followers by population. Among the top 20 cities in Utah County by population, Spanish Fork ranked second in Facebook reach and ninth on Instagram. When combining both platforms, the city ranked third countywide.

The Director noted that demographic differences likely influenced platform performance, particularly on Instagram, and identified opportunities for continued growth. Monthly tracking of metrics had been implemented, and staff were actively studying best practices to improve performance.

## Upcoming Website Redesign

The Communications Director announced plans for a new city website launching in the summer. The redesign was driven by limitations in the current platform, including usability challenges and limited technical support. The new website would be built and supported by GHD Digital, a firm already working with other Utah cities.

A key improvement would be a shift away from department-based navigation toward a more resident-focused structure. Rather than requiring users to know which department handled specific services, the new site would organize content around common interests and needs, such as community programs, recreation, and library services. The design process was informed by user behavior data to make navigation more intuitive and accessible.

The Director noted that the new platform would provide better long-term support, easier content management, and improved resident experience.

The discussion continued with acknowledgment that the upcoming website redesign would represent a significant structural change for staff. While the website had evolved over the years, the underlying organizational framework had remained largely unchanged. Leadership noted that reorganizing navigation around user behavior rather than departmental structure would be disruptive at first but ultimately more intuitive for residents. Emphasis was placed on modern usage patterns, particularly search-driven access through Google rather than traditional menu navigation, underscoring the importance of a strong and functional site search feature.

## Digital Newsletters and Targeted Communication

The Library Director described the successful transition to a digital library newsletter in response to feedback from patrons who wanted more library-specific content than could be accommodated in the citywide newsletter. The library now uses targeted email marketing for program promotion, account renewals, and internal staff communication. This approach allows for more focused messaging while reducing reliance on broader, less tailored channels.

Building on this success, the Communications Director outlined plans to experiment with a digital supplement to the city newsletter. The proposed model would feature a concise email highlighting three to four key items, linking back to the full newsletter content. This would complement the existing printed version and provide an additional way to reach residents who prefer digital communication.

### Spanish Fork University Alumni Engagement

The Communications Director discussed new efforts to strengthen engagement with alumni of Spanish Fork University. After an initial suggestion evolved into a viable idea, staff proposed hosting a Spanish Fork University alumni reunion. The event would be approximately 90 minutes in length and held at the FitCity Center, with opportunities for attendees to reconnect, enjoy light refreshments, and receive city updates.

The event would include participation from city leadership, including the City Manager, Mayor, and Council members, who would answer questions and share updates. Invitations were sent to approximately 160 alumni, and within three days, 40 individuals had already responded affirmatively. Attendees would be allowed to bring a guest, and the strong response indicated enthusiasm for continued engagement among this group.

### City Council Meeting Recap Videos

The Communications Director also introduced plans to create short, accessible video recaps of City Council meetings. He noted that traditional recap formats used by other cities were often overly technical and difficult for residents to engage with. In contrast, the proposed approach would produce a two-minute video summarizing key discussions and decisions in clear, resident-friendly language.

The goal would be to publish these recaps the day following each meeting. Staff would prepare in advance by reviewing agenda items to ensure accuracy, then adjust the final content based on actual discussion and outcomes. The intent was to make Council actions more understandable, transparent, and approachable while reflecting the tone and personalities of Council members.

Council members encouraged incorporating humor, authenticity, and the positive dynamics of Council discussions into the recaps. The Communications Director acknowledged this feedback and confirmed that these elements would be considered as the format was refined.

The Communications Director reiterated that the planned two-minute City Council recap videos are intentionally designed to reach residents who do not regularly watch full Council meetings. The objective is to demonstrate that Council discussions are meaningful and relevant by explaining decisions in plain language, including brief context for concepts such as annexation or policy actions. Council members acknowledged the challenge of condensing complex discussions into a short format, with lighthearted remarks underscoring the need for brevity during meetings to support this goal.

Council members expressed appreciation for the Communications Director's approach, noting the balance of professionalism, humor, and approachability in the city's social media presence. Leadership emphasized that the communications restructuring has been underway for approximately a year and is already producing measurable improvements, though refinement is ongoing.

#### Shift Away from Long-Form Productions

City leadership clarified that Channel 17 and the Communications Division are transitioning away from long-form video productions that historically required significant time and cost but received limited viewership. The focus is shifting toward concise, informative content that highlights key moments or messages rather than full recordings of events such as ribbon cuttings, school performances, or ceremonial activities.

Rather than filming entire events, the new approach prioritizes short highlight clips or summaries when appropriate, ensuring the city's resources are used efficiently to reach a larger audience. Leadership emphasized that this shift is not a reflection of the value of community events, but rather a strategic decision to communicate more effectively by producing content residents are more likely to watch and engage with.

The City Manager noted that the Communications Division should be viewed as a communication service rather than a production service. The guiding principle is to maximize impact by allocating time and resources toward content that meaningfully informs residents, rather than producing extensive material with minimal reach.

#### Platform-Agnostic, Audience-Focused Strategy

The Communications Director emphasized that the city is not committed to any single platform, but instead is focused on meeting residents where they already are. Currently, social media platforms represent the most effective channels, with approximately 30,000 total followers across city accounts. Growing and maintaining this audience was identified as critical to ensuring timely and effective communication during emergencies, major announcements, or rapidly evolving situations.

#### Value of Audience Growth for Emergency and Time-Sensitive Communication

A Council member highlighted that increasing follower counts and engagement directly improves the city's ability to communicate quickly during critical incidents. As the city's digital reach expands, important information can be disseminated more rapidly and reliably when it matters most. This observation was identified as a key takeaway and validation of the communications strategy.

Leadership closed the discussion by inviting ongoing feedback from Council members, reinforcing that continued adaptation and improvement will require change. While acknowledging that transitions can be uncomfortable, staff emphasized that the guiding

objective remains clear: to deliver timely, accurate, and widely viewed information that serves residents effectively.

Council members and staff emphasized that although much of the communications content appears lighthearted or entertaining, it served a critical public safety and public information purpose. The Communications Director and Council members noted that consistent engagement through a mix of humorous, factual, and serious posts helped build trust, visibility, and audience reach. This growing audience was identified as essential for ensuring residents receive accurate information quickly during emergencies or time-sensitive situations.

Staff acknowledged that experimentation is an inherent part of the communications strategy. The team anticipated that not every initiative would succeed initially, but emphasized that testing, evaluating public response, and adjusting accordingly were necessary to improve effectiveness. Council members expressed support for this approach, recognizing that innovation involves both risk and learning.

Several participants reflected on past incidents where misinformation spread faster than official updates, particularly during emergency situations. The group agreed that strengthening the city's digital presence provided a reliable source of truth and reduced reliance on unofficial or speculative outlets. The Communications Division's expanded reach was viewed as a direct response to those challenges.

Leadership discussed seasonal and campaign-based content, noting that even posts perceived as trivial by some residents successfully drove traffic to city platforms, increased engagement, and improved algorithmic visibility. These efforts were recognized as contributing to long-term communication capacity rather than being isolated or purely promotional activities.

City leadership reiterated that continued changes to Channel 17 and the Communications Division may result in discomfort for some departments or stakeholders. However, leadership stressed that these adjustments were driven by the city's commitment to improving service, transparency, and reach. Departments were encouraged to remain open to participation, even when stepping outside their comfort zones.

Staff shared observations from the transition process, noting that communications team members assigned to specific departments gained a deeper understanding of city operations. This increased familiarity was expected to result in clearer, more informative content that demystifies core municipal services for residents.

The meeting concluded with reaffirmation of support for the Communications Division's direction, acknowledgement of progress made to date, and encouragement for continued collaboration and adaptability as the strategy evolves.

4:59 pm.

## **Finish/Discuss Schedule**

Seth Perrins discussed the schedule for dinner and highlighted what would take place tomorrow.

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None ▾ made a Motion to Adjourn ▾ the Work Session for January 29, 2026

None ▾ Seconded and the motion Passed at 5::05 pm with a roll call vote.

Kevin Oyler	Yes
Jesse Cardon	Yes
Stacy Beck	Yes
Landon Tooke	Yes
Shane Marshall	Yes

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## **FRIDAY, January 30th, 2026**

1. BREAKFAST 8: 00 am
- 

Mayor Mike Mendenhall welcomed everyone and turned the time over to staff at 8:15 am.

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### **Finance - Jordan Hales**

1. Debt and Game

Budget Exercise – Water Utility Scenario

The meeting transitioned into an interactive budget exercise designed to simulate real-world utility rate and capital financing decisions. Participants were informally assigned roles, with one Council member tasked with developing a funding strategy and another designated to provide critique and commentary throughout the process.

Staff introduced a hypothetical scenario involving the Town of Whoville, which required construction of a new water tower to be completed by fiscal year 2032. The project was

presented as a two-year construction effort occurring in fiscal years 2030 and 2031, with a total estimated cost of \$1 million.

The stated objective of the exercise was to maintain a positive ending cash balance for the water fund, preferably above a six-month emergency reserve threshold, while determining appropriate combinations of rate adjustments and debt issuance. Participants were informed that interest rates were fixed at 3.5 percent and could not be altered as part of the exercise.

Staff walked through a spreadsheet model that illustrated projected fiscal years, customer growth, base rates, usage rates, total revenues, personnel costs, operating expenses, and capital expenditures. The model demonstrated how changes in rates or debt decisions affected annual cash flow, beginning and ending cash balances, and compliance with the emergency reserve goal. A visual chart compared the target reserve level to projected actual cash balances, showing that without intervention the fund would fall below acceptable thresholds.

Participants discussed available options, including issuing debt versus relying on cash reserves. The group elected to pursue debt financing and began evaluating the implications of issuing the full \$1 million in debt, including repayment timelines and annual debt service impacts. Staff confirmed that the model would reflect debt payments once loan terms were selected.

The exercise proceeded with discussion around loan duration, repayment strategy, and the tradeoffs between rate stability, long-term financial sustainability, and reserve maintenance, setting the stage for further analysis and decision-making in subsequent steps of the scenario.

#### Budget Exercise – Rate Adjustments and Debt Impact

After selecting a ten-year repayment period for the debt issuance, staff explained that issuing debt alone would not be sufficient to maintain a positive cash balance. Even with the loan in place, rate increases were still required to cover ongoing operating costs and annual debt service.

Staff confirmed that the proposed debt resulted in approximately \$120,000 per year in debt service. A preliminary rate structure was already built into the model, including modest automatic annual increases to both the base rate and the usage rate to account for operations and maintenance.

Participants reviewed the projected cash balance and noted that, under the initial assumptions, the fund still showed a significant deficit during the construction years. This prompted discussion about whether the existing rate increases were adequate.

The group evaluated the revenue contribution of the base rate versus the usage rate. Staff clarified that the base rate generated substantially more annual revenue than the usage rate,

leading to discussion about whether adjustments should focus more heavily on the base charge.

Participants debated the size and timing of rate increases, with emphasis on the challenge of closing the funding gap while maintaining rate stability. The discussion highlighted that incremental changes late in the process were insufficient and that earlier or larger adjustments would be more effective in offsetting debt service costs.

Staff noted that similar utility planning efforts in the past had relied on earlier rate increases to avoid sharp adjustments later. The exercise underscored the importance of proactive rate setting when planning for major capital infrastructure, particularly when debt financing introduced long-term fixed obligations.

The segment concluded with acknowledgment that once debt was issued, the utility needed to generate enough recurring revenue to cover both annual debt service and operational expenses, reinforcing the link between capital planning, rate policy, and long-term financial sustainability.

#### Utility Funding Exercise – Debt Versus Cash Financing Discussion

Staff continued the budget exercise by reviewing how changes to the monthly base rate affected the average customer bill. It was explained that attempting to fund the water tower entirely with cash would require a substantial increase in rates, as the fund did not have sufficient time to accumulate the necessary reserves before construction.

Participants noted that even with advance planning, cash funding would have required an increase of nearly 50 percent to generate the needed revenue, largely because the fund would need to overcome both the capital cost and an annual shortfall of approximately \$120,000. Staff emphasized that current revenues of roughly \$300,000 were insufficient to absorb that obligation without significant rate adjustments.

The group then considered extending the term of the debt. Staff explained that lengthening the repayment period reduced annual debt service and eased short-term rate pressure. In response to a question regarding asset longevity, staff stated that the expected life cycle of the water tower was approximately 150 years. This prompted discussion that spreading repayment over a longer term aligned more appropriately with the asset's useful life and ensured that future users contributed to its cost.

A comparison was made to landfill infrastructure, where issuing long-term debt for assets with short useful lives was discouraged. Staff emphasized that debt should not outlast the asset it funded, reinforcing that long-lived infrastructure was more suitable for long-term financing.

The exercise then shifted to a no-debt scenario. Staff demonstrated that eliminating debt entirely required a sharp increase in the base rate, raising it to approximately \$22 per month.

While this approach successfully funded the project, it resulted in excess cash accumulation after construction, requiring rates to be reduced in later years.

Participants observed that this strategy effectively required residents over a four- to five-year period to pay nearly the entire cost of an asset that would serve the community for several decades. Staff explained that this imbalance between payers and beneficiaries was the primary reason major facilities, such as the recreation center, had not been funded through cash savings alone.

Staff summarized that their objective in managing utility funds was to maintain cash reserves within a “Goldilocks” range...neither too low to jeopardize stability nor so high that rates exceeded what was necessary. Debt was described as a tool that helped utilities remain within that optimal range while smoothing rate impacts over time.

The discussion returned to broader policy implications. Staff noted that while residents generally expressed opposition to both debt and rate increases, major infrastructure projects required one or both approaches. Participants acknowledged that each funding method carried tradeoffs and that debt, when used appropriately, supported fairness by distributing costs across current and future users.

The segment concluded with a recommendation that the Council consider establishing a clear philosophical framework regarding debt issuance. Staff suggested that having predefined principles would improve consistency and transparency when evaluating future capital projects, rather than addressing each project as a standalone decision.

#### Discussion on Debt, Rates, and Long-Term Fiscal Policy

Participants discussed public perceptions of debt, noting that residents rarely raised concerns about debt except during election cycles. It was observed that residents generally tolerated debt when utility rates remained stable, but opposition increased when rates rose.

Staff referenced other municipalities, including Bountiful City, which maintained a stated pay-as-you-go policy. It was noted, however, that Bountiful had recently issued debt for an internet infrastructure project, prompting questions about the practical limits of a cash-only approach. This example illustrated that even cities with formal cash policies occasionally relied on debt when large capital needs arose.

Staff reflected on prior periods of historically low interest rates, describing them as “cheap money,” with borrowing rates near 1.5 percent. During that period, the city had access to favorable financing and considered issuing debt to increase available capital for infrastructure. However, many of the projects contemplated at that time were smaller, replacement-oriented projects rather than large, singular capital investments. As a result, the city incurred debt without completing some of the originally anticipated projects, including a major water tower, which was delayed due to rapid and sustained increases in construction costs.

It was acknowledged that waiting for construction prices to decrease proved to be a miscalculation, as costs did not return to previous levels. This experience reinforced the importance of issuing debt with a clearly defined purpose and a tangible asset in mind. Staff emphasized that debt was more defensible and effective when tied to major, long-lived infrastructure projects such as water tanks, recreation centers, or other high-capital investments, rather than for routine operational or replacement work.

The prevailing staff perspective was summarized as favoring debt issuance when it enabled the city to maintain reasonable rates while completing significant capital projects. Routine maintenance and replacement projects were viewed as better suited to rate-supported funding, while large-scale assets justified long-term financing.

Council members expressed general philosophical agreement that debt should be viewed as a financial tool rather than avoided categorically. Concerns were raised about rigid cash-only policies, which were seen as limiting flexibility and potentially imposing disproportionate costs on current residents. It was noted that such policies could force sharp rate increases and place the financial burden on a narrow group of users rather than distributing costs across the asset's full lifespan.

The group agreed that decisions regarding debt versus rate increases should be evaluated on a case-by-case basis, with full transparency regarding the tradeoffs involved. Participants emphasized the importance of presenting both options clearly when major capital projects were proposed so that decision-makers and residents could understand the implications of each approach.

Staff explained that interactive financial modeling tools helped illustrate these tradeoffs by demonstrating how debt issuance reduced immediate rate pressure, while cash-only funding required significant short-term increases. It was noted that these tools were valuable for education and policy discussions, including potential use in Spanish Fork University programming.

The discussion concluded with broader observations about fiscal pressures facing local governments. Participants noted that state-level tax reductions reduced funding available for local infrastructure, shifting more responsibility to municipalities. It was observed that while such tax cuts provided modest individual savings, they limited resources for critical community projects, increasing the likelihood that local governments would need to rely on debt or rate adjustments to meet infrastructure demands.

#### Discussion on State Policy, Transparency, and Public Communication Regarding Debt

Participants discussed the increasing tension between state-level tax policy and local government fiscal responsibilities. It was noted that while the state continued to pursue tax reductions in the name of regional competitiveness, cities were simultaneously being required to meet higher transparency standards, including additional hearings and public processes when raising rates, property taxes, or fees.

The group observed that the state often justified tax cuts by citing the need to attract large companies that could bring economic benefits to local communities. However, participants emphasized that the fiscal tradeoffs of this approach did not align in timing or scale. While such companies could eventually contribute property tax and sales tax revenue, those revenues accrued gradually and were insufficient in the short term to fund major infrastructure needs such as water towers.

It was noted that the arrival of large employers often created immediate infrastructure impacts, including increased demand on utilities and transportation systems. These impacts required upfront capital investment, while the associated revenues materialized slowly over time. As a result, participants concluded that cities would increasingly need to rely on debt financing to bridge this gap, as state funding assistance was not expected to increase.

Several speakers emphasized that local governments were best positioned to explain these realities to residents. It was noted that residents generally trusted city officials more than state or federal officials, placing an additional responsibility on cities to clearly communicate the rationale behind debt issuance and long-term financing strategies. Participants agreed that cities would need to be prepared to explain that attracting large employers often necessitated more frequent use of debt in order to stabilize rates while meeting infrastructure demands.

The group discussed the misconception that attracting large companies resulted in immediate financial windfalls for cities. It was clarified that property tax benefits were limited due to rate constraints, and sales tax revenues were shared with other entities, resulting in no singular or immediate funding source sufficient to cover large capital projects. Over time, such developments could provide net benefits, but not on the timeline required for infrastructure construction.

Participants discussed the need to proactively educate residents on these tradeoffs. Questions were raised about whether improved communication alone would be sufficient, or whether alternative engagement methods would be necessary. Ideas included clearer explanations at the time debt was issued, side-by-side comparisons of debt versus rate-increase scenarios, and broader public education efforts.

Staff shared that work was underway on a proposed “Forkonomics” communication series focused on debt, which would explain the role of debt in local government and how it could help stabilize rates over time. It was acknowledged that this was a complex topic and difficult to convey through a single post, and that even simplified models required time and context to fully understand.

Elected officials noted that presenting hypothetical or abstract examples was less effective than discussing real projects with concrete impacts. It was suggested that when the city considered issuing debt, staff should publicly present multiple scenarios, clearly outlining the implications of debt financing versus cash funding through rate increases, and explain why the conversation was occurring.

The possibility of holding open houses or town hall-style meetings was discussed as an alternative to formal Council meetings, which were perceived as intimidating for some residents. Such forums were seen as potentially more conducive to open dialogue. However, it was also acknowledged that attendance at general debt-focused meetings would likely be limited, and that public engagement tended to increase when discussions were tied to specific, tangible projects.

Participants reflected on shifting personal perspectives regarding debt, noting that negative perceptions often stemmed from comparisons to federal government debt. It was emphasized that municipal debt differed fundamentally, as cities balanced budgets annually and issued debt tied to specific assets with defined repayment plans. It was noted that responsible debt use did not inherently require rate increases if managed appropriately.

Staff shared observations that public opposition often focused on debt as a proxy for disapproval of a project itself, rather than the financing mechanism. Debt was described as a “red herring” that surfaced broader concerns about growth, development, or change.

The discussion concluded with agreement that targeted education efforts would be most effective when connected to specific projects rather than abstract financial concepts. Participants identified existing civic education programs and engaged resident groups as potential venues for deeper discussions about debt and infrastructure financing.

#### Discussion on Public Engagement, Debt Framing, and City Leverage

Participants discussed the potential use of focused groups drawn from highly engaged residents as a way to deepen conversations around debt and infrastructure financing. It was suggested that these discussions could be recorded by the communications team and later distilled into short-form videos highlighting key insights or “epiphany moments.” Participants agreed that while long-form meetings were unlikely to attract broad viewership, short, targeted clips could help residents more quickly understand complex financial concepts.

The group noted that upcoming discussions on specific debt-related items would provide opportunities for deeper questioning and refinement of staff presentations. It was emphasized that robust internal dialogue, including challenging assumptions and exploring tradeoffs, strengthened both the presentation and the public discussion. However, concern was expressed about allowing conversations to evolve into referendums on projects themselves rather than remaining focused on financing strategies. Participants agreed that, ideally, the need for a project should already be established before the conversation shifted to funding mechanisms.

Participants reflected on the city’s recent history of issuing debt, noting that a significant amount of debt had been issued over the previous four years. It was acknowledged that these decisions were accompanied by clear explanations of need and rationale, and that despite heightened public discussion, elected officials involved in those decisions continued to retain public trust. The group noted that while debt-related concerns tended to surface

strongly during election cycles, those concerns had been addressed directly and transparently.

A discussion followed regarding whether the city had previously been underleveraged. It was suggested that in earlier periods, the city either relied more heavily on pay-as-you-go approaches or deferred projects altogether. Participants noted that deferring infrastructure investments may have contributed to later periods of increased borrowing as multiple needs accumulated. It was observed that while residents may not have acutely felt the impact of deferred projects at the time, the long-term effect required subsequent corrective investment.

Participants discussed the challenge of conveying leverage concepts to residents. It was noted that while some residents might perceive the city as overleveraged based on current debt levels, that perception did not fully account for the city's asset base, long-term needs, or financial capacity. Participants agreed that by conventional measures, the city remained in a sound leverage position relative to its assets and obligations.

It was observed that many residents viewed the city as a single financial entity rather than as multiple enterprise funds operating independently. This conflation often led to misunderstandings, as debt associated with one utility or facility was perceived as burdening the entire city. Participants noted that this framing challenge contributed to generalized concern about debt levels.

Several participants emphasized the importance of distinguishing municipal debt from federal government debt. It was clarified that the city did not issue debt to fund operating and maintenance costs, and that doing so would be philosophically inappropriate. Instead, debt issuance was tied to specific, tangible capital assets with defined purposes and lifespans. Participants agreed that reinforcing this distinction was a key communication need.

The discussion highlighted that city debt issuance was accompanied by defined repayment plans, timelines, and identified revenue streams. Participants stressed that the city did not engage in speculative borrowing, but rather issued debt with clear expectations for repayment and sufficient financial cushions to manage unforeseen circumstances. It was noted that maintaining adequate reserves was essential to ensure debt obligations could still be met during economic downturns or revenue fluctuations.

Participants discussed concerns about overleveraging and acknowledged the importance of balancing debt capacity with long-term revenue trends. While the city was described as being in a strong financial position, participants agreed that ongoing vigilance was necessary to avoid excessive leverage that could constrain future flexibility.

The discussion concluded with reflection on the city's existing debt portfolio. Participants noted that many debt-funded projects, such as water and sewer infrastructure, power facilities, and public safety assets, were essential but not highly visible or emotionally compelling to residents. It was observed that only a small number of debt-funded projects might generate strong public enthusiasm, even though many were critical to maintaining city services and long-term functionality.

## Discussion on Essential Infrastructure, User-Based Debt, and Rate Tradeoffs

Participants discussed the disconnect between public perception and essential infrastructure needs. It was noted that while residents might express indifference toward facilities such as sewer treatment plants, those facilities were nonetheless critical to public health and city functionality. The discussion emphasized that certain infrastructure projects were unavoidable, regardless of public enthusiasm, because they were required for the city to operate.

It was observed that some significant infrastructure projects had been completed without issuing debt, even though they required substantial financial effort. Participants noted the contrast between projects that residents might desire and projects that residents might not find appealing, despite their necessity. The group compared this to personal financing decisions, where individuals were more willing to take on debt for visible or desirable assets than for essential but unappealing necessities.

The conversation addressed public questions regarding debt metrics, such as debt per capita. Participants expressed that while such calculations could be raised during public hearings, they were not determinative in decisions involving required infrastructure. It was emphasized that when a facility was necessary, the city was obligated to proceed regardless of how the debt appeared on a per-resident basis. The discussion clarified that in enterprise-funded projects, such as sewer facilities, repayment responsibility rested with system users rather than general taxpayers.

Participants distinguished between general obligation debt and revenue-backed debt, noting that user-based systems allowed individuals to opt out only by not using the service. It was noted that some residents could choose alternative solutions outside city systems, but that those alternatives also carried their own financial burdens, often comparable or greater when fully considered.

The group discussed the relationship between cash reserves, rates, and debt. It was explained that issuing debt preserved cash on hand and reduced the need for sharp rate increases. Paying for capital projects over longer timeframes allowed rates to rise gradually rather than abruptly. Participants noted that if large infrastructure projects had been funded entirely with cash, utility bills would have increased dramatically for a short period before being reduced again, which was viewed as undesirable and inequitable.

An example was discussed in which certain projects were completed without debt by staging construction over several years. Participants noted that this approach was feasible only when timing and margins allowed, and that completing the same work all at once would have required borrowing.

Historical context was provided regarding prior major infrastructure transitions. Participants described a period when irrigation delivery systems were converted from open ditches to pressurized, metered piping. This change was accompanied by both the issuance of debt and significant changes to rate structures. Residents experienced a shift from minimal or nominal fees to monthly base rates and usage-based charges, including tiered pricing intended to

encourage conservation. These changes were described as disruptive and controversial at the time.

It was noted that the combination of introducing base rates, usage fees, and higher-tier penalties caused significant community concern and resistance. Participants recalled that utility bills increased substantially compared to prior costs, leading to widespread dissatisfaction during the early years of implementation. However, these changes were also acknowledged as foundational to modern utility service delivery.

The discussion concluded by recognizing that several major financing decisions during that period were unprecedented for the city, both in scale and structure. Despite initial public reaction, participants noted that those decisions ultimately enabled necessary infrastructure improvements that continued to serve the city long term.

#### Discussion on Public Skepticism, Information Access, and Financing Principles

Participants reflected on historical public skepticism toward major infrastructure and rate changes, noting that those earlier transitions occurred before widespread access to real-time information. It was observed that, in the past, narratives could be framed and disseminated more narrowly, and residents often relied on informal or incomplete information. When residents did seek clarification directly from the city, they generally received accurate explanations, but those explanations sometimes competed with more emotionally compelling or simplified narratives circulating elsewhere.

The group compared past resistance to infrastructure changes with contemporary examples, such as opposition to roundabouts or pressurized irrigation systems, where residents expressed satisfaction with existing arrangements and questioned the need for modernization. These examples were used to illustrate a consistent pattern of resistance to change, even when improvements ultimately provided long-term benefits.

Participants discussed the financial dynamics between cash balances, rates, and debt. It was noted that when rates increased, cash balances also increased, which could reduce the need to issue debt. However, participants emphasized that residents generally resisted rate increases, creating pressure to keep rates as low as possible. When cash reserves declined, cities were forced to either raise rates or issue debt. It was clarified that issuing debt was appropriate for one-time capital projects but was not a viable solution for ongoing operational shortfalls, as using one-time revenue to fund recurring expenses was unsustainable.

The discussion emphasized that the first and most critical decision in any capital planning process was whether the project itself was necessary. Questions such as whether a new plant, recreation center, or water tank was required needed to be resolved before financial mechanisms were considered. Only after affirming the necessity of a project should the city determine how to pay for it, whether through rates, debt, a combination of both, or external funding such as grants.

Participants noted that residents often expressed opposition to debt because they assumed it directly caused rate increases. It was clarified that, in many cases, debt actually helped stabilize rates by spreading costs over time. Using the sewer treatment plant as an example, it was explained that rising sewer rates were driven by the cost of constructing a large facility, not by the choice to finance it with debt. Without debt financing, rates would have increased far more sharply.

The group discussed personal anecdotes illustrating public misunderstanding of this relationship, including residents attributing rising utility bills solely to debt rather than to the scale of the underlying project. It was emphasized that debt financing was a tool used to balance affordability, service levels, and long-term sustainability.

Affordability was defined as providing a high level of service at the lowest feasible rates, including property taxes and utility bills. Participants acknowledged that affordability must also consider total long-term cost, not just short-term rate suppression. It was noted that excessively long loan terms could keep rates artificially low while significantly increasing overall costs over time, underscoring the need to balance monthly affordability with total cost of ownership.

The group recognized that perceptions of what constituted “low” rates were subjective and varied among residents. Participants suggested that benchmarking against neighboring communities provided a more objective framework for evaluating affordability and rate competitiveness.

The discussion concluded with agreement that project necessity should always precede financing decisions, that debt was an appropriate tool for capital investments when used responsibly, and that clear communication was essential to help residents understand the tradeoffs between rates, debt, and long-term costs.

#### Discussion on Budget Buffer Reduction, Revenue Trends, and Strategic Tradeoffs

Participants reviewed a sales tax and general fund graph and noted that sales tax revenue had remained relatively flat for several consecutive years. It was observed that the shrinking operating margin was caused by a combination of slower-than-normal revenue growth and increasing expenses, particularly personnel costs.

Leadership explained that this outcome was partly the result of a deliberate budgeting philosophy. The approach emphasized reducing excess margin and avoiding unnecessary financial “fluff” in the general fund. While maintaining some cushion was acknowledged as comforting from a finance perspective, leadership expressed a preference for tighter, more intentional budgeting that directed available dollars toward priority services rather than accumulating large reserves. This strategy was described as leveling off operations rather than allowing unsustainable erosion or excessive surplus.

Participants emphasized that the intent was not to operate unsustainably, but rather to stabilize finances at an appropriate level. The analogy of leveling an aircraft for a smooth

landing was used to describe bringing margins into alignment without jeopardizing core operations.

It was highlighted that this disciplined approach enabled major service enhancements without raising property taxes. Specifically, the city fully funded 24/7 Fire and EMS services, representing a significant service-level upgrade. Participants noted that this achievement was accomplished despite stagnant sales tax growth and without relying on property tax increases. This outcome was described as unprecedented compared to other cities in the region, many of which had raised property taxes or faced public referendums to fund similar services.

Participants contrasted this approach with actions taken by neighboring communities, noting that some cities were forced to increase taxes to achieve comparable public safety staffing. The city's ability to absorb these costs internally was described as a major accomplishment and a defining highlight of recent financial management.

The discussion then shifted to general fund savings policies. A chart was reviewed showing a target of saving 20% of sales tax revenue, actual savings achieved, and originally budgeted savings. It was noted that in some years actual savings exceeded budgeted amounts due to a combination of conservative expense management and external factors such as federal relief funding. However, it was also observed that maintaining a balanced operating budget increasingly required budgeting below the 20% savings target.

Participants acknowledged that the city might eventually need to decide whether to maintain the 20% savings buffer through rate or tax increases, or to intentionally reduce the buffer to preserve affordability. This tradeoff was identified as a potential future policy decision for elected officials.

Clarification was provided that the 20% savings were primarily allocated to land acquisition and building-related capital projects. Examples were cited of how these funds had been used, including property acquisitions, facility remodels, fairgrounds improvements, and other capital investments. It was noted that upcoming projects, such as the potential rebuild of Fire Station 61, could consume a significant portion of these savings.

Participants discussed how savings were effectively cycled through capital investments rather than allowed to accumulate indefinitely. Questions were raised about how the 20% savings target was established, with acknowledgment that it was based on historical practice, anticipated capital needs, and long-term planning rather than a rigid formula.

The segment concluded with recognition that the city's financial strategy involved continuous balancing among service levels, savings targets, revenue stability, and public affordability, with future decisions requiring careful evaluation of these competing priorities.

Discussion on General Fund Savings Flexibility and Veterans Memorial Wall Repair

Participants continued reviewing the general fund savings chart, focusing on how the 20% sales tax savings target was budgeted versus actual performance. It was clarified that while policy set a goal of saving 20% of sales tax revenue, the city had not always been able to budget exactly to that level. In practice, savings fluctuated based on revenue performance and budget balancing needs.

It was explained that in some fiscal years, stronger-than-expected revenues allowed the city to restore savings to the 20% level later in the year, even if the original budgeted amount was lower. In one instance, additional revenue identified mid-year was directed into the land acquisition fund, which later helped offset expenses in the following fiscal year. This approach allowed flexibility while maintaining overall fiscal balance.

Participants expressed consensus that allowing the savings level to fluctuate slightly above or below 20% was appropriate. The savings fund was described as the preferred “accordion” for balancing the general fund, rather than making adjustments to personnel or core services. It was acknowledged that maintaining a strict 20% savings level in future years could require a property tax increase, which was characterized as difficult to justify to residents.

The purpose of the 20% sales tax savings policy was reiterated. The fund was intended to provide cash on hand for emergencies, economic downturns, land acquisition opportunities, disaster response, grant matching requirements, medium-sized capital projects, and operational stability. The 20% benchmark was noted as historically informed, reflecting the magnitude of sales tax declines experienced during past economic downturns. Staff indicated additional clarity on future general fund projections would be available in the coming months.

The discussion then shifted to a specific budget request regarding the Veterans Memorial Wall at the cemetery. It was reported that the wall required repair due to deteriorating stucco. A proposal had been received to remove the remaining stucco and instead stain the underlying concrete to avoid ongoing maintenance issues. The estimated cost was approximately \$4,500 for stucco removal and an additional \$25,000 to \$30,000 for cleaning, refinishing, and repainting, bringing the total estimated cost to approximately \$35,000.

It was noted that volunteer efforts had partially removed the stucco at no cost, but those efforts had ceased. The local veterans group did not have the financial capacity to cover the remaining repair costs. The request was identified as a potential FY 2026 budget item, with discussion of whether city crews could assist with portions of the work to reduce costs.

Participants acknowledged the importance of the memorial and the need to identify an appropriate funding path within the upcoming budget cycle.

#### Follow-Up Discussion on Veterans Memorial Wall and Other Memorial Assets

The group discussed the timing and urgency of repairs to the Veterans Memorial Wall, noting that the desired completion date was before Memorial Day. It was acknowledged that

weather conditions in early spring would be a determining factor, and that the project timeline was becoming increasingly tight.

General support for the repair effort was discussed, though it was noted that not all participants were ready to commit without further review. Questions were raised about the scope of the proposed work, the specific improvements included in the cost estimate, and whether all elements of the memorial should be preserved or reconsidered. Participants emphasized the importance of understanding exactly what would be accomplished for the proposed expenditure.

A broader policy question was raised regarding long-term responsibility for the memorial. The group discussed whether the repair would represent a reset that allowed the veterans organization to continue maintaining the site, or whether the city would effectively assume long-term ownership and maintenance responsibilities. It was noted that if the city invested significant funds into the memorial, future upkeep would likely become a municipal responsibility. Participants agreed that any repairs should be completed in a manner that aligned with city maintenance capabilities and long-term sustainability.

It was agreed that additional information was needed before proceeding. The bid documentation would be shared with all participants, and a site visit was proposed so the group could view the memorial in person and better assess conditions, repair needs, and potential alternatives. The possibility of city departments assisting with portions of the work was discussed, though it was acknowledged that staff could likely complete only part of the required scope.

The conversation then expanded to include other memorial structures within city parks. Concerns were raised about the condition of the Escalante memorial near the former library and parks and recreation area. The structure was described as deteriorated and no longer presenting well, with visible damage and limited aesthetic or commemorative value. It was noted that prior discussions had identified this memorial as a candidate for removal.

Participants discussed whether removal or replacement should be considered and acknowledged that decisions regarding memorial assets should be addressed comprehensively rather than individually. The need for further evaluation and coordinated planning for multiple memorial sites was recognized.

The discussion continued regarding potential improvements to memorial structures, with emphasis on both condition and long-term responsibility. It was noted that the Escalante memorial near the former library and parks and recreation area was in poor condition and, at a minimum, should be removed due to deterioration. Participants discussed whether the site should be reconsidered in light of upcoming commemorative milestones, including the 250th anniversary, and whether a lower-profile or redesigned memorial might be more appropriate. While replacement options were mentioned, consensus formed around the need to remove the existing structure regardless of whether it was immediately replaced.

The group returned to the Veterans Memorial Wall and discussed the relationship between the city and the veterans organization associated with the memorial. It was generally agreed

that the organization would likely want input on the appearance and character of the memorial but would not expect or be able to contribute meaningfully to its funding or long-term maintenance. Participants noted that the organization's current structure limited its financial capacity and that it had not contributed funds toward maintenance in recent years.

Cost estimates were clarified during the discussion. The revised figures included approximately \$15,000 for repainting and restoration work and \$5,000 for removal of remaining stucco, for a total estimated cost of \$20,000. It was acknowledged that earlier figures had been overstated and that the revised total changed the scope of the decision. Participants agreed that a site visit was necessary to determine whether portions of the work could be completed by city crews, potentially reducing costs.

Concerns were raised about broader policy implications related to memorials placed on city property. Participants emphasized the importance of clearly defining ownership, maintenance responsibility, and expectations at the time memorials are accepted. Past experiences with benches and other commemorative installations were referenced, noting that even when policies clearly state that the city retains ownership, emotional attachments often lead to disputes years later. The group agreed that the city should be cautious about assuming responsibility for memorials without clear long-term planning.

It was noted that the contractor who provided the bid had informally indicated a willingness to guarantee the work and assist with maintenance if issues arose, even though this commitment was not formally included in the bid. Participants acknowledged that such arrangements may fall outside standard purchasing policies but expressed openness to creative solutions when community members are acting in good faith to support city assets.

Next steps were identified. The bid documentation would be distributed to all Council members. A site visit would be conducted by designated staff and Council members to assess conditions at both the Veterans Memorial Wall and the Escalante memorial. Photographs and recommendations would be brought back for further discussion. Timing considerations were emphasized, as work would need to begin in March to ensure completion before Memorial Day.

The discussion concluded with agreement that the issue would be revisited soon with additional information, and appreciation was expressed for the thoughtful and productive dialogue.

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### **SFCN - Jared Bartel**

The Council reviewed an update on the city's network, internet services, Spanish Fork Community Network, and information systems, focusing on progress made over the past year and remaining challenges. The discussion built on earlier conversation and was intended to continue in greater detail at a subsequent session.

A major focus of the update was the transition from cable modem service to fiber. Over the prior year, the number of customers using cable modem service had been reduced from more than 700 to fewer than 200. This represented a significant reduction and demonstrated steady progress toward full fiber conversion. Staff reported that the remaining customers were more difficult to reach and convert, which slowed the final phase of the transition. Completion of the conversion was projected by June.

Customers remaining on cable modem service were being actively contacted through targeted monthly outreach efforts. These efforts included door knocking and text messaging, with an emphasis on communicating that fiber installation came at no cost and provided substantially faster and more reliable speeds. Staff noted that outreach was structured to avoid overwhelming residents while still maintaining consistent follow up.

The continued operation of cable modem infrastructure was identified as a financial and operational burden. Legacy equipment was described as being at end of life, with only a minimal spare kept for contingency purposes. The city had already reduced supporting systems from three down to one, but even the remaining system required ongoing expenditures for power, space, maintenance, and staff time. In addition, maintaining coaxial cable infrastructure was described as costly and inefficient compared to fiber.

Discussion included the potential need to establish a firm cutoff for cable modem service. It was acknowledged that some customers might not respond until service was discontinued. At the same time, participants emphasized the importance of a careful approach due to the essential nature of internet access. It was noted that many of the remaining cable modem customers were likely low use households, often older residents, where internet usage increased primarily during visits from family members.

Trends in internet adoption were reviewed. The city continued to capture a strong share of available internet customers and was trending in a positive direction. While a portion of residents remained potential customers who did not subscribe to Spanish Fork Internet, overall participation levels were being maintained and gradual growth continued. Staff expressed confidence in the service offering and indicated a desire to further reduce the gap between potential and existing customers.

Results from a recent survey sent to residents who had chosen not to connect to the city's internet service were summarized. The survey achieved a solid response rate and produced useful feedback. Responses provided insight into reasons for non participation, helping staff better understand customer concerns, perceptions, and decision making factors. This information was expected to inform future outreach and service strategies.

Clarification was provided on a chart included in the presentation, confirming that the highlighted segment represented potential customers without Spanish Fork Internet service, not households without internet access altogether.

The discussion continued with clarification about how potential internet customers were identified and tracked. It was explained that while staff did not always know which provider residents used if they were not on the city's network, there was a generally good

understanding based on service records. A chart was reviewed showing approximately 4,000 potential customers, which represented the difference between two trend lines rather than a loss of customers.

It was clarified that a small dip in the data did not indicate customer loss. Instead, it reflected a correction to how potential customers were categorized. Some connections previously counted, such as equipment like power meters on pumps, were determined not to be realistic internet customers and were removed from the dataset. Council members emphasized focusing on overall trends rather than individual data points.

Internet service selection trends over time were reviewed using a long term historical graph. The most popular service tier continued to be the 300 Mbps fiber package priced at \$45 per month. The premium one gigabit fiber service also showed steady adoption. These trends reflected customer preference for higher speed fiber services as the standard offering.

Cable television subscriber trends were reviewed next. The data showed a peak in cable TV customers around 2008, followed by a long term decline. A notable drop occurred at a specific point on the graph, after which the decline became less steep. This was described as a gradual, attrition based reduction rather than a sharp loss, suggesting customers were slowly discontinuing cable service over time rather than leaving all at once.

Network Operations Center call volume was discussed in detail. The total number of calls received over the past year increased significantly compared to prior years. These calls included internet troubleshooting, questions about service, issues with wireless connectivity, rebooting customer equipment, programming remotes, and other support requests. Most of these calls were handled at the initial support level over the phone without requiring field visits.

The increase in call volume was described as concerning and likened to an early warning indicator that underlying issues were developing. Further investigation confirmed that there were infrastructure and service related issues that required attention and corrective action.

New internet subscriber numbers were reviewed and showed that the city remained net positive in customer growth. However, the rate of growth had slowed. Council members discussed how this trend closely aligned with new residential construction. Approximately 200 building permits had recently been issued, with estimates suggesting closer to 300 homes when accounting for permitting lag. This indicated that most new internet subscriptions were coming from new builds rather than conversions from existing homes.

It was noted that while the city did not lose internet customers overall, increasing competition and slower residential growth posed risks for future adoption. Staff emphasized the importance of making adjustments now to avoid stagnation or decline in coming years.

Internet bandwidth usage and capacity were reviewed using a year long consumption graph. Average internet usage increased by approximately 20 percent compared to 2024, continuing an established growth trend. Daily usage patterns showed predictable peaks during daytime and evening hours and lower usage overnight. A visible outage was identified on the graph,

corresponding to a period when service failed over to a backup provider. Future plans included blending multiple internet connections rather than relying on a preferred primary path in order to avoid capacity limits and improve redundancy.

Traffic shared with the City of Salem was also reviewed. Salem showed a similar increase in bandwidth usage, indicating parallel growth trends between the two cities.

Cable television viewing preferences were reviewed using channel popularity data. Viewing habits remained nearly identical to the previous year. Most of the most watched channels were over the air broadcast channels. Among the notable exceptions were KJZZ, ESPN, and BYUtv, all of which ranked relatively high. The consistency in viewing preferences reinforced conclusions drawn in prior years about customer behavior and content priorities.

Discussion continued with a review of cable television viewing trends and network capacity. It was noted that the Hallmark Channel remained one of the most popular channels among subscribers, reinforcing prior observations about consistent viewing preferences year over year.

The city's internet backbone was discussed in detail. At the time of the meeting, the city operated two primary internet connections, configured so that one functioned as a hot standby for the other. Both connections traveled north of Salt Lake City. Internet usage had increased approximately 20 percent compared to 2024. Average daily usage was approximately 60 gigabits per second; however, this average masked frequent microbursts that pushed utilization to 80 to 85 percent of capacity multiple times throughout the day. During peak periods, the primary connection was regularly saturated.

Each of the two northern connections had a 100 gigabit capacity. One provider was billed up to 60 gigabits per second with the ability to burst up to 100 gigabits as needed, and this connection was primarily used as a backup. A concern was raised that both connections followed similar physical paths, including shared ducts and termination buildings, creating risk despite carrier redundancy.

To address this vulnerability, work had been underway for approximately a year to establish a southern internet connector. A 10 gigabit connection to the south had been installed and was in a testing and validation phase. At the time of the meeting, it was being used as a standard internet connection rather than a full transport line. Plans were in place to convert it to a transport connection and link with another internet service provider in the St. George area later in the year. This would create geographically diverse paths, improving resiliency so that a northern failure would still allow southern connectivity and vice versa. Once fully implemented, traffic would be load balanced across connections to ensure stability and confirm readiness during a failure event.

It was explained that while total capacity could theoretically be additive, best practice required maintaining enough headroom to handle worst case scenarios. The goal was to keep peak utilization below approximately 80 percent so that if traffic failed over to a single connection, customers would not experience major service degradation. Failure scenarios were described primarily as service slowdowns rather than immediate outages, with users

potentially experiencing buffering during video streaming. Dropped or delayed packets could actually increase overall traffic due to how data transmission protocols resend and verify data, making congestion worse once thresholds were crossed. Maintaining sufficient capacity was described as critical, as once congestion reached a tipping point, impacts could become widespread and severe.

Outage history was reviewed. Over the past year, there had been one significant outage and an additional incident related to unannounced maintenance. In the latter case, a connection was lost shortly after midnight, traffic failed over automatically, and service was restored by approximately 3:30 a.m. Outages were described as infrequent, but the importance of avoiding shared infrastructure paths and adding southern redundancy was emphasized to reduce exposure to future incidents.

Attention then shifted to the future of the cable television system. The current system was reported to be approximately 99 percent fiber, with 196 remaining cable modem customers. Cable television operations were almost entirely cloud based, with no traditional headend operations remaining aside from the SF17 channel, which continued to stream from the headend. All other cable television content was delivered through cloud infrastructure, meaning customers accessed content entirely over the internet.

The backend video platform utilized TiVo, and there was no legacy headend in operation. The cable television service had an approximate 80 percent take rate among eligible customers. Internet services represented the dominant source of financial support, accounting for roughly 97 percent of profit, while cable television accounted for approximately 3 percent.

The impact of transitioning from traditional cable service to streaming only service was reviewed. When the city eliminated traditional cable plans and moved fully to streaming, approximately 17 percent of cable television customers were lost in a single month. This loss was attributed not to technical performance, which was described as strong with robust DVR features, but to customer resistance to change. For some customers, the transition prompted reevaluation of their television service altogether.

Financial performance of the cable television system was discussed. While the service remained profitable and customers were covering costs, margins had declined significantly since approximately 2017. Fewer subscribers were sharing the fixed costs of content and cloud services, and projected margins had dropped to under 7 percent. It was clarified that margins were being maintained in dollar terms rather than percentage terms, meaning that as subscriber counts declined, total profit decreased even if per customer margins remained flat. Additionally, roughly half of cable television revenue historically came from equipment rentals, which no longer existed under the streaming model, further reducing revenue.

Industry wide cost pressures were also reviewed. Broadcast affiliates now bore more of their own operating costs and were required to pay higher affiliate fees to national networks. These costs were passed down to cable operators, who in turn passed them directly to customers. As cable television subscriber bases continued to shrink, per customer costs increased, leading to repeated and significant annual rate increases. The sustainability of this model was

questioned, with concern expressed about the city's role in passing along annual increases of \$10 to \$15 while margins continued to shrink and cable television represented a very small portion of overall profitability.

National trends were reviewed under what was described as the "great exodus." National pay television penetration had declined from approximately 84 percent to under 50 percent over the past decade, mirroring local trends. As of January 26, the city had 1,396 cable television customers.

Industry response to these trends was discussed. Mid-sized and smaller operators nationwide were actively transitioning to streaming only video models or existing video services altogether, pivoting toward connectivity focused business models centered on internet service rather than traditional cable television.

The discussion shifted to defining "connectivity," which was clarified as internet service. It was explained that across the industry, revenue models had shifted almost entirely toward the internet, with television becoming an optional add-on that customers pay for at market rates. Local churn rates of approximately 8 to 10 percent were noted to be consistent with national averages of about 8 percent, indicating the city was aligned with broader industry trends rather than being an outlier.

A key policy question was raised regarding whether it remained in the city's best interest to continue offering cable television. It was emphasized that while costs were fully covered, those costs continued to be passed directly to customers. Recent in person interactions with residents were cited, including multiple customers who expressed frustration with rising cable television prices. Staff explained to customers that margins were low and that the city was not increasing prices beyond pass through costs, but options were limited due to broadcast region constraints and content purchasing rules.

Customer data showed that cable television subscriptions were steadily declining, with very few new sign ups. Of the last 44 new utility sign ups reviewed, only three included cable television service. This aligned with broader data showing that only about 10 percent of internet customers also subscribed to cable television. At the time of the meeting, total cable television subscribers numbered approximately 1,397.

The discussion returned to whether continuing to sell cable television was truly serving customers' best interests. While customers expressed dissatisfaction with costs, many continued subscribing due to uncertainty about alternatives rather than satisfaction with the product. It was acknowledged that the challenge was not only technological, but also educational, as many customers did not know how to transition to streaming options.

The possibility of planning a structured sunset for cable television service was introduced. Education was identified as a critical component of any transition strategy. Industry wide, similar transitions were underway, and tools already existed to assist customers. One example discussed was a partnership through NCTC with a service designed to help customers identify the best streaming bundles based on their viewing preferences. A potential strategy outlined included discontinuing active promotion of new cable television sales, while instead

offering personalized guidance, recommendations, and support to help customers migrate to streaming services.

The importance of maintaining access to local channels was emphasized as a core concern for customers. Some local and regional channels, such as BYUtv and KJZZ, were identified as outliers that were harder to find in national streaming bundles. While BYUtv and similar channels were available through standalone apps or select streaming platforms, the traditional channel based experience was more difficult to replicate, particularly for less tech savvy users.

Equity and customer demographics were discussed, noting that cable television customers tended to be older on average than internet only customers, with phone service customers skewing older. This reinforced concerns that legacy products were being sold primarily to senior residents, many of whom were least interested in or comfortable with technology changes.

Questions were raised about whether it was the city's responsibility to actively help customers transition or whether providing basic educational materials would be sufficient. Staff expressed concern that a simple handout would not be adequate, given that many competing providers also sold bundled services that were often more expensive, provided lower service quality, and offered limited local support. Without assistance, customers might migrate to national providers that offered poorer overall value.

A "white glove" transition approach was discussed as a possible solution, involving hands-on assistance to help customers choose streaming services that matched their viewing habits while potentially upgrading internet service as needed. Even with modest internet upgrades, customers were expected to experience overall cost savings compared to traditional cable television.

The MyBundle TV platform was introduced as a potential conversion path. This tool allowed customers to select the channels they watched most frequently and receive recommendations for streaming services that included those channels, including local options. The platform was free to customers and part of a broader partnership available through the city's industry associations. Examples from other providers were cited, demonstrating how similar tools were being used nationally to educate customers about streaming alternatives and reduce dependence on traditional cable television.

The discussion continued around customer behavior and the challenges customers face in understanding television options. It was noted that while customers often know which shows they like, many do not know which broadcaster or channel carries that content. Examples were given of popular legacy shows where customers may not know whether the content is on a specific cable channel or available through streaming platforms. This lack of clarity reinforced the value of tools that focus on shows and viewing preferences rather than channel names.

The MyBundle TV tool was discussed further as a practical solution. The platform allows customers to select the shows or channels they care about and then presents the best value

streaming options available in the local region. Council feedback characterized the concept as intuitive and customer friendly, particularly because it removed the need for customers to understand broadcaster ownership or network structures. The tool was noted to be region specific and designed to show streaming services that could realistically replace the city's cable television offerings.

A broader policy discussion followed regarding whether it was the city's role to actively guide customers through this transition. Concerns were raised that the economics of cable television distribution were approaching additional tipping points. One example discussed was the contractual placement of major sports networks. Historically, premium channels such as ESPN had been placed on expanded basic tiers. As subscriber numbers declined, contractual formulas could force those channels into lower tiers, significantly increasing the base package price. This scenario could push entry level cable packages from roughly \$60 per month to \$100 per month, accelerating customer dissatisfaction and attrition.

Several potential end scenarios were discussed. One approach was to continue offering cable television until the customer base declined naturally to zero over time. Another approach was to identify a trigger point, such as a major pricing shift or contract change, that would justify ending service. A third option discussed was selecting a firm sunset date, such as 2028, 2029, or 2030, after which the city would no longer offer cable television service. It was acknowledged that no clear consensus had yet been reached and that more discussion would be needed.

It was observed that very few participants in the room were current cable television customers, reflecting broader usage trends. At the time of the discussion, approximately 1,396 customers remained on Spanish Fork Community Network television, representing roughly 10 percent of residents with access to the service. Lighthearted exchanges highlighted how even long time supporters of the city's cable service had begun transitioning away once they understood alternative options.

Examples were shared of residents who had switched from the city's cable television service to streaming platforms and achieved monthly savings of approximately \$40 to \$60 while still retaining access to desired channels. These examples reinforced the conclusion that many customers remained subscribed not because cable television was the best option, but because of loyalty, habit, or uncertainty about alternatives.

Additional perspective was shared based on recent customer interactions. Two cable television customers had expressed that they had remained loyal because the city previously encouraged them to switch to the city provided service. Staff acknowledged their loyalty but explained that continuing to offer cable television under current conditions could ultimately be a disservice to those same customers. Both customers asked what alternatives were available, highlighting the need for clearer guidance rather than an abrupt cancellation of service.

It was emphasized that the discussion was not about encouraging customers to cancel cable television immediately. Instead, the focus was on identifying a thoughtful direction and long

term strategy. Concerns were raised about the annual rate increases creating negative public perception and contributing to dissatisfaction. These increases were described as giving the city a “black eye,” especially when customers took complaints to social media, creating reputational impacts beyond the relatively small number of cable subscribers.

Communications efforts were noted, including a prior public information post explaining cable television costs and trends. While helpful, it was acknowledged that not all customers may have seen or understood the information. Several ideas were discussed for improving education and outreach, including public question and answer sessions, informational campaigns, and storytelling approaches that demonstrated how customers could transition successfully.

Parallels were drawn to the city’s decision to sunset its email service. It was noted that setting a clear date for discontinuation prompted customers to prepare and transition gradually. This example was cited as evidence that a defined timeline could motivate action and reduce confusion. The challenges associated with discontinuing the email service were also reviewed. Approximately 500 email accounts remained, with only 50 to 70 used regularly. Bringing the email system into basic industry compliance would require significant upgrades, including encryption, anti spam, anti malware, and multi factor authentication, at an estimated cost of roughly \$250 per customer per year. This was not considered sustainable given the low usage levels.

It was acknowledged that while tools existed to migrate or forward email, these processes were difficult for less tech savvy users, particularly older residents. This reinforced the broader theme that transitions away from legacy services required hands on support and clear communication.

The conversation returned to cable television and the need for direction, even if a final decision was not yet made. Several possible approaches were outlined, including allowing cable television to decline naturally over time, waiting for an industry driven trigger such as major pricing shifts, or selecting a firm sunset date in the future, such as 2029 or 2030. Participants emphasized that no decision was being made at this time, but that further research and refinement were needed to identify the best path forward.

Potential unintended consequences were discussed. The primary concern identified was the risk that customers who required traditional cable television would switch to national providers such as Comcast, DirecTV, or Dish and bundle their internet service with those providers. It was estimated that approximately 3 to 5 percent of customers might insist on retaining traditional cable television and would be willing to pay higher costs to avoid change. If those customers bundled the internet with another provider, the city could lose both television and internet revenue from that group.

At the same time, it was noted that many customers would likely transition to streaming services while retaining city provided internet service. These customers would continue to rely on the city’s network, reducing the overall financial impact. The group acknowledged

that some residents strongly resisted change and would prioritize familiarity over cost or convenience.

There was discussion with agreement that cable television should not be discontinued in the near term, such as in 2026. Instead, the focus would remain on continued analysis, education, and preparation, with the goal of identifying a future path that balanced customer needs, financial sustainability, and the city's long term interests.

The discussion concluded with a focused examination of the city's limited negotiating position in the cable television marketplace. It was explained that unlike national providers such as YouTube TV, which have millions of subscribers and significant leverage, the city lacked sufficient bargaining power to influence pricing. Even when participating in cooperative purchasing groups, the city remained subject to unilateral pricing decisions from content providers.

A specific example was shared in which a single, widely viewed channel issued a notice of a mandatory 20 percent rate increase for fiscal year 2026, with no opportunity for negotiation. In addition to the immediate increase, the contract included an automatic minimum annual increase of 3 percent every year thereafter. This confirmed that base programming costs for that channel would escalate rapidly and predictably, regardless of subscriber trends. These increases were described as unavoidable and cumulative.

National examples were referenced to illustrate the imbalance in negotiating power. Large scale disputes between major broadcasters and national streaming providers had resulted in temporary blackouts before agreements were reached, an approach that was not feasible for a small municipal provider with a much smaller subscriber base. As a result, frustration over price increases was consistently directed at the city, even though the increases originated with broadcasters.

Concern was expressed about customer perception and accountability. While it was unclear whether customers fully understood that broadcasters drove these increases, the city was the entity customers contacted when their bills rose by \$20 or more in a single year. This reinforced the reputational risk associated with continuing to offer cable television.

Council members emphasized the need for additional data to determine when the city would be comfortable making a transition away from cable television, particularly given the potential risk of losing a portion of internet customers. It was reiterated that approximately 10 percent of internet customers also subscribed to cable television, and losing bundled internet service from even a fraction of that group could have financial implications. Any future strategy would need to address this risk directly.

The concept of proactive transition planning gained clear support. Emphasis was placed on developing strategies such as white glove support services to help customers migrate to streaming platforms while retaining city provided internet service. The goal was to prevent customers from defaulting to national providers out of confusion or frustration.

Cost trends were described as non linear. Programming costs were increasing at an accelerating rate rather than gradually, making it increasingly difficult to predict or manage future pricing. It was acknowledged that an eventual breaking point was inevitable, driven by provider imposed pricing structures rather than local decisions. This reinforced the importance of discussing options early and preparing customers well in advance of any major change.

Participants agreed that while the cable television service was still technically profitable, the margin was no longer sufficient to justify the operational burden, reputational impact, and customer dissatisfaction. There was consensus that allowing the service to continue indefinitely until natural attrition eliminated the last subscriber was not a preferred approach.

The discussion coalesced around the idea of selecting a future sunset date or decision window and then building a structured runway for customers. This would include advance notice, education, and assistance over multiple years to ensure customers could transition smoothly to alternative viewing options without disruption.

It was agreed that additional survey data would be brought back at a future work session to further inform program design and policy direction. The presentation materials related to the customer survey would be scheduled for a subsequent meeting, as the findings were expected to shape future outreach and support strategies.

The session concluded with acknowledgment of the complexity of the issue, appreciation for the depth of analysis presented, and agreement that further work would focus on transition planning, customer education, and long term sustainability rather than immediate action.

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### **BREAK 10:15 am**

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#### **Parks and Recreation - Dale Robinson**

The discussion shifted to staffing adjustments and operational changes, beginning with clarification of a cost figure. It was corrected that a referenced amount was \$20,000, not \$20 million. This clarification led into discussion of part time staffing changes, specifically the reduction of approximately 2,000 part time hours due to the addition of a second position. With those adjustments, staff reported a net increase of approximately \$21,375, including benefits. While the calculation prompted lighthearted discussion, staff confirmed the math could be verified and stood by the figure presented.

Attention then moved to golf course operations, particularly increased activity and resulting impacts. It was noted that one of the major operational pressures was the driving range. Increased usage, newer golf equipment technology, and the elevated position of the driving range had combined to significantly increase ball distance. As a result, drivers had been prohibited on the driving range since August of the previous year due to safety concerns.

Staff explained that golf balls were frequently clearing existing fencing and landing in Canyon View Park and along Powerhouse Road. Vehicles traveling on Powerhouse Road had been struck by golf balls, and some impacts were also occurring near adjacent areas. While golfers were technically responsible for damages, affected individuals continued to contact the City, and in some cases the City had provided compensation, but stating a no fault stance. With increasing traffic volumes on Powerhouse Road, the risk was expected to grow. It was acknowledged that future road widening could further exacerbate the issue.

Removing drivers from the range had reduced the immediate risk, but staff emphasized that this was not a long term solution. Demand for the driving range was high, and patrons were experiencing difficulty accessing range space during peak times.

Staff presented preliminary concepts under study to mitigate safety risks. These included installation of additional netting along Powerhouse Road, in front of the maintenance shop, and potentially along the first hole. It was emphasized repeatedly that these concepts were exploratory and not finalized proposals. Preliminary cost figures were shared only to establish a general sense of scale and direction.

Existing netting was approximately 70 feet high, which staff indicated may be sufficient under normal conditions but was inadequate given the elevated tee boxes and modern equipment. Distance from the driving range to the back of the net was estimated at approximately 280 to 300 yards, and the elevated position contributed to increased carry distances. Golf balls were also being lost in surrounding trees, contributing to rising annual driving range ball replacement costs.

Discussion acknowledged that additional netting would not fully eliminate risk but could significantly reduce it. Staff noted that placement at lower elevations might be more practical than installing netting higher on steep slopes. Safety concerns were framed as a growing issue that warranted proactive evaluation rather than reactive responses.

Council feedback suggested prioritizing netting along Powerhouse Road and high traffic areas over lower risk locations. It was emphasized that continued study was needed to refine priorities, costs, and effectiveness before any formal recommendations were brought forward.

The discussion continued with clarification on the scope and prioritization of proposed netting improvements at the golf course. It was confirmed that the primary concern was not Hole No. 1 itself, but the left side of the driving range where golf balls were being pulled into Powerhouse Road. Any netting discussed for Hole No. 18 would be limited and targeted, focusing on the tee box area where mis hits most frequently resulted in balls entering the roadway, rather than full length netting along the hole.

Staff explained that the increased frequency of incidents was driven by a combination of higher traffic volumes on Powerhouse Road and increased golf play. Preliminary cost figures were discussed to help frame the scale of potential solutions. Approximately \$520,000 was associated with netting on the right side between Hole No. 1 and the driving range. A larger estimate of approximately \$995,000 would include increasing the height of the existing back net from 70 feet to roughly 100 feet and adding netting along the left side of the driving

range. These figures were described as rough estimates, with costs driven largely by the need for very tall poles rather than the netting material itself.

It was clarified that the proposed netting improvements were strictly related to safety and risk mitigation and would not increase driving range capacity. Questions were raised about how such improvements would be funded, prompting a broader discussion about liability and risk exposure.

Staff reviewed the City's current no fault policy related to golf ball damage. Under this policy, if a vehicle was struck and the golfer responsible could not be identified, the City would provide up to \$100 to assist with repairs. If the golfer was identified, responsibility rested with that individual. This policy was described as appropriate for property damage but limited in its ability to address more severe risk scenarios.

Council members expressed concern about escalating liability exposure. It was noted that a scenario involving a golf ball striking a vehicle, causing a driver to lose control and injure or kill another motorist, was not unrealistic given the increased traffic on Powerhouse Road. The probability of such an incident was described as growing over time as play and traffic volumes continued to rise. In such a case, it was anticipated that the City could be named in litigation regardless of existing disclaimers or signage.

The discussion emphasized that mitigation measures should be viewed not only as an operational improvement but as a risk avoidance strategy. It was noted that only a small number of serious incidents could quickly result in costs far exceeding the price of preventative infrastructure, potentially reaching into the millions of dollars.

The discussion continued with a focus on how potential safety improvements at the driving range could be funded from a revenue perspective. It was acknowledged that while risk mitigation was a primary driver, staff were also exploring opportunities to increase revenue to help offset costs.

One concept under consideration was significantly expanding driving range capacity. Staff explained that they were evaluating the feasibility of effectively doubling capacity by constructing a second tier at the driving range. The existing terrain and elevation were described as naturally suited for a multi level design. A double decker configuration could potentially double the number of hitting bays without expanding the physical footprint of the facility. Much of the work, particularly excavation, could be completed in house, though structural elements such as retaining walls, protective coverings, and safety features would be required to prevent hazards to golfers below. The concept was likened to a simplified Topgolf style approach, adapted to the limited space available.

Doubling driving range capacity was described as a way to quickly and materially increase revenue while also reducing congestion and safety risks. However, staff emphasized that this idea was still in the exploratory stage, with no finalized designs or cost estimates. It was described as an early concept intended to "plant a seed" for future consideration.

The discussion then shifted to golf course pricing and market alignment. It was noted that Hobble Creek Golf Course had recently raised rates significantly, with confirmed 2026 rates now in place. Gladstan's proposed rates were also reviewed and were expected to closely match Hobble Creek's pricing, pending final Council approval. Sleepy Ridge rates were referenced as a comparison point, though their 2026 pricing had not yet been finalized.

Staff described a dilemma between maintaining affordability and avoiding falling too far behind the market. While strong revenue performance could suggest holding rates steady, staff cautioned that lagging significantly behind comparable courses could create long term issues. The proposed adjustment under consideration was to raise weekday rates to \$62 and weekend rates to \$66 for 18 holes with a cart. A separate cart rate increase had already been approved during a prior budget revision.

It was noted that rate increases had typically occurred every other year and were usually modest, often around \$1. The current proposal represented a larger adjustment of approximately \$4, reflecting rising costs and market pressures. While some participants commented that the price point felt high, it was also acknowledged that golf participation remained strong, with nearly 100,000 rounds played, indicating sustained demand.

Staff explained that recent and ongoing improvements helped justify the increase. These included new golf carts, which had nearly doubled in cost compared to previous purchases, upgraded GPS systems, course improvements, and ongoing maintenance enhancements. The increased cart costs were specifically cited as a clear and defensible reason for passing some costs through to users.

Discussion touched on perceptions of golf as an "elitist" activity and past criticism related to subsidies. However, it was also noted that course quality improvements, consistency in maintenance, upgraded sand traps, and equipment investments had been well received by frequent players. Feedback suggested that a \$4 increase was unlikely to generate significant pushback given current demand and visible reinvestment in the course.

Questions were raised about discounted play and specials. Staff explained that while some discounted rates and specials remained, high demand made it increasingly difficult to offer reduced pricing without crowding. As a result, discounted rates had gradually increased alongside standard rates.

Additional discussion covered golf cart features and leasing. New carts were noted to include upgraded amenities such as GPS systems, and it was clarified that the carts were leased rather than owned. At the end of the lease term, the carts would be returned, with GPS equipment removed as part of the process.

The discussion concluded with general agreement that market aligned rate adjustments, combined with visible reinvestment in facilities and safety, were reasonable. Staff were encouraged to continue refining cost estimates, capacity expansion concepts, and pricing strategies, with further recommendations to be brought forward in future sessions.

The discussion continued with additional detail on golf cart features and customer behavior. It was noted that the new carts included amenities such as cell phone holders and built-in GPS systems. While many courses had moved away from cart mounted GPS in favor of mobile phone apps, staff expressed appreciation for having GPS still available on the carts, as it remained uncommon at other facilities and added value to the golfer experience.

Council asked about the breakdown between resident and non resident golfers. While exact figures were not immediately available, staff confirmed that non resident use was significant. Prior Place AI data suggested approximately 70 percent non resident usage, with some datasets indicating even lower resident participation. Additional data points shared during the discussion showed roughly 17 percent resident usage at the Oaks golf course, compared to higher resident usage at other facilities such as the gun club at approximately 40 percent and the pool at approximately 50 percent. Survey data indicated that about 30 percent of residents reported playing at the golf course at least once during the year, which aligned generally with the broader visitation trends when accounting for repeat non resident use.

This led into a broader parks and recreation policy discussion centered on whether facilities should be operated primarily as businesses, community services, or a hybrid of both. Comparisons were made to other city amenities such as the rodeo, Festival of Lights, and recreation center, all of which drew a substantial number of non resident users. It was noted that when facilities are operated as businesses, maintaining market competitive pricing and reinvesting revenue into improvements is a rational approach. Council members expressed that, in this context, a \$4 rate increase was defensible if tied to reinvestment, safety improvements, and facility enhancements.

Concerns were raised about pricing residents out of facilities. It was acknowledged that this tension exists across nearly all parks and recreation offerings. Staff explained that the golf course had intentionally positioned itself several years earlier as a discount course to attract volume. While successful in increasing demand, this strategy had led to capacity constraints, heavy wear on the course, and increased pressure on operations. The principle of supply and demand was cited, noting that raising prices was one of the few tools available to manage overuse when expansion was limited.

Staff also noted that being significantly under market created unintended consequences, such as drawing large numbers of student golfers from nearby universities who might otherwise play at shorter or lower impact courses. While this increased rounds played, it also contributed to course wear and congestion. At the same time, staff emphasized the importance of maintaining strong youth and junior golf programs. The course continued to support programs such as Youth on Course, allowing young players to play at very low cost, and maintained robust junior leagues, classes, and summer teams. Preserving these feeder programs was described as a priority even as market rates were adjusted elsewhere.

The discussion broadened to systemic challenges across the parks and recreation system. It was noted that the recreation center was beginning to experience similar pressures, with increasing non-resident usage and early signs of resident displacement. Examples from other cities were cited, including situations where large non resident populations overwhelmed

facilities until significant non resident fees were imposed to restore resident access. Similar issues were already occurring at the senior center, where residents were being turned away while non residents continued to participate.

Staff emphasized that these issues were not isolated to golf but represented a citywide policy challenge that would require future Council direction. Facilities were intentionally designed to attract regional participation to help offset costs, but long term success would require balancing access, affordability for residents, capacity constraints, and financial sustainability. The discussion concluded with recognition that rate setting and access policies would need to be addressed holistically across all parks and recreation facilities in the coming years.

The discussion continued around resident versus non resident pricing and broader parks and recreation policy considerations. It was noted that most golf courses no longer charge a distinct non-resident fee, as that practice has largely disappeared with the increased popularity of golf. Seasonal pricing models were discussed instead, with examples from other markets where rates increase during peak seasons and drop significantly during off season months. It was suggested that a similar approach could be explored locally, potentially offering very low winter rates while maintaining higher prices during peak demand.

From a business perspective, the idea of aligning market based pricing with targeted affordability for youth was discussed. Participants noted that this could work philosophically if higher general rates helped subsidize lower youth pricing. However, availability was identified as the larger challenge rather than cost. Even at discounted rates, limited tee times made access difficult for youth golfers.

Staff explained that one potential approach was to identify low demand windows where youth access could be prioritized. While this already occurred to some extent, frustration remained among youth golfers and families, particularly when access was restricted on Fridays and Saturdays due to peak demand. It was acknowledged that while youth could still play during those times, they would need to pay the full rate, which created tension for families and coaches.

The concerns of youth coaches were discussed in detail. Coaches were described as successfully developing strong junior programs and competitive players, but facing challenges when their athletes could not access the home course during prime times. Comparisons were made to other facilities where competing youth programs had greater access, sometimes supported by private memberships or higher fees paid by parents. While those models differed, the comparison highlighted the difficulty of balancing open public access with competitive development.

The conversation broadened again to the fundamental parks and recreation dilemma faced by the City. Facilities such as the golf course and recreation center function both as community amenities and revenue generating operations. Significant public investment had been made to provide recreational opportunities, but strong demand created pressure on access. Participants noted parallels with the recreation center, where capacity constraints in popular activities such as basketball and swimming were already evident.

Staff emphasized that investments had been made to support youth development, including expansion of practice areas and short game facilities, which provided alternatives during peak play times. However, it was acknowledged that these alternatives did not fully replace the value of playing full rounds, particularly for competitive youth golfers.

The discussion recognized that the golf course faced structural limitations that differed from other recreation facilities. Unlike swimming or gym space, golf course capacity could not be easily expanded without significant land or capital investment. As a result, pricing, scheduling, and access policies remained the primary tools for managing demand.

The session concluded with acknowledgment that these challenges reflected a larger, system wide issue rather than an isolated golf course problem. Balancing business sustainability, regional demand, resident access, youth development, and fairness across all parks and recreation offerings would require future policy direction. No decisions were made, but staff and Council expressed understanding that these tensions would continue to intensify as demand grew.

The discussion returned to broader parks and recreation capacity issues, noting that similar availability concerns seen at the golf course were likely to arise at other facilities, including the recreation center. It was acknowledged that as participation continues to grow, questions about access, scheduling, and prioritization would become more frequent across the system.

Attention then shifted back to the immediate issue of golf course fees. Staff emphasized the need for timely feedback, noting that if a fee adjustment was to be made, it could not wait until the next budget cycle and would need to take effect promptly as the golf season approached. Council members expressed support for the proposed increase, citing visible improvements, rising costs, and comparable rate increases at peer facilities. It was noted that without an adjustment, the course risked falling too far behind the market.

Consensus emerged in support of moving forward with the proposed \$4 increase for weekday and weekend rates. It was acknowledged that the course would remain competitively priced and not the most expensive option in the region. Staff committed to having further discussions with course management regarding youth access and scheduling, emphasizing sensitivity to youth programs while recognizing that prime time revenue could not be jeopardized. Comparisons were made to other recreation facilities, such as pools, where discounted youth access is typically scheduled during off peak times.

Suggestions were offered to explore limited prime time availability for youth golfers, such as allocating a small number of tee times rather than opening entire blocks. It was recognized that discounted prime time access represented foregone revenue, but that youth development remained an important part of the overall mission. The need to balance revenue generation with community service was repeatedly emphasized.

Additional support was voiced for the rate increase, with the understanding that the course would continue to sit in the middle of the market rather than at the high end. It was agreed that further analysis on safety improvements, including netting at the driving range, would be brought back at a later date once more definitive information was available.

The presentation then moved to long range park planning. Staff reviewed the city's standard of providing park access within approximately a half mile of residential development and noted that this framework continued to guide development review and park planning discussions. A new neighborhood park, Sunset Ridge Park, was introduced with a conceptual design. The park was described as a small, approximately two and a half acre neighborhood park with western views. Funding for the park was split across fiscal years, with half budgeted in the current year and the remainder planned for the following fiscal year.

The park was located near Woodland Hills Drive on the west side of Main Street, serving a residential area that had previously lacked a centrally located park due to development constraints. The park was described as a neighborhood amenity rather than a destination park, with limited programming anticipated.

Discussion addressed amenities planned for the park. It was confirmed that restrooms would not be included due to high costs, ongoing maintenance requirements, and frequent vandalism issues associated with bathrooms in smaller neighborhood parks. While a pavilion was planned, the park was intended primarily for nearby residents. The possibility of installing a drinking fountain was discussed, but similar concerns were raised regarding vandalism, maintenance, and long term upkeep.

The Council acknowledged public concerns about the lack of bathrooms in some parks, particularly when programming or organized activities occur. Staff clarified that parks intended for organized programming or events typically include restrooms, while smaller neighborhood parks generally do not.

The discussion concluded with agreement on the immediate fee adjustment direction for the golf course, acknowledgment of ongoing system wide capacity challenges, and continued support for incremental park development guided by established planning standards.

The discussion continued regarding restroom availability in neighborhood parks and the City's intent not to install restrooms in parks where no formal programming occurs. It was clarified that while the City does not program activities in certain neighborhood parks, residents and volunteer coaches often use those open spaces for informal practices because of their proximity to homes. This informal use was compared to similar practices at school fields after hours, where restrooms are also not available. The intent of providing open space was reaffirmed as giving residents places to gather and practice without formally programming those locations.

Concern was expressed that Parks and Recreation staff were being required to address restroom complaints on a case by case basis, which was inefficient and inconsistent. A request was made to develop a clear, written policy that could be adopted by the Council and referenced publicly. The goal of such a policy would be to clearly articulate when and why restrooms and drinking fountains are included or excluded in parks, allowing staff to respond consistently and avoid repeated individual disputes.

Discussion supported defining restroom standards based on park size, function, and programming. Smaller neighborhood parks below a certain acreage threshold would not

include restrooms or drinking fountains, while larger destination parks or parks intended for organized programming would include those amenities. It was emphasized that this policy should clearly outline the rationale, including cost, maintenance burden, vandalism risk, and operational challenges.

Operational realities were reviewed, including the significant staff time and expense associated with opening and closing restrooms daily, seven days a week. It was noted that the City had moved toward electronic locking systems due to staffing constraints, which carried substantial upfront and ongoing costs. Additional concerns were raised about safety, misuse, and undesirable activity occurring in restrooms, reinforcing the preference to limit them to high use, destination facilities.

The value of having a formal policy was emphasized as a way to respond to resident concerns transparently. Staff noted that when complaints arise, providing an adopted policy explaining the reasoning would help residents understand the decision, even if they disagreed with it.

The conversation briefly touched on security cameras in parks. It was noted that the City frequently receives requests for camera footage from parks that do not have cameras installed, which can create frustration for residents. While cameras were acknowledged as necessary in certain higher risk or higher traffic parks, they were not appropriate or feasible for all neighborhood parks. A policy framework was suggested to clarify where cameras are installed and why, similar to the restroom policy.

Staff acknowledged that some parks currently lack cameras where they are needed and that installations were pending, including locations such as North Park and the back parking lot at the sports park. Prioritization was discussed, with emphasis on first securing access control through gates, followed by targeted camera installation in appropriate areas.

The discussion concluded with a brief transition to upcoming Parks and Recreation projects. The power corridor project was introduced as an example of recent improvements, with references made to before and after conditions to illustrate how underutilized spaces had been transformed. The work session then moved on to the next agenda topic.

The discussion moved into an update on the power corridor project and its evolution into a large linear park. Staff described the corridor as wide enough in many areas, approximately 100 feet, to function as a true linear park with a trail running through it. The space was described as suitable for informal team practices and general recreation. Phase three of the project was identified as the next focus, which would include development of a park area of slightly more than five acres at the end of the corridor. This work was planned to be completed largely by the City's in house construction team, resulting in significant cost savings.

It was noted that this park area would not initially include a restroom. Although restrooms existed nearby within the cemetery area, staff acknowledged this created complexity when developing consistent park guidelines. It was emphasized that acreage alone could not be the sole determinant for restroom placement, as some parks include wetlands, irregular

shapes, or other constraints that reduce usable space. Staff indicated that development of clearer criteria would be part of the upcoming fiscal year's work.

Funding for park projects was discussed, with clarification that most park development is supported through the Recreation Capital Projects Fund, which is largely funded by park impact fees, along with some historic seed money from land and park sales. Projects generally move forward as impact fee revenue becomes available.

An update was provided on cemetery capacity and its relationship to the parks system. Staff explained that projected timelines for cemetery expansion had shifted. What had previously been estimated at 2029 had now moved to approximately 2031, reflecting slower than expected plot sales following earlier surges during the COVID period. The process of locating owners of unused or very old plots was ongoing, as required by law, with only one or two inquiries received to date. Once statutory waiting periods were met, staff planned to reutilize unclaimed plots and potentially expand the effort to additional sections. This could result in the recovery of several hundred plots. Burial activity was noted to fluctuate annually, with 143 burials recorded in the previous year.

Staff cautioned that future cemetery construction would significantly impact recreational uses currently occurring on those lands. As a result, long term planning may require identifying alternative locations, such as property near Poplar Lane, to replace soccer fields or other recreational spaces that could be displaced.

Council members discussed whether the cost of future cemetery development would need to account for replacement park impacts elsewhere in the system. Staff acknowledged this as an important consideration but noted that no specific plan had yet been developed. It was observed that the land had been acquired for cemetery use decades ago and had functioned as park space on an interim basis for 30 to 40 years, providing significant community benefit during that time.

Ideas were shared regarding interim solutions for displaced recreational activities, including potential coordination with the nearby school district to utilize open grassy areas for practices and games. Temporary measures such as additional backstops were suggested as possible options.

A brief discussion followed regarding amenities within cemetery park areas, including a lighthearted exchange about maintaining a playground within the cemetery. Staff noted that the playground had an expected lifespan of approximately 20 years and acknowledged the unconventional nature of the arrangement, while also recognizing that cemeteries often serve as gathering spaces for families.

The conversation then transitioned to staffing needs within Parks and Recreation, particularly at the sports park and golf course. It was noted that the City had increased maintained park acreage from 87 to 92 acres at the sports park, while also adding more complex maintenance responsibilities. Although eight acres of open turf mowing had been removed, the remaining acreage required more intensive care, including landscaping around the FitCity Center,

detailed mowing near pools, maintenance of shrub beds and park strips, and cleaning of a five and a half acre parking lot.

Staff reviewed maintenance standards, noting that the City's benchmark was 25 acres per full time employee. At the sports park, there was currently one lead worker and two maintenance workers managing approximately 92 acres, resulting in a ratio exceeding the City standard. The national average was cited as 18 to 20 acres per employee, with ICMA and NRPA best practice closer to 12 acres. While the City intentionally set a higher standard, current staffing resulted in approximately 27.7 acres per employee.

Staff explained that adding one additional position would reduce the ratio to approximately 25.5 acres per employee, aligning with City standards. However, continued growth and new park development would quickly push the ratio upward again. Scheduling demands at the sports park were highlighted as a significant challenge, with fields in constant use, frequent mowing required to prevent injuries, and weekend staffing needs due to heavy programming.

The update concluded with an overview of total park acreage citywide. Parks acreage was projected to reach approximately 342 acres in the current year, underscoring the ongoing pressure on staffing, maintenance resources, and long term planning as the City continued to grow.

The final portion of the work session focused on park maintenance staffing levels, system wide growth impacts, and closing reflections on the City's parks and open space philosophy.

Staff reviewed comparative staffing metrics using a chart that showed acres of parkland maintained per full time employee across several cities. Spanish Fork was shown near the bottom historically at approximately 30 acres per employee. Through incremental staffing and operational adjustments, the City had reduced that ratio to approximately 27 acres per employee, with a target of 25 acres considered the City's internal standard. While this placed Spanish Fork closer to its desired range, it was noted that continued growth would quickly push the ratio back up without additional staffing.

It was emphasized that the workload extended beyond traditional park acreage. As the City grew, Parks and Recreation assumed responsibility for maintaining landscaped park strips, streetscapes, medians, and roundabouts associated with new development. These areas added complexity and labor intensity, even when they did not significantly increase raw acreage totals. The pressure on staff was described as cumulative and ongoing, reinforcing the need to periodically reassess staffing levels to prevent burnout and maintain service quality.

Specific attention was given to the sports park. If an additional lead worker position were approved, staffing could be restructured so that each half of the sports park would have one lead worker and one maintenance worker. This was presented as a way to improve efficiency, coverage, and employee sustainability given the high intensity, highly scheduled nature of the facility.

The work session concluded the Parks and Recreation update at this point, with agreement that it was an appropriate stopping place before transitioning to the next agenda topic.

Council members and administration expressed appreciation for the work presented and for the Parks and Recreation team overall. Comments highlighted that Spanish Fork is widely recognized for its open spaces, parks, and trail system, which are a major contributor to quality of life and a reason many people choose to live in the community. It was noted that this focus on open space had been consistent throughout multiple Councils and administrations and had not been neglected in favor of purely structural development.

Additional reflection was shared on how residents perceive parks. While highly visible facilities such as the sports park, North Park, and the FitCity Center often dominate public attention, the City also places strong value on smaller neighborhood parks of two to three acres. These lower profile parks provide walkable access to open space for families and children and are an important part of daily life, even if they are less frequently discussed.

Staff emphasized that maintaining these parks to a high standard was critical. Open space only provided value if it was clean, safe, and well cared for. While some parks were intentionally lower profile, heavily used and highly visible parks required additional maintenance focus due to their prominence and volume of use.

The discussion closed with reaffirmation that Spanish Fork's commitment to parks, trails, and open space had been deliberate and sustained. This long term prioritization of quality of life amenities was credited as a defining characteristic of the City and a key factor in its continued attractiveness and community pride.

10:41 pm.

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### **Administration - Tyler Jacobson**

The work session transitioned from parks into a new topic focused on citywide tree maintenance, specifically tree trimming around power lines, streets, and parks. The discussion began with a question posed to gauge awareness of current costs associated with tree trimming. Staff reported that the City currently spends approximately \$400,000 per year on outsourced tree trimming services across three divisions.

The annual cost breakdown was outlined as follows: Power and Light accounts for approximately \$300,000, Streets approximately \$65,000, and Parks approximately \$35,000. Nearly all of this work has historically been outsourced to private contractors, primarily Seven Trees and Peterson Trees. The majority of the cost is driven by safety requirements associated with trimming trees near energized power lines.

Power-related tree trimming was identified as the largest driver due to the risks associated with trees contacting primary and secondary electrical lines. The City prioritizes proactive maintenance around primary lines, while secondary lines are generally addressed reactively

unless a significant issue arises. Safety concerns were emphasized as the primary justification for the level of investment.

Additional liability considerations were discussed, including a 2022 claim involving a driver who alleged that obstructed visibility from trees caused them to miss a stop sign and collide with another vehicle. Staff explained that Streets maintains a documented tree trimming cycle, typically every four to five years, to ensure traffic signs remain visible and compliant with policy. Documentation from this maintenance plan allowed the City to refute the claim. In parks, tree maintenance was described as critical to aesthetics and user experience, particularly in high visibility areas such as the sports park and major community parks.

Staff explained that the City recently had to change contractors for power line tree trimming because Seven Trees no longer employed certified arborists qualified to work around power lines. Peterson Trees does have the required certifications, but at a higher hourly rate. Seven Trees had been billing approximately \$300 per hour for a three person crew, while Peterson's rate exceeded that amount. At the lower rate, the City was effectively purchasing approximately 1,300 crew hours annually with the \$400,000 expenditure.

The possibility of bringing tree trimming operations in house was then presented. A full in house three person crew would cost approximately \$1.5 million in the first year, largely due to capital startup costs. These costs included construction of a red iron equipment building estimated at roughly 3,500 square feet, or approximately 70 by 50 feet, to house specialized equipment. A red iron building was recommended over a pole or stick building due to longevity and suitability for heavy equipment storage.

The most significant equipment expense identified was a 60 foot insulated bucket truck, required for safe work around energized power lines. The estimated cost of this truck was approximately \$400,000. However, staff noted an opportunity for cost savings. Power and Light currently has a 60 foot insulated bucket truck in order to replace an existing unit, with a two year build timeline already one year underway. Once delivered, the existing truck could potentially be reassigned to tree maintenance operations, eliminating the need to purchase a new truck and reducing startup costs by approximately \$400,000.

Staff presented estimated personnel costs for an in house operation. Three full time employees would cost approximately \$460,000 annually in wages and benefits. Two staffing models were discussed. The first was a three full time employee crew. The second, and preferred, option consisted of two full time employees and two part time employees. This model would provide operational redundancy, ensuring continuity during vacations, sick leave, or other absences, while maintaining flexibility and controlling benefit costs. The two full time, two part time models were estimated to save approximately \$60,000 compared to a fully benefited three full time employee crew.

When compared to outsourcing, the in-house option would provide approximately 2,080 labor hours annually versus the roughly 1,300 hours currently obtained through contractors, resulting in substantially increased capacity at a comparable ongoing operating cost of approximately \$400,000 per year once startup expenses were absorbed.

Startup equipment costs were summarized at approximately \$782,000, which dropped to roughly \$382,000 if the bucket truck purchase was eliminated. It was noted that vehicle acquisition could be supported through the City's motor pool leasing program. Under this model, departments pay approximately 10 percent of the vehicle cost upfront, with the motor pool funding the remainder and recovering costs through lease payments over time. This structure would reduce the immediate cash impact to approximately \$80,000. Staff confirmed that the motor pool fund currently holds approximately \$5 million, indicating sufficient capacity to support this acquisition without jeopardizing other needs.

Council members asked whether using the motor pool for this purpose could affect other foreseeable vehicle needs. The administration responded that the fund balance was healthy and capable of supporting this request.

The discussion concluded with staff emphasizing that the figures presented were intentionally conservative estimates designed to show realistic costs without assuming efficiencies or shared resources. Further refinement and deeper analysis were offered if the Council wished to explore the concept further.

The discussion continued on the proposed concept of bringing tree trimming services in house and focused on operational practicality, staffing, seasonality, and impacts to other City resources.

Staff confirmed that the City's motor pool was financially healthy and serves all departments, including Police, Streets, Power and Light, Parks, and other divisions that rely on large equipment. The motor pool model was reiterated as a shared resource intended to support long term fleet needs across the organization.

A question was raised regarding whether in house tree trimming employees would have sufficient work year round or whether the work would be seasonal. Staff explained that winter conditions could temporarily limit work during periods of heavy snowfall or icy conditions when trimming at height would be unsafe. However, most winter months are actually productive for tree trimming because crews can access areas that are heavily populated during the summer. Winter was described as a time when significant trimming work can and does occur.

During summer months, staff stated that tree trimming would still occur continuously. Crews would adjust locations to avoid the most congested areas during peak usage times. It was emphasized that the success of an in-house program would depend on keeping the crew focused on tree trimming as their primary responsibility rather than allowing the position to drift into unrelated duties. Occasional support work such as snow plowing could be utilized if needed, but tree trimming would remain the core function.

Council members asked whether the City could start smaller, such as with a two person crew, and scale up later. Staff explained that trimming trees around power lines requires a minimum three person crew due to safety and certification requirements. One person must operate the bucket, one must work on the ground, and a third serves as a safety and clearance arborist. Because power line trimming represents the City's greatest need, a two

person crew would not meet safety or regulatory standards. If one member of a three person crew were unavailable due to vacation or illness, the remaining staff could still perform parks or street tree trimming but would not work around power lines until a full crew was available.

The discussion returned to the motor pool and its interaction with other staffing requests, particularly in the Police Department. It was clarified that when new positions are added that require vehicles, departments typically pay a 10 percent upfront cost for each new vehicle, with the motor pool funding the remainder and recovering costs over time. Replacement vehicles do not require a down payment.

Estimated costs were shared for police vehicles. A fully equipped patrol vehicle requires approximately \$80,000 in total cost, with about \$8,000 paid upfront by the department. Detective vehicles were estimated at approximately \$40,000 to \$45,000 total, again with 10 percent paid upfront. These costs were described as manageable within the motor pool's current balance of approximately \$5 million.

Additional benefits of an in house tree trimming crew were discussed. It was noted that the City has entered into a Community Wildfire Protection Plan agreement with the State of Utah, identifying high fire hazard areas such as the Oaks. An internal tree trimming crew could assist with vegetation mitigation and fuel reduction in these areas, reducing fire risk and easing the burden on Parks and other departments.

Staff emphasized that the presented cost analysis did not account for the significant amount of in house labor already being spent on tree trimming. Several departments currently perform tree maintenance reactively, pulling staff away from other duties. It was noted that a key Streets employee spends a substantial portion of time addressing tree related issues, including trimming branches along curb lines and documenting problem trees while operating street sweeping equipment. Follow up trimming often requires coordination with contractors or internal crews.

It was shared that during the most recent year, City crews trimmed a significant number of trees along streets, in some cases exceeding the amount of work completed by the City's contracted tree trimming service. This highlighted both the demand for tree maintenance and the inefficiency of spreading that work across multiple departments without dedicated staffing.

The discussion continued with a deeper examination of current tree trimming practices, staff qualifications, liability concerns, and the long term implications of establishing an in house tree maintenance program.

It was clarified that when Streets crews currently trim trees, the work is performed only to remove immediate obstructions and is not done according to arboricultural best practices. Street staff are not trained arborists and do not trim trees with consideration for tree health, seasonal pruning standards, or long term growth patterns. Cuts are described as functional and reactive, intended solely to restore sight lines, clear equipment paths, or remove hazards as quickly as possible. This approach can negatively affect tree structure and longevity but is often necessary due to safety or operational needs.

Staff noted that proper tree maintenance requires knowledge of appropriate pruning seasons, limits on how much of a tree can be removed at one time, and an understanding of species specific growth patterns. These standards are not currently met when non arborist crews perform trimming. As a result, Streets crews trimmed approximately 900 trees in the previous year, while approximately 750 trees were handled by contracted services, underscoring both the scale of need and the inconsistency in trimming quality.

Clarification was provided on how contractors are currently utilized. Power and Light maintains a contract tied to a set dollar amount, while Streets operates under a budgeted agreement that allows contracted crews to work on designated areas. Streets staff identify trees for trimming, notify residents with door hangers, and provide homeowners the option to trim their own trees before the contractor performs the work.

Concerns were raised about workforce efficiency if a dedicated in-house tree trimming crew were established. Council members emphasized that full time employees should not be hired unless there was consistent, year round work. Questions were raised about whether shifting tree trimming duties away from existing staff would leave gaps in other areas or create underutilized labor.

Staff responded that existing departments currently spend significant time on tree related work that detracts from their primary responsibilities. Establishing a dedicated crew would allow Streets, Parks, and other staff to refocus on their core duties. In conversations with division managers, it was consistently expressed that tree maintenance demand exceeds current capacity, and that additional trained resources would be fully utilized.

The discussion expanded to long term vision. Staff referenced the concept of an urban forester, a position that would oversee citywide tree inventory, health, disease detection, and long term maintenance planning. While acknowledged as a substantial undertaking in a city with thousands of trees, the absence of a dedicated arborist presence was described as a vulnerability. A previous effort to inventory park trees had been completed, assigning identification numbers and tracking basic conditions, but park strips and right of way trees remained largely unmanaged beyond reactive trimming.

Liability concerns were raised regarding trees located in the public right of way but adjacent to private property. Instances were cited where branches fell during snow events and caused vehicle damage. Questions remain regarding where responsibility lies when such trees are not formally maintained by the City, yet are located in the City right of way. While homeowners are generally expected to maintain trees adjacent to their property, compliance is inconsistent, and the City may still face claims or exposure.

It was noted that the City previously employed a city arborist. Since that position was vacated, supervisors have pursued arborist certification, but they are not qualified to perform trimming near power lines. This gap reinforced the need for certified arborists who can address the most critical and hazardous trimming needs.

Council members discussed the potential for cross training within a future tree maintenance program. The concept was compared to Fire Department cross training, where personnel are

trained to perform multiple roles. A similar model could allow certified arborists to support other functions when appropriate while maintaining primary responsibility for tree and power line safety.

A brief request was made to discuss tree conditions along Main Street, with some Council members expressing concern that certain trees may need to be removed or replaced. Staff noted that a more focused discussion on Main Street trees was scheduled for a future meeting, and that topic would be better addressed as part of broader design and corridor planning.

In closing remarks on this topic, staff reiterated that the proposal was exploratory and not tied to immediate implementation. Key unresolved considerations included the timing of the program, the location of a potential red iron equipment building, and how to ensure the program remains focused on safety and core tree maintenance responsibilities without scope creep.

The discussion underscored the growing complexity of urban forestry management in a growing city and highlighted the need to balance safety, liability, cost, workforce efficiency, and long term tree health.

The discussion concluded with next steps and direction regarding the potential creation of an in house tree trimming and arborist function.

Staff addressed the question of where equipment and vehicles for a potential tree trimming crew could be housed. Several options were mentioned, including utilizing space at the Public Works facility. It was suggested that if future Public Works building expansion occurred, space could be incorporated to accommodate this operation, reducing the need for a standalone facility. Council members generally viewed co-locating the operation within an existing or planned Public Works site as a practical solution.

Questions remained regarding departmental ownership of the program, including which department would oversee the employees and equipment. Staff acknowledged that these governance and organizational questions still needed to be resolved.

Staff then asked for general direction from the Council on whether this concept should continue to be explored. Council members indicated interest in further evaluation, noting that while the upfront capital costs were significant, the long term operational costs appeared comparable to or potentially more favorable than continued outsourcing. Several members expressed that the break even point appeared to be approaching, particularly given rising contractor costs and certification requirements.

From a financial perspective, it was noted that although the initial startup costs were high, much of that represented a worst case scenario. Council members suggested that combining resources, sharing facilities, leveraging existing equipment, and integrating the program into planned capital projects could substantially reduce those costs. Building an additional bay into a planned facility, rather than constructing a standalone building, was cited as an example of potential cost reduction.

Ongoing outsourcing costs of approximately \$400,000 per year were highlighted, with the understanding that these costs were likely to continue increasing annually. While an in house program might not immediately generate net savings, it would provide significantly more service hours, improved responsiveness, better coordination, and higher quality tree maintenance. Council members emphasized that improved service and risk reduction, rather than pure cost savings, were likely the strongest justifications for the program.

Some skepticism was voiced about whether the initial capital investment could be fully recouped through direct savings alone. In response, it was reiterated that the value proposition included increased capacity, improved safety, better tree health, reduced liability exposure, and long term cost stability rather than a simple dollar for dollar return.

Council members acknowledged that the proposal represented a shift toward a more expanded City role, but emphasized that the discussion was exploratory and that continued dialogue was healthy. The overall tone suggested openness to continued analysis, with recognition that more refinement was needed before any formal decision.

The discussion concluded with consensus that it was too early to make a final determination, but that staff should continue refining the concept, exploring efficiencies, and returning with additional information and options for future consideration.

12:07 pm

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### **LUNCH 12 Noon**

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#### **Public Works - Cory Pierce**

The work session shifted to a discussion on Verk, public works needs, and long term power infrastructure planning in the Verk area. Staff explained that in August the Council approved a resolution allowing the City to explore bonding options. While no final decision to issue a bond had been made, the resolution established a timeline that allows certain costs to be included if a bond were pursued. Since that approval, additional analysis and modeling had been completed to better understand potential impacts.

Staff outlined a potential approach in which, if a bond were issued, a special power rate would be applied specifically within the Verk area. This approach was intended to ensure that existing residents and customers elsewhere in the City would not subsidize the infrastructure costs associated with new development in that area. Based on current planning, approximately \$30 million in infrastructure needs were identified in the Verk area, primarily related to construction of a 138 kV transmission line and associated substations.

A consultant, Dave Burke, was engaged to assist with financial modeling, using a target bond size of \$20 million to evaluate feasibility and impacts. Assumptions in the model included

electrical load growth starting at approximately 6 megawatts in 2027 and increasing to approximately 24 megawatts by 2030. Staff acknowledged that while these numbers are significant, they are modest compared to some inquiries the City has received, including requests for as much as 200 megawatts from potential users. It was noted that timing and actual consumption remain uncertain, and the model reflects assumptions rather than guaranteed outcomes.

Power costs reflected in the model were clarified as costs incurred by the City through UMPA. Additional operating and maintenance costs were included, starting lower and increasing over time as new facilities come online. Capital costs were spread over roughly four years. For the current fiscal year, \$3.7 million in power related capital costs were already planned, which could be incorporated into a bond if one moved forward. That amount translated to an estimated annual bond payment of approximately \$1.5 million.

Staff noted that power sales generated by new loads would offset a portion of these costs. While margins on large power users are thinner than on some other utility services, there is still meaningful revenue potential in the 20 to 30 megawatt range. It was also assumed that some infrastructure costs could be offset by port funds, outside funding sources, and impact fees.

Council members raised questions about how the capital costs were reflected in the model. It was noted that when annual capital expenditures of approximately \$6.8 million over several years were combined with the \$3.7 million already planned, the total exceeded \$20 million. Staff clarified that the full infrastructure need was closer to \$30 million, with approximately \$8 million expected to be funded through sources other than the bond, leaving the \$20 million bond as a portion of the overall funding strategy.

Concerns were expressed that the table presented did not clearly show the net financial effect after several years. Staff responded that additional charts were available and explained that they had taken the existing power capital improvement plan model reviewed previously and added these new assumptions without changing rates. This allowed for a side by side comparison of scenarios. It was acknowledged that for consistency, bond proceeds should be shown alongside power sales revenue and impact fees, and staff confirmed that this was reflected in the underlying cash flow model.

The modeling showed that while adding \$3.6 million of capital cost directly to the power fund would temporarily drop fund balances, the bond proceeds would quickly offset that impact, and balances would recover as funds were spent down over time. Council members noted that the projected growth in power sales was significant and could create a strong revenue stream within four to five years.

Questions were raised about whether building the infrastructure guaranteed that customers would come. Staff stated clearly that there was no guarantee and no signed commitments. However, expressed demand from manufacturers and developers consistently indicated that power availability was a critical bottleneck. These users want assurance of available power

before constructing buildings or marketing sites. It was emphasized that the issue extended beyond data centers to include a broad range of industrial and manufacturing users.

The possibility of creating contractual mechanisms similar to those used by Rocky Mountain Power was discussed. Such agreements would require customers to guarantee payment for reserved power capacity whether or not it is fully utilized. Staff noted that this tool is not currently used by the City but could be explored in the future.

The administration emphasized that the need for additional power infrastructure was not a question of if, but when. Planning for a 138 kV loop around the City was described as a long discussed goal, offering improved serviceability, redundancy, and overall system reliability. This concept has been part of City discussions for approximately 15 years, and staff indicated the City is now closer to having both the capability and the demand to justify implementation.

Clarification was provided that coordination with UMPA indicated that by 2030 the system would need to support approximately 24 megawatts of additional load under current assumptions. The discussion closed with acknowledgement that further refinement, additional data, and continued Council review would be necessary before any final decisions regarding bonding or infrastructure investments were made.

The discussion confirmed that the projected 24 megawatts of load by 2030 is well within UMPA's long-range planning assumptions. Spanish Fork's own submitted forecast to UMPA is higher, roughly in the 40 to 50 megawatt range, and UMPA aggregates those forecasts across its member cities before submitting them to Rocky Mountain Power. Current inquiries from potential users already exceed those planning numbers, which creates constraints not at the City or UMPA level, but within Rocky Mountain Power's transmission system. UMPA has indicated that generation and procurement are not the limiting factor at this scale. The primary issue for the City is building the local infrastructure needed to deliver power to end users.

Spanish Fork is in a unique position compared to most municipalities. Along with Provo and a small number of others, the City does not rely on Rocky Mountain Power for generation, only for transmission. Power is sourced through UMPA contracts and, when needed, the open market. Rocky Mountain Power's role is limited to delivering power to the City, not producing it. This structure provides greater local control but still requires transmission capacity commitments from Rocky Mountain Power.

Staff acknowledged that there is no guarantee that customers will arrive simply because infrastructure is built. The financial modeling assumes expressed demand rather than executed contracts. If development occurs as anticipated, the impact on cash reserves and long-term revenue is strongly positive. The risk is concentrated in the early years, with significant upside emerging in the mid to long term.

The side-by-side financial graphs represent two different scenarios rather than a choice between options. The left graph reflects the City's baseline CIP plan and assumes only normal growth. It includes a \$2.50 per month utility rate increase in fiscal years 2027 and 2028 and

does not include Verk infrastructure, bonding, or large new power users. The right graph uses the same model with Verk assumptions added, including a \$20 million bond, new infrastructure investment, and approximately 24 megawatts of additional load. That scenario shows faster and higher growth in cash reserves due to the added power sales.

The rate structure for Verk users would be a special large-power demand rate that is separate from existing Schedule 1 and Schedule 2 rates. Existing large users such as Nature's Sunshine, Young Living, and Mountain Country Foods would remain under current classifications. A new third rate tier would apply only to new Verk users moving forward, and the incremental difference in that rate is what would support bond repayment. Rate study data indicates the City has sufficient pricing room while remaining competitive in the market.

From a competitiveness standpoint, the proposed rates would keep Spanish Fork at or slightly better than Provo and Nephi, and more competitive than Salem and Rocky Mountain Power service territory. Springville and Payson were not viewed as comparable peers for this type of industrial load. It was also noted that large industrial users often evaluate broader regional markets, such as Las Vegas, rather than making decisions based solely on neighboring cities. Power cost is only one factor among many, including labor, natural gas, land availability, and logistics.

In terms of timing, the bond would not be fully supported by revenue in the first year and possibly not in years two or three. By approximately year four, revenue is expected to fully cover debt service and contribute positively to reserves. If a high-load customer were to arrive early, with initial demand in the 5 to 10 megawatt range and ramping to 15 megawatts or more, the early-year financial performance could improve significantly.

Feedback was provided that the side-by-side graphs could be misinterpreted as presenting a choice between bonding and not bonding. It was recommended that the graphs be clearly labeled as baseline CIP without Verk and CIP with Verk infrastructure to avoid confusion when the presentation is reviewed outside the meeting context. The clarification that these represent different scopes and solutions rather than alternatives was viewed as important.

Overall, the discussion indicated that the proposed infrastructure can be financed by new power load under the modeled assumptions, that the City remains financially competitive, and that while risk exists, it is limited in duration and manageable. Future focus should be on refining rates, coordinating transmission capacity, and understanding customer timing rather than on basic feasibility.

The discussion shifted to evaluating an additional scenario that removes bonding entirely to better understand system flexibility and risk. The suggestion was to modify the existing graph to show what happens if the City proceeds with the Verk infrastructure without issuing bonds, effectively using cash and other non-debt sources instead. This was described as an extension of the earlier "Jordan exercise," where the goal is to test whether the power system can function and remain solvent without relying on debt.

The intent of this scenario is to isolate Verk-related capital spending and show the cash flow impact if the City were to spend approximately \$20 million, or closer to \$30 million when fully

accounting for total infrastructure costs, without bond proceeds. This assumes the use of port funds, private contributions, and existing reserves, rather than issuing debt. During the live discussion, staff noted that the numbers were being adjusted on the fly and were not final, and that some initial versions still incorrectly included bond payments or bond revenue, which distorted the results.

Once the bond proceeds and bond payments were fully removed from the model, the corrected graph showed that the City does not go negative under this cash-only approach, but it does significantly draw down reserves. The trend line, rather than the precise numbers, was emphasized as the key takeaway. This scenario demonstrates that proceeding without bonding is technically possible, but it comes at the cost of depleting financial buffers.

Several members emphasized that while this cash-only approach is an option, it is not a preferred one. Using reserves to this extent exposes the City to substantial risk, particularly in the event of an emergency such as a major winter storm or other unexpected system failure. In that situation, the City would likely be forced into the bond market under pressure, with diminished reserves, which could result in higher interest rates and less favorable terms. The loss of reserves would weaken the City's financial position at precisely the wrong time.

The conclusion was that this scenario should be included in the presentation as a reference point rather than as a recommended path. It helps frame the decision by showing that bonding is not the only way forward, but also clarifies why bonding provides stability, preserves reserves, and reduces long-term financial risk. Including both scenarios side by side, clearly labeled as cash-funded capital versus bonded capital, was viewed as valuable for transparency and for communicating tradeoffs to decision-makers and the public.

The conversation framed the Verk decision as an A or B choice rather than a single required path. One option is to proceed with bonding and accelerate construction. The other is to move forward without issuing a bond, allowing infrastructure to be built incrementally as cash becomes available, timing investments to when savings accrue or when a major developer commits. This approach emphasizes flexibility and responsiveness to market timing, rather than committing capital upfront.

A question was raised about whether this infrastructure decision would eventually fall under the PID process. The response clarified that it would not, because the facilities being discussed are City-owned infrastructure. While the PID contributes funding, it does not have sufficient revenue capacity to cover the full estimated power cost, which is roughly \$35 million. PID revenue can cover approximately \$15 million, but the remaining portion must come from other sources. The bond-backed approach was described as the most reasonable way to close that gap while still ensuring that Verk ultimately pays for the infrastructure through rates and growth.

It was clarified that this approach does not circumvent the PID process. Instead of a tax levy, the cost recovery would occur through user rate fees charged to the same Verk users who benefit from the infrastructure. The City would be leveraging its credit to front the capital, but repayment would still be tied to Verk usage. From a value perspective, this effectively allows

the project to be delivered at roughly 55 to 60 cents on the dollar from the City's system standpoint, since port revenues and PID mechanisms cover a substantial share of the total cost. In the end, the full system benefits, with the greatest benefit accruing to large industrial users.

The idea of waiting to proceed until a large user signs a contract guaranteeing power usage was discussed but largely dismissed due to timing realities. Lead times for power infrastructure are measured in years, not months. By the time a user commits, it is already too late to begin construction if capacity is not in place. It was emphasized that construction costs in the power sector are not stabilizing in a meaningful way. While some lead times may be leveling slightly, costs continue to escalate, and many components still require lead times of 18 months to three years. Waiting introduces both cost risk and opportunity loss.

Additional context was provided by comparing this situation to other major capital pressures facing the City, including tens of millions of dollars in upcoming needs for utilities such as sewer, water, and transportation infrastructure. Similar to the water tank example, these projects are increasingly difficult to fund with cash alone due to scale and timing, reinforcing the challenge of relying solely on reserves.

The concern was raised that pushing the rate assumptions further increases risk, particularly if there is not yet a committed user to purchase the power. Staff explained that the figures being presented are intentionally conservative and positioned as far left and as low as reasonably possible on the graph. The goal is to make the project viable without overreaching. There is always flexibility to move the rate to the right later by increasing it in larger increments rather than pennies, but any increase still materially affects customer bills. For large users, those impacts matter because their annual power bills are already substantial.

For context, the average large power customer pays roughly \$33,000 per month, and some are well into the hundreds of thousands annually. Spanish Fork's largest current customer consumes approximately four to five megawatts per year. The entire city consumes around 85 megawatts annually. When staff and consultants discuss a potential new user consuming 10 to 15 megawatts, that single user would immediately become the largest customer in the system by a wide margin, roughly two to three times larger than the current largest user.

Staff indicated that they are nearing the point of finalizing assumptions and will receive updated figures from the consultant before presenting a formal recommendation to the City Council. The anticipated recommendation is to proceed with a \$20 million bond, which corresponds to the scenario shown in the right-hand graph. At the same time, the left-hand graph remains important for context and transparency, showing what the system looks like without bonding. Staff emphasized that it will be critical to clearly communicate rate impacts to all customers. A system-wide rate increase will still be proposed this year as part of the budget process to address general system costs, independent of the Verk scenarios.

It was emphasized that messaging must be very clear to avoid confusion or the perception that the project is "almost free." The graphs do not represent free infrastructure; they

represent different funding mechanisms and risk profiles. All three rate scenarios shown are built on the same underlying assumptions and growth projections, and residential rates remain the same across them. The differences lie in how capital is funded and how quickly development is accelerated.

The discussion then shifted to operational needs within the power department. It was noted that while annual reports often highlight accomplishments, operations and maintenance work has increasingly been deferred. Crews are not spending enough time opening boxes, inspecting connections, and addressing non-emergency maintenance. Although hot spot testing is being performed, other preventative work is falling behind. Leadership acknowledged that the department has been pushed for several years to continue doing more with less, and it has reached a point where that approach is no longer sustainable.

An analysis was presented showing customers per employee and meters per employee, reinforcing that the department is already operating very efficiently relative to peers. The current staffing level is 19, and the request is for two additional positions, bringing the total to 21. Those positions include an inspector to allow knowledge transfer from a highly experienced employee with 37 years of service, and an additional apprentice line worker. This would allow the formation of a new journey-level crew that can supplement existing crews and begin addressing deferred operations and maintenance.

The rationale for the request is preventative in nature. While the system currently experiences very low outage rates and fast restoration times, that performance reflects work done four to five years ago. Without course correction, the lack of preventative maintenance today will manifest as reliability issues several years down the road. The request is intended to avoid that outcome.

It was acknowledged that staffing growth creates downstream impacts, including eventual needs for additional supervisors and support staff. However, leadership explained that the department is still several positions away from requiring another foreman. The plan is to grow incrementally, allowing crews to be trained and structured properly over time rather than adding an entire crew at once. This approach is meant to balance fiscal responsibility with long-term system reliability.

The discussion concluded with agreement that while staffing increases are difficult decisions, the risk of continued deferral of maintenance poses a greater long-term cost to the system.

The discussion moved to engineering and project management needs following the reorganization that occurred last year. Jared was promoted to Assistant Public Works Director, which has worked well operationally. He retained certain responsibilities so the engineering group and Byron could focus more on technical and project work rather than administrative tasks. As operations have continued, it has become clear that having a dedicated project manager is increasingly important. Matt's work as a true project manager on vertical projects has demonstrated significant benefits, particularly in improving quality, managing risk, protecting the city's interests, and reducing reliance on outside consultants.

Currently, Byron is serving as City Engineer and managing the engineering staff, which has reduced his capacity to directly manage projects. At present, the city has approximately 30 active or upcoming projects with a combined value of roughly \$128 million. These include large projects such as a fire station and a new public works building. When construction management is hired out, costs typically run around 5 percent of project value, though that percentage has recently dropped closer to 2.5 to 3 percent in some cases. Even at those lower percentages, the cost of outsourced construction management across the upcoming project portfolio represents a significant expenditure.

An example was cited from the wastewater treatment plant project, where approximately \$3 million in engineering and construction management costs were avoided. The original contract assumed full-time, on-site construction management by the consultant. As the project progressed, staff determined that in-house personnel were capable of managing daily oversight, allowing the city to remove that scope from the contract. That single decision resulted in substantial savings and illustrates the broader principle of bringing more project management in-house.

A list of upcoming projects over the next several years was referenced, including Main Street, which is largely supported by outside funding. Based on current projections, the cost of outsourced construction management across these projects would be considerable. The proposed solution is to add one project manager position at a Grade 10 level. Estimated annual cost for this position, including wages, benefits, vehicle, computer, phone, and boot allowance, is approximately \$143,000, depending on applicant experience. Given that project volumes are not expected to slow and that several large projects are imminent, staff believes this position would be cost-effective and would allow more work to be managed internally.

At this point, staff identified three total personnel requests for the year: two positions for the power department and one project manager for engineering.

The conversation then shifted to development inspection and engineering efficiency. Currently, the city relies on two outside firms to assist with development inspections and project oversight, at a cost exceeding \$1 million annually. Staff expressed concerns about the quality of inspections and the accuracy of as-built documentation received from these firms. To address this, engineering is working to reorganize workflows so that city inspectors focus solely on inspections rather than splitting time between inspections and GPS data collection.

The proposed model would require contractors to schedule inspections rather than having inspectors roam job sites. While this approach has not worked well in the past, staff believes improvements in scheduling systems and processes can make it viable. The building department was cited as a successful example of scheduled inspections. In addition, as-built data would be collected more directly by GIS staff, allowing information to be entered cleanly into city systems and reducing inefficiencies.

Staff believes this model could produce significant cost savings and improve quality. The plan is to begin testing and transitioning some projects this year to validate the approach. If successful, next year may include a request for additional in-house inspectors to replace a

portion of the outsourced inspection work. Much of the inspection cost is paid using developer deposits, meaning this shift would improve efficiency and quality while still charging developers appropriately for the work performed.

Examples were shared illustrating why improved inspection oversight is necessary. Staff described situations where unapproved sewer laterals or infrastructure elements were discovered after installation, requiring contractors to dig up completed work. In some cases, developers attempted to seek retroactive approvals, arguing that removal would be costly or disruptive. City staff confirmed that they have required removal in such cases and will continue to do so, despite pushback, to maintain system integrity and enforce standards.

The meeting concluded with acknowledgment that storm drain, streets, and the transportation utility fee still need discussion. Those topics were deferred due to time constraints, with the understanding that they would be addressed in a future meeting or during the upcoming Main Street discussion.

1:26 pm

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### **Fire and EMS - Fire and EMS Chief Eddie Hales**

The discussion transitioned from informal conversation into a formal presentation on fire and EMS services. It was noted that the City had recently addressed two major fire and EMS topics: the need for a new or rebuilt fire station, either on the existing site or at a new location, and the evaluation of third-party ambulance services. As required by state law, the City issued a request for proposals for ambulance services. Only one provider responded, proposing to deliver EMS services at an approximate cost of \$7 million in the first year while retaining all transport revenue. This would have reduced City revenue by approximately \$3 million and added \$7 million in expense, resulting in an estimated \$10 million annual increase. When combined with the continued cost of providing fire services, total annual costs would have reached approximately \$14 million, significantly higher than the City's current in-house fire and EMS operation.

The presentation outlined the intent to review fire and EMS statistics, incident volume, growth trends throughout calendar year 2025, staffing levels, and operational demands. Future growth and service needs were framed around providing an "a la carte" view of potential service level enhancements over the next four years. Council members were asked to provide feedback on their vision for fire and EMS service levels, particularly in light of upcoming election cycles and community expectations. Emphasis was placed on aligning future investments with the level of service residents expected and were willing to support.

A short video was shown to illustrate fire behavior, using footage from a recent barn fire that became one of the City's highest-engagement social media posts. The fire had been initially dispatched as a shed fire, which typically generates a two-engine response. The video demonstrated how rapidly the fire grew, despite involving untreated Class A materials such as barn wood. It was explained that similar or faster fire growth could be expected inside

residential structures containing combustible materials such as furniture, carpet, and finishes, particularly when confined within a building envelope. The example was used to reinforce how quickly conditions can escalate from a single ignition source and why rapid response and adequate staffing are critical.

It was noted that the fire occurred in an area without hydrant access, requiring water delivery through tanker operations while flowing approximately 1,500 gallons per minute. Footage included views from engine-mounted cameras, a battalion chief vehicle, and helmet cameras, providing perspective on both command and operational response. The presentation underscored the operational challenges of rural and semi-rural incidents, the importance of water supply planning, and the increasing risks posed by growth, development, and combustible construction materials.

Additional detail was provided on the barn fire response, including water usage and operational challenges. Fire crews were flowing approximately 1,500 gallons per minute from the primary nozzle, while each engine carried only about 700 gallons of onboard water. This required rapid water depletion and immediate reliance on water shuttle operations. Despite those limitations, crews successfully prevented the fire from spreading into nearby river bottoms and the hillside. It was noted that one of the firefighters on scene lived only two streets away, underscoring the personal connection responders often have to incidents within their own neighborhoods.

The fire was determined to have originated as a tractor fire and subsequently spread to multiple hay barns. A major operational priority during the incident was the rescue of a herd of sheep housed in an adjacent barn that was being threatened by the advancing fire. Fire crews successfully removed the animals, allowing them to escape through nearby fields, preventing significant livestock loss. The incident was used to further illustrate how quickly even non-treated Class A materials can produce extreme fire behavior, and how much more severe conditions would be inside a residential structure or large commercial building containing combustible contents, where heat and gases can rapidly intensify and self-sustain.

Questions were asked regarding traffic control during the incident. It was reported that there were initial challenges with resident traffic, but those issues were quickly addressed. Law enforcement assisted with traffic control by closing access points at key locations, including the switchbacks and nearby roads, allowing fire apparatus to operate safely and efficiently.

The incident lasted a total of 26 hours, with firefighters actively on scene throughout that entire period. More than 300,000 gallons of water were shuttled from the nearest hydrant located in the New Arrive Homes subdivision. Multiple water tenders were used continuously, including one operated by command staff for approximately 14 hours due to staffing demands. The response required coordination across numerous City departments, including fire, police, public works, water, and power, demonstrating a broad, multi-departmental effort to fully extinguish the fire and secure the area.

Annual operational statistics were then presented. During the most recent year, the department responded to 4,276 calls for service, the highest total in department history,

representing a 9 percent increase from the previous year. Approximately 3 percent of that increase was attributed to interfacility medical transports. Medical calls continued to dominate overall workload, consistent with national trends, with approximately 70 to 80 percent of calls being EMS-related. Fire-related incidents accounted for 19 percent of total calls, while only 3.4 percent were classified as working structure or vegetation fires. The remaining calls included vehicle accidents, rescue responses, alarms, service calls, and other non-fire, non-medical incidents.

Comparative data since 2020 showed a population increase of approximately 16 percent, while the fire and EMS budget increased by roughly 302 percent over the same period. This increase was attributed to significant enhancements in service levels, including the addition of full-time staffing, increased numbers of paramedics and ambulances, the establishment of a full-time engine company, and changes to volunteer compensation to reflect hourly pay rather than minimal per-call stipends. These changes were described as necessary to meet rising service demands and improve response capability.

Revenue offsets were discussed in detail. In 2023, department revenues offset approximately 47 percent of operating costs. In 2024, the offset increased to 49 percent, and in 2025, approximately 44 percent of the budget was offset by revenue. The majority of revenue came from ambulance transports, with additional contributions from fire inspections, wildland deployments, and hazardous materials responses. It was noted that departments in Utah providing both fire and EMS services typically achieve offset rates between 23 and 33 percent, while departments that do not provide EMS often offset as little as 3 percent of total costs. This comparison was used to emphasize the financial value of maintaining in-house EMS services.

Operational efficiency metrics were also reviewed. The department experienced an 84 percent increase in call volume over the evaluated period. Despite this growth, the cost per call decreased from approximately \$1,800 to an estimated \$1,700 in the upcoming fiscal year. Staffing costs represented approximately 70 percent of total expenditures, which was identified as a direct contributor to improved service levels.

Significant improvements in chute time, defined as the time from dispatch to apparatus leaving the station, were highlighted. Current chute times averaged approximately 2 minutes and 10 seconds, compared to prior averages of 7 minutes, with total response times previously ranging from 7 to 9 minutes. These reductions were credited with improved patient outcomes, particularly in cardiac arrest cases, where faster arrival enabled earlier CPR and AED deployment.

Council discussion emphasized the importance of comparing current performance against more recent baseline years rather than pre-transition years, noting that staffing and operational models had fundamentally changed. The focus moving forward was identified as evaluating whether additional investment would continue to reduce chute times, whether current response levels met community expectations, and how future funding decisions could further enhance or sustain service quality.

Council discussion continued regarding how best to interpret the fire and EMS budget and performance data over time. It was acknowledged that comparing 2020 figures directly to current projections was not an apples-to-apples comparison due to the fundamental organizational and service-level changes that occurred during that period. While the earlier years showed significantly lower costs, they also reflected a very different service model. Some members expressed that, for analytical purposes moving forward, it may be more useful to focus comparisons on more recent years once staffing, operations, and service delivery had stabilized. Others noted that retaining the earlier data remained valuable as a reminder of how much progress had been made in a relatively short period of time.

It was noted that total budget figures, such as an \$8.5 million annual cost, could appear alarming without the context of revenue offsets. The inclusion of total revenue offset columns in the analysis was described as especially helpful in understanding the true net cost to taxpayers. Council members identified additional data that could further improve clarity, including a per-capita cost after accounting for revenue generation, which was not currently reflected in the materials.

Questions were raised about whether response time metrics included data from both fire stations and whether it would be possible to break those metrics out by station, including actual travel time. It was clarified that the reported metric reflected chute time only, defined as the time from dispatch to the unit being en route, and did not include travel time. This metric was intentionally used because it provided a consistent, cumulative measure regardless of whether crews were at the station, returning from another call, conducting inspections, training, or elsewhere in the community. When crews were already in their vehicles, chute time could effectively be near zero, further contributing to variability.

It was explained that isolating response times by station would not fully reflect operational reality, as stations do not function independently. Units from either station regularly respond into the other's service area depending on availability, call volume, and proximity. Coverage is shared, and the next available unit responds regardless of station assignment. Additionally, the department's service area includes a large geographic footprint, with some responses extending 40 minutes or more into outlying areas such as Highway 89, Highway 6, Benjamin, Lakeshore, and Palmyra. Including those responses significantly affects overall travel time averages and makes it difficult to isolate response performance solely within city boundaries.

Council members agreed that chute time was the most meaningful metric to evaluate the impact of staffing and organizational investment. Once a unit is en route, further reductions in travel time are limited and often unaffected by additional funding. While modest gains of a few seconds might be achieved through policy refinements or operational changes, many factors, such as personnel availability at the moment of dispatch, are unavoidable. The discussion concluded with acknowledgement that future investment decisions should be guided by whether additional resources could realistically reduce chute time further and whether the cost of achieving marginal improvements would be justified by the resulting benefit to service outcomes.

The discussion turned to how Spanish Fork's fire and EMS response times compared to other cities. It was explained that Spanish Fork is performing well compared to peer communities and, in some cases, slightly better. Per-capita cost comparisons were highlighted using American Fork, Cedar Hills, and Draper as benchmarks. Draper was noted as a particularly relevant comparison due to similar population size and growth rate. Draper was previously served by a third-party fire authority and had to rapidly stand up its own fire department within a few years, which required property tax increases to fund staffing and operations. In contrast, Spanish Fork has been able to expand services and capacity without raising property taxes, which was credited to efficient planning and departmental management.

American Fork was described as more comparable in its use of part-time employees. Concerns were raised about the reliance on part-time staffing in fire and EMS, noting that part-time personnel often present challenges in accountability, training consistency, retention, and overall service quality. Full-time employees were described as having stronger engagement, higher morale, and greater commitment to training and professional development. A long-term goal was outlined to significantly reduce reliance on part-time staffing over the next four to seven years and transition toward a predominantly full-time workforce, with only limited part-time positions remaining.

It was noted that Spanish Fork currently has approximately 50 part-time employees, while Draper has only one. Draper is able to staff three fire stations with full-time personnel, while Spanish Fork currently staffs two stations and is preparing to add a dual-company model. American Fork is also in the process of building a third station and relocating personnel. Despite these differences, Spanish Fork's cost per call was described as being very close to its peer cities.

It was explained that Draper's ability to operate with fewer overall costs, despite having more personnel, is largely due to its reliance on full-time staffing rather than part-time employees. Spanish Fork currently has approximately \$725,000 allocated annually to part-time staffing. That funding was identified as a potential resource that could be redirected over time to support full-time positions as part of a phased transition strategy.

Based on current figures, it was stated that Spanish Fork could operate three fully staffed fire stations providing dual fire and EMS services for approximately \$12.6 million annually using an all full-time staffing model. This would be less costly than contracting with a third-party EMS provider, which was estimated to increase total costs to approximately \$14 million. This estimate assumed a current revenue offset of approximately 33 percent, not including future fire marshal or development-related revenue.

Fire prevention and inspection capacity was then discussed. The fire marshal completed 580 inspections and 604 plan reviews in the previous year, in addition to public relations duties, responding to calls due to staffing shortages, and conducting 14 fire investigations. National averages suggest that a fire inspector conducting inspections full time can complete approximately five inspections per day, equating to roughly 1,300 inspections annually. To help manage workload, an employee was transferred from the police department to assist with emergency management and fire inspections on a 60/40 split. That individual is

undergoing fire inspection training and will require significant mentorship due to having no prior fire experience. While this will provide some short-term relief, it was acknowledged that continued growth, including vertical development and airport expansion, will likely require the addition of a deputy fire marshal within the next four to five years.

Spanish Fork is a relatively small city, roughly ranking around 18th to 20th in population statewide, yet it experiences a disproportionately high number of working fires. With 148 working fires last year, the department ranked 13th busiest in Utah for working fire incidents. That level of activity is notable given that the city is often operating with single-engine company responses and comparatively lean staffing. The department is extremely busy relative to other cities that have significantly more personnel and apparatus.

Interfacility hospital transports have shown substantial growth. In 2022, there were 733 transports when Spanish Fork was still sharing responsibility with Mapleton. After assuming full responsibility in the calendar year 2023, transports increased by 47 percent. Staffing limitations in 2024 required the city to rely on mutual aid 38 times for hospital transports because a third ambulance could not be staffed around the clock. Those 38 transports were effectively lost capacity and would have pushed total transports to approximately 1,082 had they been handled in-house. In the most recent year, only seven interfacility transports required mutual aid, with a total of 1,084 transports originating from Spanish Fork Hospital. This improvement was credited to successfully staffing a third ambulance 24 hours a day using part-time personnel and implementing jump staffing to flex crews as needed.

With the addition of new ambulances to the fleet, the department will soon have the ability to handle up to five simultaneous EMS calls when fully staffed. At the time of the discussion, the new ambulances had not yet been placed into service, but once operational they will further reduce reliance on mutual aid and improve surge capacity.

EMS billing trends were also reviewed. Transport volume and billed transports both increased year over year. The department typically collects between 47 and 53 percent of billed charges due to insurance adjustments and government payer limits. Last year, approximately \$3.1 million was collected, representing a \$429,000 increase over the prior year. A three-month billing lag was noted between when a transport occurs and when full reimbursement is received, which explains why some months appear lower in collection totals. Most transports involve Medicare and Medicaid, which significantly reduce reimbursement rates compared to billed charges.

Ambulance billing rates are set by the state, not by the city. Recent state changes eliminated the ability to bill for consumable supplies such as bandages, airway equipment, IV supplies, and CPR devices. Instead, the state applied a roughly three percent increase to base transport rates to account for consumables. Agencies may still bill for medications. Insurance pays a portion of the allowed rate, and the remaining balance up to the state maximum may be billed to the patient.

Annual ambulance revenue has closely tracked budget projections, with approximately \$3.1 million budgeted and realized. Increased call volume has driven increased revenue, helping offset overall fire and EMS operating costs.

Outside agency responses have decreased significantly. Jump staffing allows personnel to move from lower-priority apparatus, such as squads, to ambulances when call volume increases. This flexibility has reduced the need for outside agencies. Over the past year, mutual aid was requested 71 times for fire incidents, with 47 of those resulting in outside units arriving on scene. For EMS, mutual aid was requested 124 times, but only 21 resulted in outside agency arrivals, demonstrating improved internal coverage.

The timing of mutual aid usage shows a clear pattern. Requests peak during daytime hours, particularly around mid-afternoon, and decrease overnight. This aligns with part-time staffing availability, as many part-time employees work daytime jobs outside the city. During nighttime hours, the department is more frequently able to cover calls internally. This daytime staffing gap is a primary driver of mutual aid reliance.

Call stacking was also discussed. Approximately 28 percent of the time, at least one call is active. Forty-four percent of the time, two calls are occurring simultaneously. Nineteen percent of the time, three calls are active at once. Higher call volumes occur less frequently but are the scenarios most likely to require mutual aid. Crews are trained to anticipate rapid escalation, often preparing for multiple calls within short timeframes.

Staff with experience in other cities consistently report that Spanish Fork experiences unusually high simultaneous call volumes compared to their previous departments, reinforcing the perception that the city's call environment is uniquely demanding.

Incident data by day and hour shows that the busiest period runs from approximately 9:00 a.m. to 11:00 p.m., with call volume dropping significantly overnight. Many daytime calls are interfacility transports from Spanish Fork Hospital, often involving patients too unstable to remain there. Evening call volume is driven largely by traffic, commercial activity, and population movement through the city.

Call volume has a significant impact during peak periods. Based on current call data, crews spend an average of 16.9 hours per day solely running calls. This calculation includes responding to incidents, completing reports, and restocking equipment. Each call averages approximately 56 minutes, with an additional 30 minutes for documentation and restocking. As a result, roughly 70 percent of a 24-hour day is consumed by call-related activity alone.

There was discussion about whether artificial intelligence could assist with reporting to reduce this burden. The department currently uses ImageTrend with CAD import functionality, and it does offer an AI-generated narrative feature. However, most medical documentation relies heavily on required checkboxes based on patient assessments. Due to HIPAA restrictions, audio or video recordings cannot be used to capture patient interactions for documentation purposes, limiting how much automation can be applied. While some medical offices now use listening devices to assist with charting, that technology is not currently viable for EMS under existing regulations.

Beyond call volume, several additional demands compete for firefighter time. Personnel must maintain certifications and complete one to two hours per day of training. Physical fitness requirements account for roughly 45 minutes per day. Meal time averages about an hour and a half per shift. Crews are also required to conduct fire inspections to familiarize themselves with buildings and businesses in the community. In addition, the department conducted 109 station tours last year. These tours vary in length and include after-hours tours for scout groups and youth organizations, which many agencies have discontinued. Maintaining these tours adds value to the community but further strains scheduling, particularly when crews have already run calls throughout the day.

Despite these constraints, the department continues to perform well on turnout, or “out-the-chute,” times. The national benchmark for turnout is 120 seconds, regardless of time of day. Spanish Fork is consistently operating very close to that standard across all hours, including overnight and high-activity periods. From 2022 to the present, turnout times have remained within seconds of that benchmark, indicating strong operational discipline despite increasing workload.

Staffing priorities were then outlined. The department’s top operational goal is four-person staffing on engines. Currently, Station 62 does not have an engine because there is no capacity to house additional personnel. Station 62 has seven bedrooms and currently houses two ambulances, a squad, and a battalion chief. Station 61 also has seven bedrooms, six of which are in a trailer, with one makeshift room using a shower area in the apparatus bay. Both stations are at full capacity, making it impossible to add staffing without constructing a new or rebuilt station.

Building a new Station 61 would allow an ambulance and squad to move from Station 62, freeing enough space to staff an engine at Station 62 with up to three firefighters. A fully staffed engine requires four personnel, and EMS crews cannot be relied upon to supplement fire staffing because ambulances are out of service on calls approximately 48 percent of the time. When ambulances are transporting patients to Provo or Spanish Fork Hospital, those personnel are unavailable for firefighting duties. While EMS crews can sometimes assist during fires, that availability is inconsistent and cannot be depended upon.

Ambulance 63 is currently staffed with two part-time employees operating out of Station 62, occupying two bedrooms. Ideally, this ambulance should be based out of Station 61 to better serve areas south of Center Street. Relocating it would reduce response times in that area once Station 61 is rebuilt. The long-term objective remains reducing reliance on part-time employees and transitioning to a fully full-time workforce.

The plan also includes eventually staffing a ladder company and establishing three fully staffed stations without immediately constructing Station 3. Station 61 would house an engine, ladder company, two ambulances, a squad, and a battalion chief. When Station 3 is eventually built, the ladder or engine company would relocate there, allowing a smooth transition since personnel would already be hired and trained. While buildings are a one-time expense, staffing represents the largest long-term cost of fire service operations.

Given projected timelines, Station 61 is expected to come online in late fiscal year 2027. Rather than hiring nine personnel at once to fully staff an engine at Station 62, the proposed approach is to hire three captains now. This would place a supervisor at Station 62 immediately, reduce the span of control currently placed on the Station 61 supervisor, and improve consistency and morale. These captains would initially operate with squads and later transition to engine companies as staffing expands.

Currently, the lack of a supervisor at Station 62 and the constant turnover of part-time employees are identified as the department's most significant challenges. Frequent onboarding of part-time staff has created a cycle where full-time employees spend much of their time teaching basic skills rather than advancing their own proficiency. This has led to frustration, reduced morale, and increased risk of losing experienced personnel who feel they are functioning primarily as trainers rather than professionals able to master their craft.

Staff identified two primary pinch points affecting the department today. The first is the lack of a dedicated supervisor at Station 62, and the second is the constant turnover associated with part-time employees.

When asked about turnover in 2025, it was explained that four full-time employees left, including one retirement and three departures. In contrast, part-time turnover occurs continuously. Part-time employees frequently resign, often with little notice, because there is limited long-term attachment to the department. Many part-time staff are BYU students pursuing pre-med tracks who work as EMTs to gain patient-care hours for medical school applications. Most stay about a year before leaving, making turnover extremely high in the part-time workforce.

When asked whether part-time employees are regularly transitioned into full-time roles, it was noted that all full-time internal hires have come from the part-time ranks whenever possible. Interest exists among part-time staff to move into full-time roles, but the immediate need is for three full-time supervisory positions rather than entry-level firefighters.

The preferred option is hiring three captains to staff one supervisory position around the clock at Station 62. This would ensure consistent leadership at that station, which does not exist today. The cost for three supervisors, including wages and benefits, is approximately \$494,000 annually. If three non-supervisory firefighters were hired instead, the annual cost would be closer to \$371,000. While the latter option is less expensive, it would not address the supervisory gap that currently affects span of control, morale, and operational consistency.

Clarification was provided that the \$494,000 figure represents three individuals staffing a single captain position on a rotating basis. This would be new funding, at least initially. Currently, Ambulance 63 is staffed with two part-time employees. One part-time position could be removed temporarily once the supervisor is added, but when Engine 62 is eventually staffed, part-time staffing for Ambulance 63 would still be required. As a result, the supervisor role represents a net increase to the budget rather than a direct replacement.

Questions were raised about whether these supervisory roles would be filled internally or externally. Given the department's relative youth, it was acknowledged that while one or two

internal candidates may be ready, the majority of these positions would likely require external recruitment to ensure adequate experience and competitive selection. Bringing in outside candidates could also strengthen leadership depth and provide a broader perspective.

It was clarified that the supervisor role being discussed is a captain position, comparable to a sergeant in the police department, rather than a battalion chief. The long-term intent is for the captain initially assigned to Station 62 to operate on an ambulance or squad and then transition to an engine company once additional staffing and facilities are in place.

Finally, it was noted that there is currently some daytime oversight at Station 62 because administrative staff have offices there, but this does not provide the consistent, on-shift leadership presence that a full-time captain would deliver.

2:31 pm

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## **DIVERSION BREAK**

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### **Community Development - Dave Anderson**

The population estimate for Spanish Fork is effectively at or above 50,000 residents as of early 2026, based on the most recent census estimates and observed growth trends. While the official number may lag slightly, it is reasonable for planning and policy purposes to treat Spanish Fork as having reached that threshold. Growth over the past decade remains substantial, though recent trends on the right side of the data show a notable slowdown in residential construction activity.

Over the past year, Spanish Fork issued fewer than 200 permits for new homes, a level not seen in more than a decade. This represents a sharp contrast to the peak years when permits exceeded 800 annually. Another notable shift is that single-family permits exceeded multifamily permits, reversing a long-standing trend in which townhomes dominated new construction. While townhomes may again become prevalent, the recent change reflects broader market dynamics rather than local policy shifts.

The total value of residential construction declined accordingly, which has implications for property tax growth and impact fee collection. Fewer permits naturally translate into lower construction valuation. This is not unique to Spanish Fork and mirrors trends across Utah County and the broader region.

From an operational standpoint, the slowdown has significantly reduced inspection volume. Building inspections fell from more than 12,000 in 2024 to approximately 7,500 in 2025. Importantly, inspections per inspector per day declined only modestly, settling just under 11 per day. This level is considered optimal, as the department aims to keep inspectors below an average of 13 inspections per day to maintain quality and avoid burnout. The reduction in workload allowed the city to discontinue use of an outside inspection consultant in early 2025.

That consultant had previously helped manage peak demand and provided reliable service, but the need no longer justified the cost.

Looking ahead, staff do not anticipate an immediate return to peak permit levels, such as the 500-permit range, although that level may return over the long term. There is no recommendation to reduce staffing at this time. However, if retirements occur in the near future, the city may temporarily leave positions unfilled until workload increases again, consistent with past practice during slower growth periods.

The slowdown in construction aligns closely with broader economic indicators. Home price growth has flattened significantly across Utah County, reflecting increased housing supply and constrained buyer affordability. Rent levels have also softened. These trends have reduced the urgency for new construction despite continued population growth.

Migration patterns further explain recent conditions. For the first time in several years, Utah's growth returned to being driven primarily by natural increase rather than in-migration. This shift is largely attributed to changes in employment patterns, particularly the return to in-person work. Job growth remains the dominant driver of where people choose to live. When Utah led the nation in job growth, housing demand surged. As job growth slowed, so did residential construction.

Although unemployment remains low by historical standards, the combination of slower job growth and high interest rates has cooled the housing market. As a result, it is unlikely that Spanish Fork will see a rapid return to record-level permit activity in the immediate future.

Within Spanish Fork specifically, approximately 2,500 approved residential lots are entitled and ready for building permits but remain undeveloped. This inventory demonstrates that the city is not restricting development through permitting or regulatory barriers. The pace of construction is being dictated by market conditions rather than city policy. This context was shared with state legislators to clarify that Spanish Fork has already approved significant housing capacity.

Despite slower growth, infrastructure demand does not decline proportionally. Impact fees are collected at the time of permitting, but capital improvements often occur later. When construction slows, revenue timing becomes more challenging even though growth-related infrastructure needs persist. Spanish Fork has historically deployed impact fees more aggressively than many communities to stay ahead of growth, which helps mitigate this issue but does not eliminate it.

In response to the question of whether city regulations are preventing additional homes from being built, staff does not identify any Spanish Fork-specific regulations that are currently blocking construction. Entitlements are in place, permits are available, and capacity exists. The primary constraint is market-driven, including interest rates, construction costs, labor availability, and buyer affordability. There is no single regulatory change that would immediately bring an additional thousand homes under construction without broader economic shifts.

Staff indicated there are no city regulations currently preventing residential projects from moving forward in Spanish Fork. While the legislature has introduced tools intended to help cities adjust the financial equation for housing, the dominant forces slowing construction are outside local control. From a homebuilder perspective, the argument is often that development requirements increase costs to a level where fewer buyers qualify, reducing demand and slowing construction. Recent legislative discussions have focused on limiting local infrastructure standards, such as reducing sidewalk thickness or similar construction requirements, in an effort to lower costs. Staff expressed skepticism that such measures would materially change housing production outcomes.

The question was raised whether providing full infrastructure, including sewer, water, and utilities directly to development sites, could meaningfully change the economics and accelerate construction. While infrastructure availability is sometimes cited as a barrier, staff noted that in multiple cases Spanish Fork has already provided infrastructure and projects have still not moved forward. This suggests that infrastructure alone is not the limiting factor. Even with services in place, market forces continue to dictate whether development proceeds.

Specific examples were discussed where development delays could be attributed to non-city factors. One project has stalled due to environmental conditions tied to prior industrial use, requiring remediation and state approval. While regulation could be cited as a reason for delay, staff agreed those requirements are necessary and should not be relaxed. Another project has had infrastructure in place for several years but remains inactive, reinforcing the conclusion that infrastructure investment does not guarantee construction.

A key factor identified is the fundamental change in how development is financed. Historically, builders relied heavily on bank financing, which created pressure to build quickly to service debt. Today, many projects are backed by private investors who prioritize return over timing. These investors can afford to hold land for years without developing it, especially when returns from other investments offset the lack of immediate cash flow. This shift reduces urgency to build, even when lots are entitled and infrastructure is available.

Several developments were identified as potentially moving forward in the near term due to changing circumstances, including projects awaiting environmental clearance or recently approved townhome developments. However, the timing remains uncertain and dependent on market conditions. Rising construction costs, including materials and labor, combined with broader national economic trends and migration patterns, continue to suppress housing starts.

The overall conclusion was that housing production in Spanish Fork is not being constrained by local regulation or infrastructure availability in a general sense. Instead, the slowdown reflects a combination of financing structures, investor behavior, construction costs, and broader economic forces. While targeted infrastructure investments may help in specific cases, they are unlikely to produce a large or immediate increase in housing starts on their own.

Staff referenced an affordable housing project in Ephraim as a concrete example of what it takes for a community to materially influence housing costs. In that case, the city worked intentionally to create a development of small, detached single-family homes on very small lots. The homes were slab-on-grade with no basements, generally no garages, and only garage pads poured for future additions. Even with those cost-saving measures and strong city support on infrastructure, entry-level homes of approximately 1,200 square feet were reportedly starting around \$400,000. Staff emphasized this was not anecdotal and committed to bringing back verified data, but used the example to illustrate how difficult it is to deliver truly affordable ownership housing, even with aggressive design and infrastructure efficiencies. Ephraim's market is somewhat different than the Wasatch Front, but the underlying cost pressures remain significant.

The discussion returned to broader affordability trends. In 2020, a household earning approximately \$78,000 could afford a median-priced home in Utah. Five years later, that income threshold had risen to roughly \$149,000, reflecting a dramatic shift in affordability. Median home prices were cited as being in the \$500,000 to \$650,000 range depending on the dataset, but the key takeaway was the scale and speed of the increase. Utah now ranks roughly 30th nationally in homeownership rates, trending downward over time, despite still being slightly above the national average. This decline is concerning given the role homeownership plays in wealth creation, financial stability, and long-term middle-class security.

In response to these trends, the legislature adopted the Homeownership Promotion Zone statute as a tool cities may use to encourage affordable ownership housing. Under this framework, a qualifying site must be no larger than 10 acres, currently zoned for fewer than six dwelling units per acre, vacant, and without active residential building permits. With city approval, zoning may be increased beyond six units per acre if a developer commits to building a qualifying project. At least 60 percent of the homes must meet the state's definition of affordable housing, and 100 percent of units must be deed-restricted as owner-occupied for a minimum of five years.

Affordable housing under this statute is defined as housing obtainable by households earning no more than 80 percent of the area median income. For Spanish Fork, that threshold is approximately \$83,000 to \$84,000 annually, based on a median gross income just over \$100,000. The state assumes that no more than 30 percent of household income should be spent on housing to avoid financial stress, and that calculation is used to cap the price or payment level for the affordable units. The math is rigid and materially limits what a developer can charge for the required 60 percent of units.

The primary incentive for developers is the use of tax increment financing. Under a Homeownership Promotion Zone, 60 percent of the new property tax increment generated by the project must be contributed by taxing entities and can be used to pay for infrastructure such as roads, water, sewer, power, sidewalks, and related improvements. Notably, taxing entities do not have approval authority over participation; their contribution is mandatory under the statute. For the Nebo School District, which represents the largest share of property tax, there is a statutory cap of 100 total acres across the district where this

tool may be applied, meaning projects would effectively be approved on a first-come basis among cities.

Staff clarified that the city is not required to bond for these projects. Developers could choose to bond themselves, create a PID, or receive reimbursement over time through post-performance agreements, typically over a 15-year increment period. While the tax increment component is attractive to developers, staff noted that the affordability requirement, particularly the 60 percent price-restricted units, is likely the primary deterrent. To date, no developers in Spanish Fork have requested use of this tool.

The overall assessment was that while the Homeownership Promotion Zone conceptually redirects public revenue to reduce housing costs, it does not eliminate the fundamental cost structure of housing production. The subsidy effectively comes from future property tax revenue rather than upfront grants, and even with that support, affordability remains constrained. The discussion reinforced the broader conclusion that housing affordability challenges are driven by forces larger than local zoning, infrastructure provision, or individual policy tools, including construction costs, financing models, labor, land values, and market dynamics.

The conversation highlighted that while the Homeownership Promotion Zone framework sounds substantial on paper, the actual dollar amounts generated through property tax increments in Utah are relatively modest. Spanish Fork's overall property tax burden is low, which limits how much revenue can realistically be redirected to subsidize development. Using a hypothetical affordable home price of approximately \$330,000, staff estimated an annual property tax bill of about \$3,000. Sixty percent of that equates to roughly \$1,800 per home per year. Even when scaled to a 10-acre project at six units per acre, that produces approximately \$108,000 per year in tax increment, or about \$1.5 million over a 15-year period. This illustrates that the benefit accumulates slowly and does not meaningfully reduce upfront development costs, which is where affordability pressure is most acute.

Staff emphasized that the limitation is not the concept of tax increment financing itself, but the underlying math. Because the increment only applies to new value and is collected over time, it does not generate a large immediate funding source for infrastructure. This makes it difficult for developers to rely on the tool as a decisive factor when evaluating project feasibility, particularly when construction costs and financing costs remain high. The contrast was drawn with states like Texas, where much higher property tax bills would generate significantly larger increments, making similar tools far more impactful.

The discussion also touched on layering incentives, such as combining Homeownership Promotion Zones with federal Opportunity Zones or alternative financing structures. One idea raised was developers effectively self-financing mortgages or reducing interest rates to improve affordability, since interest rates in the six to seven percent range materially affect purchasing power. However, it was acknowledged that this kind of financial engineering is complex, capital-intensive, and not easily scalable. Many sophisticated actors are actively trying to solve this problem, and no clear solution has yet emerged.

Staff noted that the Homeownership Promotion Zone statute is relatively new, likely adopted in the 2024 legislative session, and has not yet seen widespread use. No developers in Spanish Fork have requested to pursue it. The tool may be more appealing in higher property-tax environments, but in Utah's low-tax structure its effectiveness is limited.

From a city perspective, staff indicated that the most practical leverage remains land use authority. When rezoning requests come forward, the city has discretion to influence outcomes and can elevate conversations about homeownership versus long-term rental models. While this must be handled carefully, zoning decisions remain one of the strongest tools the city has to encourage ownership-oriented housing products. The overall conclusion was that while policy tools exist, they do not overcome the fundamental economic realities driving housing affordability, and any meaningful progress will likely require a combination of market shifts, financing innovation, and selective local influence rather than a single regulatory solution.

4:08 pm

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### **Library - Scott Aylett**

Library leadership expressed appreciation for the level of administrative and elected support in Spanish Fork, noting that many peer communities struggle with lack of institutional backing. This support has allowed the library to focus on service delivery and improvement rather than internal barriers. As of this year, 52 percent of Spanish Fork households have an active library card, defined by state standards as usage within the last three years. This represents an increase from 48 percent the prior year and exceeds the stated goal of reaching 50 percent. Usage growth has been especially notable in historically lower-participation areas such as the Blocks, which staff attribute in part to Library Hall, higher retention, and the ability for residents to sign up for library cards when establishing utility accounts.

Using new email marketing and analytics tools implemented last year, the library is now able to track user behavior more precisely. When measuring activity on a stricter 12-month basis rather than the state's three-year standard, approximately 60 percent of new cardholders remain active one year after signup. While no direct comparison benchmark is available, staff consider this a strong baseline. Nationally, the average percentage of households with active library accounts is approximately 35 percent, which puts Spanish Fork well above average. Last year, nearly 2,800 new library accounts were created, bringing total active cards to approximately 18,000.

Of the active cards, 294 belong to non-residents. Non-resident usage continues to decline as fees increase, which aligns with the library's stated priority of serving residents first rather than subsidizing outside users. The current non-resident fee is \$120 per year or \$10 per month, compared to \$135 in Springville and \$125 in Orem and Provo. The total operating cost of the library is approximately \$176 per household annually, or \$121 per household when bond costs are excluded, meaning non-resident fees still do not fully cover per-household

operating costs. Staff anticipate continued incremental increases to non-resident fees to remain competitive while minimizing resident subsidy.

Circulation reached its goal of 700,000 total checkouts this year. While circulation continues to grow year over year, the growth rate slowed compared to expectations, largely due to the post-Library Hall surge leveling out. Staff emphasized that with continued population growth, circulation should not plateau and are actively exploring strategies to sustain growth rather than stabilize at current levels.

Digital usage continues to rise. Forty-three percent of digital users now exclusively use digital materials and do not check out physical items. Digital access is viewed as an important gateway to library engagement, even though digital materials are more expensive to license and maintain. Staff plan to continue monitoring digital versus physical usage trends to balance cost and access.

Significant policy changes were implemented to reduce barriers to access. All library fines older than five years were waived, totaling approximately \$74,000. Of that amount, \$65,000 was tied to former residents and considered uncollectible. The remaining 551 accounts belonged to current residents. Outreach campaigns have been launched to encourage these users to return. The library also eliminated the 90-day refund deadline for lost items, allowing patrons to receive credit whenever an item is returned in usable condition, removing a common friction point that prevented families from re-engaging with library services.

Food-for-fines initiatives were expanded as another fine-forgiveness option, benefiting both patrons and community partners such as Tabitha's Way. While the dollar amounts forgiven are often small, staff noted the program's positive impact on families and community goodwill. Discussion occurred around the possibility of making food-for-fines available year-round rather than as a limited campaign, with acknowledgment that food drives historically generate modest volume but attract consistent participation from residents motivated by community contribution rather than necessity.

Email marketing has become a central engagement tool, used for account reminders, fine forgiveness campaigns, card pickup notifications, and program promotion. Early results suggest improved retention and reactivation of dormant users. Overall, the discussion reflected strong performance metrics, meaningful policy improvements, and thoughtful consideration of future refinements aimed at reducing barriers, sustaining growth, and reinforcing the library's role as a widely used community resource.

The discussion continued around the idea of making food-for-fines a year-round option rather than periodic drives. The group agreed that money itself is not the primary concern and that if Tabitha's Way is willing to manage bin delivery and pickup, a continuous program could be feasible with minimal staff burden. Library staff would rotate and maintain bins throughout the year, potentially replacing the need for separate food drives that the city has historically struggled to execute effectively. There was consensus that this approach aligns better with library programming than ad hoc food drives handled by other departments, and

it could be integrated into activities like summer reading programs by encouraging participants to donate items alongside reading milestones.

The library emphasized that this approach maintains accountability while avoiding a blanket fine-free policy. Fines would still exist, but patrons would have meaningful, community-oriented ways to resolve them. This model supports both access and civic contribution. Staff committed to doing additional analysis on logistics and feasibility but expressed confidence that it could be implemented without significant operational challenges.

The presentation then shifted to communications strategy. The library has significantly expanded its use of email marketing tools that integrate directly with the user database. These tools allow highly targeted outreach based on patron activity, interests, age, and usage patterns, enabling more effective communication than broad messaging alone. This work directly supports the library's three-year strategic plan, which is required to qualify for state and federal grants and covers facilities, collections, services, programs, technology, and communications.

Survey results from approximately 1,100 respondents showed that the library website is the primary source for information about programs and services, followed by the city newsletter. Flyers and posters also remain important, while social media plays a secondary role in direct information delivery but is valuable for building identity and community connection. Nearly 70 percent of respondents said they would like a library-specific email newsletter, making it a top priority moving forward.

Survey data also revealed gaps in awareness of certain library services. While most users understand core programs and collections, awareness is lower for unique offerings such as the memory lab, digitization services, VR equipment, games, puzzles, online databases, and interlibrary loan. This insight is guiding a shift in communications toward highlighting underutilized services rather than repeatedly promoting well-known programs.

A key operational challenge identified was the complexity of managing communications across seven different platforms with contributions from roughly 14 staff members, most of whom are part-time. Program coordinators are currently expected to create their own flyers, social media posts, and web content, leading to wide variation in quality and consistency. Combined with varying skill levels and limited hours, this creates inefficiencies and uneven messaging.

Staffing data illustrated how reliance on part-time employees has grown significantly. While full-time equivalent staffing has increased only modestly since 2020, the total number of individual employees has grown from about 16 to roughly 60. Supervisors are now managing between 10 and 15 people each, most of them part-time, increasing the administrative burden related to scheduling, evaluations, and oversight. This growth is partly due to retaining strong part-time employees whose availability fluctuates, requiring additional hires to cover hours.

To address both communication consistency and management strain, the library proposed consolidating two part-time positions into one full-time role focused on communications and office management. This would replace a departing part-time assistant librarian and absorb responsibilities into a single, dedicated position. Cost impacts would be partially offset by the retirement of a full-time employee who will be replaced at a lower pay range. Staff believe this approach would improve output quality, free up managerial time, and allow other staff to focus more fully on programming, collections, planning, and policy work.

The discussion concluded with a focus on the library's role as a community hub. Programs continue to be a core strength, reinforcing the library as a shared space for connection and learning. One new initiative, the early-out hangout program, draws 30 to 40 high school students on Monday afternoons for homework, snacks, and social time, providing a safe and welcoming environment. Overall program participation remains strong, and staff reflected on the positive impact of expanded facilities and services, noting that programming continues to be the foundation of the library's value to the community.

Library staff explained that children's programming has traditionally followed a school-semester model, with programs running January through April, pausing in May to prepare for summer reading, resuming during the summer, then pausing again in August to prepare for fall, and briefly slowing during December for holidays. Feedback from the strategic plan survey made it clear that many families are frustrated by these gaps. For households with preschool-aged children, homeschoolers, or families not tied to the school calendar, the pauses feel unnecessary and disruptive. Patrons expressed a strong desire for consistent, year-round programming.

At the same time, staff emphasized the importance of avoiding burnout among program coordinators. Many children's programs are led by part-time employees working limited hours, yet the work is physically and emotionally demanding. Staff value the existing prep and professional development time built into program breaks, which includes visiting other libraries, attending webinars, and refining programming. This structure has also helped with recruitment, as the library has successfully attracted experienced staff from neighboring systems that offer little prep time and have higher burnout.

To balance consistency for patrons with sustainability for staff, the library proposed a revised model that keeps programs running year-round while shifting responsibility during traditional break periods. Rather than fully stopping programs in May and August, core program staff would continue through early May, then substitute program coordinators would run short, two-week programs during May and again in August. These substitutes would be given dedicated paid hours during those periods. Because substitutes already work regular Saturday shifts throughout the year, they would have sufficient time to prepare their programs in advance without requiring additional prep hours. This approach would maintain weekly programming while giving full-time and regular part-time staff space for planning and development.

Staff noted that this model would also strengthen the internal pipeline for promotions, as substitutes would gain ownership and experience running programs independently. When

full program coordinator positions open, the library typically promotes from within, and this structure would better prepare substitutes for those opportunities. To support this expanded use of substitutes, staff indicated that an additional assistant librarian role would be helpful to oversee scheduling, training, and development for this group.

The presentation then shifted to building acoustics and noise concerns. Strategic plan feedback showed mixed reactions. Many patrons enjoy that the library feels lively and welcoming rather than quiet and restrictive. Parents appreciate the open play areas, and staff see value in the social interaction and sense of community. However, the open design allows sound to be carried, particularly from the children's play area on the main floor up to the second floor, and from the upstairs lobby into study spaces.

Staff acknowledged that they underestimated how heavily adults would use the library for studying and remote work. Study rooms and conference rooms are fully booked every day, tables are consistently occupied, and informal seating areas such as the teen balcony are heavily used by adults with laptops and headphones. Some users accept the ambient noise as part of the environment, while others occasionally request quieter conditions.

There was agreement that the noise issue is not necessarily a problem to eliminate but something to manage thoughtfully. No immediate solutions were proposed, but staff expressed interest in exploring mitigation options, such as small enclosed work pods or "phone booth" style spaces that could provide quiet zones without changing the overall open and active feel of the library. The goal moving forward is to preserve the library's energy and accessibility while offering better options for patrons who need focused, quiet workspaces.

The discussion returned to potential noise mitigation strategies inside the library. Council members suggested exploring sound baffles, possibly installed across the large open vertical space or beneath the stairs, as a way to reduce sound travel between floors. Library staff agreed to investigate available options and associated costs, noting that this issue comes up regularly from staff and patrons alike. They emphasized the importance of continuing to evaluate the balance between maintaining the library's energetic, welcoming atmosphere and providing quieter areas for studying and remote work. Ongoing patron surveys will be used to help guide future decisions.

The conversation also touched on outdoor spaces as a potential pressure valve for indoor noise. Library staff noted that balconies are used most during spring and summer, but discussed the possibility of extending their usefulness year-round by adding outdoor heaters and additional furniture. Despite traffic noise from Main Street, patrons still enjoy being outside. Staff also mentioned smaller patio areas near the children's section and the teen deck on the west side as opportunities for better use, possibly by enclosing portions of those spaces or improving comfort. These ideas were framed as longer-term considerations rather than immediate actions.

The presentation wrapped up with lighthearted comments about time management and priorities, followed by expressions of appreciation from Council members. Several noted the visible, daily impact of the library, especially the steady flow of families and children arriving

for programs. Comparisons were made to older, quieter library models, with acknowledgement that today's library serves a different role as an active community hub. Councilmembers expressed strong support for the library's direction, praising its vibrancy, consistent programming, and community value. It was concluded with general agreement that the library is performing well and continues to be a vital gathering place in the city.

4:46 pm

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### **Finish/Discuss Schedule**

Mayor Mike Mendenhall continued to express gratitude for the work being done at the library. When he was a child, libraries were quiet spaces, and that worked well at the time. Over the years, he found that he came to appreciate the energy and noise because it reflected activity and engagement. Library programs were constant, and the level of participation was impressive. The Mayor shared similar observations when comparing activity at the library and the recreation center, noting how full these spaces were and wondering where people had been before these facilities existed and what they had been doing. It highlighted the value these spaces provided to the community and the role they played in bringing people together.

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None ▾ made a Motion to Adjourn ▾ the Work Meeting for January 30, 2026

None ▾ Seconded and the motion Passed at 5::01 pm with a roll call vote.

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## **Saturday, January 31, 2026**

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BREAKFAST 8:00 am

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Mayor Mendenhall welcomed everyone to the last day at 8:21 am.

Seth welcomed everyone and gave a run down of the schedule.

### **Public Works - Cory Pierce**

The schedule was adjusted slightly to move transportation topics earlier in the morning, with the intent to finish that discussion around 9:05 a.m. and then transition into finance and debt topics, including Fire Station 61, the public workshop, and possible debt structures for those projects. A break was anticipated around 10:00 a.m., allowing time for anyone who needed to return to the hotel to check out. The remainder of the agenda included additional

discussions, parks and recreation, and Council wrap-up, with the goal of concluding by approximately 12:15 to 12:30 p.m. Leadership acknowledged the full agenda from the prior days and committed to addressing each item, either through discussion or assigned follow-up, with concluding thoughts at the end of the session.

There was lighthearted reflection on the team-building activity, which was generally well received and appreciated as a positive addition to the retreat. Staff expressed gratitude for the effort that went into organizing it and recognized the value it brought to the overall experience.

Discussion then shifted to Main Street. Although there had been limited public updates over the past year, work had continued behind the scenes, particularly related to funding and coordination with UDOT. The last major public engagement occurred in February of the previous year through open houses and Council work sessions. Public feedback at that time was mixed, with strong interest in parking preservation and varying opinions on design elements such as medians and traffic restrictions. Safety remained a core driver of the project, as much of the available funding required safety improvements to be incorporated, consistent with traffic engineering principles aimed at reducing conflict points and accidents.

The current focus was on advancing design for Phase One, extending to 400 North, an area identified as a significant congestion and inefficiency point, particularly with access to I-15. Funding totaling approximately \$11.6 million had been secured, including an additional \$1.1 million in safety funding from UDOT targeted at the 400 North intersection. While broader expansion further south into the downtown corridor was acknowledged as more controversial, it was noted that partially completed projects can present challenges. To date, approximately \$680,000 in UDOT funds and \$46,000 in local match had been invested in planning and development efforts.

Additional funding over the years totaled approximately \$220,000, bringing the total potential reimbursement exposure to about \$634,000 if the project were not to move forward and UDOT were to request funds back. While Main Street is a UDOT roadway, the city had been the primary driver of the project's direction, building on multiple studies dating back to 2015 that confirmed the need for changes. UDOT had been willing to fund improvements under certain conditions, such as maintaining two lanes of traffic, but the city recognized that inaction could eventually lead UDOT to pursue a three-lane configuration to maximize traffic flow. That outcome was viewed as a threat to the downtown character the city sought to preserve.

The discussion emphasized that restricting movements and introducing safety-focused design elements could improve traffic flow while maintaining a walkable, downtown feel. This approach represented a tradeoff between accepting some congestion during peak hours and retaining community character, versus prioritizing maximum throughput at the expense of the downtown environment. The city had already taken steps to support this strategy by investing in side street improvements such as Third East and Third West, which provided residents with alternative routes and reduced reliance on Main Street without diverting regional traffic.

Council members noted positive resident feedback regarding those side street improvements, including comments acknowledging improved mobility and usability. While some public concern remained about Main Street changes, it was acknowledged that misunderstandings persisted, particularly around lane reductions, parking impacts, and medians. It was suggested that clearer communication and education would be important as the project advanced. The success of previous infrastructure changes, including roundabouts and side street upgrades, was seen as evidence the city could reference moving forward. Framing the effort as a comprehensive project that balanced north-south mobility with preservation of the historic downtown was viewed as key, with data on traffic volumes and usage helping guide future decisions.

Council members expressed strong appreciation for the Third East and Third West improvements, noting how effectively they provided alternative north-south travel and improved access to Main Street, including routes toward the airport. Updates were shared on upcoming railroad crossing improvements, with confirmation that a concrete crossing was scheduled to be installed, addressing long-standing concerns about track conditions. These improvements were seen as meaningful progress and long overdue.

The discussion broadened to regional transportation planning, including participation in the EBO Belt Loop study, which examined north-south mobility options from Payson through Salem. Third East was noted as now being included in the regional transportation plan, with the understanding that while increased traffic could occur in the future, it would provide critical parallel capacity and help relieve pressure on Main Street. Council members acknowledged that providing more options for regional and local traffic ultimately benefited the city and supported long-term planning goals.

Attention then turned to Highway 6 and ongoing congestion issues, with recognition that this corridor consistently generated public concern. Council members emphasized the importance of having proactive, transparent conversations about long-term solutions, including the potential for grade-separated interchanges. While such solutions would improve traffic flow, they would also carry significant tradeoffs, including impacts to existing businesses and access points. It was noted that having these discussions in a work session or future retreat would help prepare elected officials for difficult decisions and public dialogue, particularly as future candidates and leadership become involved.

The conversation also reflected on the reality that some congestion may be unavoidable during peak hours, especially as new interchanges come online. Several members noted that the city's growth and expanded commercial offerings had reduced the need for residents to travel outside the community, even if localized congestion had increased. This perspective framed congestion as a byproduct of success rather than solely a problem, with acknowledgment that change is often difficult for residents to accept.

Concerns were raised about Williams Drive, particularly regarding maintenance responsibilities, right-of-way limitations, and deteriorating conditions. It was clarified that while some interim maintenance had been performed in the past, the city lacked full authority over portions of the roadway due to railroad right-of-way constraints. This was

identified as a missed opportunity during earlier infrastructure projects and an ongoing limitation moving forward.

Staff requested guidance from the Council on next steps as the Main Street project moved into the design phase. Questions were posed regarding what additional information, studies, public engagement, and Council interaction would be most helpful over the coming year to support informed decision-making and maintain transparency with the public as the project progressed.

Council members discussed the scope and sequencing of the Main Street project, with initial agreement that the immediate focus should remain on improvements from Fourth North heading north. Staff explained that while funding had been secured for that segment, additional federal funding applications had not been successful, noting that each application required a significant local investment of time and \$10,000 to \$20,000 in costs. It was shared that more aggressive pursuit of MAG and related regional funding sources could potentially yield additional resources, as the project ranked high among regional priorities.

Staff estimated that completing the remaining portion of the project south to Third South would require approximately \$15 million in additional funding. Council members acknowledged that reaching the current stage had taken six to seven years, in part because earlier efforts focused on trying to secure enough funding to complete the corridor in a single phase. While that approach delayed construction, it was intended to avoid a piecemeal outcome. The tradeoff of moving forward in phases was discussed, including concerns about construction disruption, mismatched segments, and the challenge of tying completed sections into unfinished areas.

Several members noted that the Fourth North segment functioned differently than the downtown corridor and primarily served as a movement-focused connection to the freeway, making it less controversial and less impactful to adjacent businesses. In contrast, the segment south of Fourth North, particularly toward Center Street and Third South, was identified as more sensitive due to parking needs, walkability goals, and the concentration of retail and small businesses. That section was seen as where the most visible and meaningful transformation would occur, but also where public concern would be highest.

Questions were raised about whether completing the northern segment alone could sufficiently reduce congestion and safety issues to the point that further improvements might no longer be warranted. Staff and Council members generally agreed that while UDOT might not independently advance additional phases, completing the northern segment would likely reduce the risk of UDOT pursuing a wider, higher-capacity roadway solution. It was also noted that completing one phase would provide valuable data on safety, traffic flow, and crash reduction, strengthening the case for future funding and expansion.

The discussion acknowledged that regardless of phasing, the project would likely require multiple construction seasons. Council members recognized the balance between moving forward with available funding now versus waiting for a comprehensive solution, with several

expressing support for advancing the northern segment while continuing to plan and gather data for future phases.

Council members sought clarification on the implications of moving forward with the project as currently funded, focusing on improvements from Fourth North to the north. It was acknowledged that this phase could proceed now, while the southern portion might not be addressed for five to ten years, depending on future need and funding. Questions were raised about whether completing only the northern segment could create a bottleneck or shift congestion rather than resolving it.

Staff explained that current congestion issues were driven largely by driver behavior near the freeway on-ramp, particularly vehicles backing up in the right lane well before Fourth North. The proposed lane alignments and striping were expected to change that behavior by making it clearer that drivers could access I-15 from either lane. While congestion would still exist due to traffic volume, the project was expected to improve efficiency and reduce backups. Clear pavement markings, medians, signage, and directional cues were seen as critical tools to help drivers adjust over time, with the understanding that behavior would improve as familiarity increased.

It was noted that UDOT had been hesitant to implement striping changes alone without physical elements such as islands, citing past experiences on Highway 6 where driver adaptation to left-side merges proved challenging without additional guidance. The inclusion of medians and channelization was intended to reduce confusion and improve safety during the transition. Concepts such as enhanced signage for northbound I-15 access were also discussed as part of the solution.

Council members discussed timing between project phases, noting that a gap of a few years between the northern and southern segments would be manageable, while back-to-back construction would be more disruptive. Staff indicated that unless full funding became available to complete the corridor in one project, a multi-year gap between phases was likely. Staff recommended proceeding with the northern phase while continuing to pursue funding opportunities and planning for the remainder of the corridor.

Several members emphasized that while the northern improvements might address safety and congestion concerns, the broader goal of changing the character of Main Street remained. The southern segment was seen as critical to enhancing walkability, aesthetics, and the historic downtown experience. Improvements such as leveling sidewalks, adjusting berms, replacing aging utilities, and reworking landscaping were discussed as necessary components of that transformation. It was acknowledged that underground utility replacements would likely require removal of existing trees in some areas, further reinforcing the need for a comprehensive approach.

The discussion recognized that completing the project in phases would result in a temporary visual difference between sections of Main Street, particularly with landscaping and tree maturity. However, it was noted that over time the corridor would regain a consistent appearance as new trees matured, much like the original coordinated planting that once

defined Main Street. Overall, Council members expressed confidence that completing the northern phase would improve safety, provide valuable data, and buy time to thoughtfully plan and fund the remainder of the corridor while maintaining momentum toward a more local, walkable, and visually cohesive downtown.

The discussion turned to the condition of the trees along Main Street and whether the city should continue investing funds to keep them alive. It was noted that some trees had been placed on life-support type treatments, which required ongoing expense. Several members expressed the view that the city should stop spending money to prolong the life of trees that were already in serious decline and instead allow them to die naturally, while still ensuring public safety.

There was general agreement that trees classified as being in the worst condition should be removed, particularly once they became hazardous. Trees in better condition could remain for as long as they were safe, with the understanding that some might last several more years. The preference was not to remove all the trees at once, but to take a gradual and methodical approach, removing trees individually or in small numbers as they declined or became unsafe, especially south of Fourth North. North of Fourth North, the expectation was that trees would ultimately be removed as part of the larger project.

It was emphasized that safety remained the priority, with continued trimming and monitoring to prevent falling limbs or other hazards. Council members supported removing trees before they reached a dangerous state rather than waiting for storms or failures to force action. This measured approach was seen as a way to reduce public concern and help residents better understand why removals were occurring, rather than creating alarm through large-scale or sudden removals.

The group noted that a gradual process would also help build public awareness and acceptance, particularly as the health of the trees declined visibly over time. Comparisons were made to other communities, such as Logan, where tree removal tied to infrastructure work became a major public issue. There was recognition that similar situations could arise elsewhere in the city, including parks, and that proactive communication would be important.

It was also observed that during previous public open houses, residents showed little interest in discussing the trees, focusing instead on parking and other issues. This lack of engagement raised concerns that tree removal could become a larger issue later if not handled carefully. The presence of an arborist at those meetings had been intended to address concerns, but the limited public response suggested either a disconnect or the potential for a delayed reaction once changes began occurring.

The discussion acknowledged some uncertainty about whether the lack of public reaction to the tree issue reflected a lack of concern or simply a sleeping issue that could surface later. It was suggested that future public outreach should be more intentional about highlighting topics people clearly care about, such as parking and community events, as those tend to draw stronger engagement. There was lighthearted discussion about how events like

parades effectively increase capacity on Main Street and demonstrate how the corridor can function differently, with references to how other cities have successfully managed similar situations.

Participants noted that one of the most consistent comments from the public was a desire to avoid Main Street becoming like Provo Center Street or Payson's recently completed corridor. There was agreement with that sentiment, but it was also clarified that the better comparison was Provo's University Avenue, which includes a median and functions well while still supporting activity and movement. Once that distinction was made, there was broader agreement that this was a more accurate model for what Spanish Fork was aiming to achieve.

It was also emphasized that clearer communication was needed to address misconceptions about the project, particularly concerns that it would introduce bus rapid transit or buses running down Main Street. Some residents had already assumed this was the case, creating unnecessary worry. The group agreed that messaging should explicitly state that the project was not related to BRT and that comparisons to other corridors needed to be framed carefully so residents understood both what the project was and what it was not.

The group agreed to move forward with the project and continue advancing the design, recognizing this as a waypoint in a longer process. Staff confirmed they would continue pursuing additional funding, including the RAISE grant, which has been applied for twice without success. That grant is viewed as the primary funding source for what is now considered phase two, extending from Fourth North to Third South. The applications have cost roughly ten to twenty thousand dollars each, largely due to consultant and application requirements, and there was acknowledgment that while costly, the grant could cover the majority of phase two if awarded, with MAG potentially assisting with any required match and the city covering a smaller remaining portion.

It was emphasized that communication with the business community is critical moving forward. Regular updates were requested so accurate information can be shared, particularly as businesses continue to ask questions and express interest. Staff agreed that once an engineer is back under contract and design decisions begin to take shape, Council involvement and updates will increase. A future update to the chamber was identified as an important step, especially once there are concrete answers to prior concerns such as parking. The intent is to avoid premature outreach until the city is prepared to respond meaningfully to feedback and demonstrate how earlier input has been incorporated or, where not feasible, clearly explain why.

There was also recognition that managing a project of this scale requires sustained coordination and leadership. The discussion tied back to earlier requests for additional personnel support, noting that a dedicated project manager would be valuable for overseeing consultants, coordinating construction phases, and ensuring consistent communication with Council and stakeholders. The group acknowledged that successful delivery of the project will require ongoing effort, structured engagement, and someone actively driving the process forward to ensure the city's needs and priorities are met.

The discussion focused on clarifying and refining legislative language related to the proposed transportation utility fee to eliminate unintended interpretations. One concern addressed was removing any allowance for using property value as part of a transportation utility fee calculation, which is now explicitly excluded. Although one Utah city currently uses a value-based approach, that option would no longer be permitted under the revised bill, and that city is preparing to update its methodology to remain compliant if the bill passes. A second issue involved unintended language that appeared to restrict a city's ability to levy an existing public safety utility fee. The bill was always intended to prevent new fees of that type while grandfathering in a small number of existing ones, but the wording created confusion. Adjustments are being made to clearly preserve existing fees without allowing expansion. Similar clarification was noted regarding broadband-related fees, which do not affect Spanish Fork's current internet billing practices.

There was also discussion about refining the fee methodology, including a proposal to discount traffic generated on the least busy day of the week, typically Sunday. The rationale is that peak activity on an otherwise low-demand day does not meaningfully stress the transportation system. This approach would effectively remove Sunday traffic impacts from entities like Costco or churches. While cities were generally supportive of this concept, there may be technical or statutory limitations on whether it can be included. Overall, there was optimism about the bill's prospects, noting the rare alignment among the Utah Taxpayers Association, Libertas, the Church of Jesus Christ of Latter-day Saints, and city interests. It was emphasized that if the bill passes, staff will return to Council with detailed options, numbers, and limitations before any local implementation is considered.

There was an update provided regarding the transportation utility fee legislation at the state level. At that time, the bill was being run by Representative Karen Peterson, and although it had not originally been numbered, it had reportedly received a bill number the day before. The language was expected to be substantially similar to prior versions that had been discussed in previous sessions.

During the interim, significant conversations had taken place with the Church of Jesus Christ of Latter-day Saints, which was viewed as representing a broad cross-section of nonprofit entities. In reviewing earlier drafts of the bill, the Church had identified two unintended consequences in the language. One of those concerns had already surfaced locally and was being addressed; the other was raised later in the process and required clarification. Although staff initially disagreed with that interpretation of the language, it became clear that if the bill could reasonably be read that way, then the wording needed to be tightened to eliminate ambiguity and prevent future misinterpretation.

The first concern related to the potential use of property value as a methodology in calculating a transportation utility fee. The Church interpreted prior language as allowing a city to factor property value into the calculation. That approach was not intended under the bill's framework. One city in Utah had already adopted a fee structure partially based on property value, making the issue more than theoretical. As a result, the revised bill language explicitly removed property value as an allowable methodology. The city currently using that

approach was aware of the change and was preparing to conduct a study and adjust its methodology if the bill passed, though it was not making changes preemptively.

The second issue involved public safety fees. Many cities, including Spanish Fork, had instituted a public safety fee on utility bills to support police and fire services. For example, a ten dollar public safety charge appeared on local utility bills. The bill's language had been interpreted by some as eliminating the authority for cities to impose new public safety fees going forward. The intent of the legislation had been to prevent proliferation of new fees while grandfathering a small number of communities that already had them in place. However, the wording created concern that it could either be read too broadly, prohibiting even existing structures, or too narrowly, unintentionally allowing expansion.

There were only three or four small communities statewide with similar public safety fees, and the legislature did not intend to eliminate those existing fees. Therefore, the bill language was being revised to clearly grandfather current structures while preventing new public safety fees from being adopted in the future. The goal was to make the intent unmistakable so that the fee authority would not expand beyond what was originally contemplated.

A similar restriction applied to broadband utility fees that some cities had used to support municipal broadband systems such as UTOPIA. The bill aimed to prohibit new broadband utility fees moving forward, again with limited grandfathering provisions. Spanish Fork's current broadband structure was not affected because it operated on a user-pay model. Customers who used internet services paid for them directly, and those who did not use the service were not charged. That structure aligned with the intended policy direction of the legislation.

Another area under discussion involved methodology flexibility. Spanish Fork had proposed a potential approach that would discount traffic volume on the least busy day of the system, which was typically Sunday. The reasoning was based on system capacity. Most businesses experienced their lowest traffic on Sundays. If a particular use, such as a church or a retailer like Costco, had its peak traffic on Sunday, that peak occurred when the rest of the system was underutilized. Because the transportation network was designed to accommodate weekday peak loads, Sunday traffic generally did not drive capacity needs. Therefore, discounting traffic that occurred on the system's lowest-volume day could be justified from an engineering standpoint.

While most cities were generally comfortable with that concept, there were questions about whether such a methodology would comply with the statutory framework. Depending on how the final bill language was drafted, that specific discount approach might not have been permissible. That issue remained unresolved at the time of the update.

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**Finance - Seth Perrins**

The discussion transitioned into a detailed overview of the proposed timelines and funding mechanisms for Fire Station 61 and the public works shop. This followed prior Council direction, given approximately a week and a half earlier, to move forward with bidding and further due diligence. The vote at that meeting had been unanimous, 4-0, in favor of proceeding.

The Fire Station 61 project had officially been put out to bid. Concurrently, several site-related actions were already underway. The proposed site spans the block bordered by 2nd West, Center Street, 1st South, and includes an existing electrical substation located mid-block. That substation, positioned within a 60-foot total easement corridor (30 feet on either side), had long presented a development constraint. The easement configuration effectively created a “donut hole with stripes,” significantly limiting buildable area and complicating any redevelopment of the block.

To resolve that issue, the city had initiated relocation of the substation to the perimeter of the block, specifically to the corner of 1st South and 2nd West, where a residential property had previously stood. Demolition of that house had already begun. The substation was currently in the design phase, and its relocation offered two key advantages. First, the city would not experience a service interruption or temporary loss of substation capacity. The new facility would be constructed in parallel, and once completed, the electrical load could be transferred within minutes through a controlled switchover. Only then would the old substation be decommissioned. Second, relocating the substation to the perimeter moved overhead power lines out of the center of the block and onto 2nd West, effectively shifting easement burdens onto public right-of-way and significantly reducing constraints on future site development.

Additional demolition was proposed for two structures: the former senior center and the Brunson residence (a property purchased approximately nine years earlier under a long-term arrangement with the family). The Brunson home had already been salvaged by the family, as allowed under the original purchase agreement, and was now essentially stripped and ready for demolition. Similarly, materials had been salvaged from the senior center. Both buildings had reached the end of their useful life. While no immediate redevelopment was guaranteed, staff expressed a preference to clear the structures now rather than allow them to remain in deteriorating condition. Importantly, it was emphasized that demolition of those buildings would not obligate the city to immediate construction; the site could remain vacant if needed without being used as justification to proceed with building.

The guaranteed maximum price (GMP) for Fire Station 61 was expected in March. Preliminary estimates had placed construction costs near \$15 million, though current construction market conditions suggested that the final bid could potentially come in lower. Once the GMP was accepted by Council, that action would represent the formal commitment to construct the facility. Construction was anticipated to begin in April, weather permitting, with estimated completion in summer 2027 and operational move-in projected for fall 2027. It was noted that “completion” in construction terms often differs from full operational readiness, which typically follows after inspections, punch lists, and commissioning.

From a financing perspective, staff outlined a strategy that separated construction commitment from bond issuance timing. Technically, the city could fund the project entirely from reserves without issuing bonds. However, doing so would nearly deplete general fund reserves, which staff strongly advised against. Instead, the proposal involved approving the GMP and proceeding with construction while delaying the actual bond issuance until winter or spring 2027.

There were several reasons for this approach. First, it would allow time to clarify plans for the public works shop, potentially bundling financing decisions. Second, it would provide an opportunity to monitor interest rate trends; even a reduction of 50 basis points (0.5%) could yield substantial savings over the life of the bond. Third, it would maintain transparency by signaling intent early while preserving flexibility on timing.

To accomplish that, staff recommended adopting a parameters resolution in May of the current year. That resolution would establish upper bounds for the bond, likely setting a not-to-exceed amount of approximately \$80 million and a maximum interest rate near 6 percent. Those figures would intentionally be conservative ceilings rather than expected outcomes. The parameters resolution would publicly declare the city's intent to bond while allowing the actual issuance to occur up to a year later, once conditions were more favorable.

The critical decision point for the Council would be acceptance of the GMP. That vote would effectively represent the "point of no return" on construction. Bond issuance, while important, would follow as a financing mechanism rather than a construction authorization.

March 17 was noted as falling during the week leading up to UMPA and also during the typical week of the water conference, which created scheduling conflicts. It was suggested that March 24 would likely be proposed as the Council meeting date for that month. It was acknowledged that the exact timing of receiving the GMP was still uncertain, so in a worst case scenario it would land on the second meeting in March, though it could potentially be ready for the first. Questions were invited, and it was indicated that most of the group understood the direction being outlined, with sufficient support to proceed into the financing discussion.

The bond discussion was intentionally structured in two parts, first focusing solely on Station 61, then turning to the public works shop, and finally blending the two together. The assumptions for Station 61 included structuring it as an LBA bond, meaning the building itself would serve as collateral. The city would be ready to bond in the spring of 2027, approximately one year later, and once the GMP was approved, the process toward bonding would formally begin. The anticipated construction amount was approximately \$15 million.

The proposed structure under study was to treat the obligation as a 10 year repayment component. At 4 percent interest over 10 years, the annual repayment would be approximately \$1.8 million. If structured over 20 years, the annual payment would be lower, while a 5 year term would increase the annual payment. Any change in interest rates would also move that repayment amount accordingly. Questions were raised about refinancing flexibility similar to a mortgage. It was explained that most bonds required waiting about 10

years before refinancing, though prepayment flexibility could be built in at a cost. If earlier repayment or refinancing rights were desired, the interest rate would typically be slightly higher. These tradeoffs would be evaluated with the financial advisor. Although described as a 10 year repayment, the bond would likely be packaged within a 20 year structure, with internal structuring allowing a portion to function like a 10 year obligation while technically residing inside a longer term bond.

Funding sources were then outlined. Approximately \$800,000 per year in public safety impact fees could likely be allocated toward repayment. Additional funding could come from the Capital Projects Fund supported by sales tax. It was stated that nothing currently programmed or approved in that fund would be affected. While future projects that had been discussed but not formally funded might require reprioritization, sufficient funds existed to support this debt service without impacting identified critical projects.

The existing annual transfer from the Power and Light Fund used to pay debt service on the Justice Center bond was also discussed. That transfer had been approximately \$600,000 to nearly \$700,000 each year, and the Justice Center bond would conclude in 2027. At that point, the city could reduce that transfer to zero and return those funds to power, or reduce it partially and continue allocating between \$200,000 and \$400,000 toward Station 61. If the Power and Light transfer were not used, repayment would need to be offset by increasing the use of impact fees or Capital Projects sales tax funds. There was concern expressed that residents often felt funds redirected from power never returned. It was noted that eliminating the transfer would not necessarily mean lowering rates, but could instead reduce future rate increases.

After confirming there were no further concerns on Station 61 financing, attention shifted to the public works shop timeline. Phase One demolition at the old sewer treatment plant site was proposed. The demolition would be extensive due to the amount of underground infrastructure and heavy historic use. A Phase One environmental study was also recommended because of the nature of prior site operations. Demolition was ideally targeted to begin in the spring. It was clarified that demolition was part of the broader project scope and would not increase overall project cost, but would improve design accuracy and construction efficiency. The demolition would not be used as leverage to force a future build decision, but was necessary cleanup because the abandoned infrastructure needed removal regardless. Proceeding with demolition would not commit the city to constructing the public works facility, but it would commit to site cleanup.

There was expressed frustration with incremental steps that accumulate into large commitments. A preference was stated for making a full commitment upfront rather than taking small steps that gradually lead to a major project. It was affirmed that both Station 61 and the public works facility were needed and that the answer to building both was yes.

The public works shop was expected to go out to bid in January 2027, trailing Station 61 by approximately six to eight months. If the bid timeline could be pulled forward into November or December, that would be beneficial, but not later. A combined bond would not be issued until both GMP figures were known. If Station 61 came in at \$15 million and public works at

\$45 million, that would imply a \$60 million bond. However, if actual GMPs were lower, such as \$14 million and \$43 million, bonding would match the actual required amount. The parameters resolution would authorize bonding up to a maximum ceiling amount, providing flexibility while ensuring the final bond issuance aligned with true construction costs once confirmed.

It was expressed that the frustration was not with either project individually but with the pattern of incremental decisions that gradually accumulated into major financial commitments. The concern centered on avoiding a situation where small approvals stacked up and ultimately resulted in a large obligation without a clear, decisive commitment point. The clarification was made that the real question was whether the two facilities were needed, and the response was that both were necessary and justified.

It was reiterated that the GMP for the public works facility was anticipated in February of 2027, with construction following shortly thereafter and bond financing occurring in February, March, or April of that same year. A question was raised about why bidding would not occur until January 2027, and the explanation was that the public works project trailed Station 61 by approximately six to eight months in design and preparation. There was acknowledgement that if the bidding window could be advanced into November or December, that would be preferable, but it would not be moved later than currently projected.

It was also clarified that the city would not know the true construction cost until the GMP was received. Therefore, issuing a total bond before both GMP figures were finalized would be premature. For example, if assumptions were \$15 million for Station 61 and \$45 million for public works, that would suggest a \$60 million bond. However, if final GMPs came in at \$14 million and \$43 million, bonding would be sized to \$57 million rather than the higher assumption. The goal was to bond for the precise amount required, not more and not less.

The parameters resolution was discussed as the formal authorization to bond up to a maximum ceiling amount, providing flexibility while not committing to the final issuance amount. It was confirmed that the GMP for Fire Station 61 would be received in March of the current year, but the actual bond issuance for that project would not occur until nearly a year later. During that interim period, the city would cash flow construction from reserves and then reimburse those reserves once the bond was issued. This would temporarily reduce reserves, but they would be restored when the bond proceeds were received.

A worst case scenario was outlined in which the fire station proceeded from cash, reserves were used, and if for some reason bonding did not occur or the public works GMP was unacceptable, the city could bond only for the \$15 million related to the fire station. In that situation, public works would not proceed and the bond would be sized accordingly. There were described as multiple off ramps in the process.

It was emphasized that the final and true point of commitment was the GMP approval. While the parameters resolution signaled intent and created flexibility, it did not legally obligate construction. The binding commitment occurred only when the GMP was authorized. Even after passing a parameters resolution, the Council retained the authority not to issue bonds if

circumstances changed. Other financing methods remained technically available, including continuing to use cash reserves if necessary.

The benefit of adopting the parameters resolution in May was also explained. Doing so would eliminate a statutory 60 day waiting period, allowing the city to respond more quickly if market conditions changed, particularly if interest rates declined. If rates improved significantly, the city could move forward more nimbly. If rates worsened, the city could delay or adjust accordingly. This approach mirrored the strategy used during the recreation center financing process, where early authorization preserved flexibility without prematurely locking in the final transaction.

It was acknowledged that during the recreation center process the parameters resolution was adopted but the bond was not issued immediately, and that approach was viewed as useful because it preserved flexibility. In this case as well, the intent would be to adopt a reimbursement resolution alongside the parameters resolution so that any cash expended on the project prior to the bond issuance could legally be reimbursed from bond proceeds once the bond was finalized. That resolution would work hand in glove with the financing plan and ensure that interim cash flow would not permanently deplete reserves.

It was observed that one lesson learned from the recreation center was the importance of not separating the bond resolution too far from the GMP in a way that creates the perception of two separate commitments. When the bond authorization and the GMP appear disconnected, it can feel like two public decisions rather than a single, coordinated step. The preference expressed was that the process be handled in a way that clearly communicates that the bond authorization signals intent, the GMP provides the concrete construction cost, and there remains an off ramp until the bond is actually sold.

At the same time, it was cautioned that placing the GMP approval on the same agenda as the parameters resolution could create poor optics, because it may appear that the financial authorization presupposes the construction approval. The preferred sequencing would be to take the bond authorization step, clearly articulate that a GMP will follow within a defined time frame, and emphasize that the Council retains the ability to make a no go decision at the GMP stage. The final legal commitment does not occur until the bond documents are executed and the debt is issued. Until that point, there remains flexibility, even after a parameters resolution is adopted.

There was also discussion about decisiveness. The concern was not whether Fire Station 61 or the public works facility were needed, but rather the appearance of incremental movement without a clear declaration of commitment. The view expressed was that if the facilities are necessary, then the Council should be prepared to state that plainly and then focus on the best path to get there financially. The financing mechanics should not obscure the policy decision that the projects are justified.

With respect to the public works facility financing structure, it was explained that the proposal would involve a single lease revenue bond secured by both Fire Station 61 and the public works building. According to the financial advisor, combining the two facilities would

strengthen the credit profile of the lease revenue bond. In the hierarchy of municipal debt instruments, general obligation bonds typically receive the strongest ratings, followed by sales tax bonds, then lease revenue bonds. However, a lease revenue bond secured by two essential public safety and infrastructure facilities, supported by strong underlying utility revenues and financial reserves, can achieve a rating closer to that of higher tier bonds. This would potentially improve interest rate outcomes.

The debt allocation for the public works facility would be divided among the affected utilities based on proportional square footage and functional use within the building. Engineering staff serve multiple enterprise funds, and their allocation reflects the support provided to electric, water, wastewater, storm water, and streets. The percentages shown were calculated to the hundredth of a percent to ensure accuracy in cost sharing. Importantly, those debt service allocations have already been incorporated into the long term financial models previously presented. The modest rate adjustments discussed in prior workshops assumed this level of debt service, meaning the proposed structure does not introduce an unmodeled financial burden.

It was noted that unlike Fire Station 61, which will naturally generate visible public enthusiasm and ribbon cutting moments, the public works facility is less glamorous. It will not produce the same visual impact as firefighters and new apparatus bays. However, the facility directly supports the services residents consistently rate as high priorities, including reliable electric service, minimal outages, stable water delivery, effective wastewater treatment, well maintained streets, and rapid pothole response. The connection between those high performance service levels and the need for a modern public works facility will need to be clearly articulated.

The political reality was acknowledged that the public works building will be a more challenging message. For that reason, transparency about the necessity of the facility, the operational deficiencies of the current conditions, and the cost impact per utility customer will be essential. If desired, the financial breakdown can be presented down to the per month cost impact on each utility ratepayer to demonstrate affordability and reinforce that the investment supports core infrastructure that residents value every day.

It was emphasized that when the resolution comes forward, the justification for the public works facility needs to be clearly outlined and visually presented. The reasons should be itemized in a straightforward way so the public understands why the building is necessary. The core message is that this is part of doing business as a city. Equipment has to be stored properly, staff need adequate space to operate safely and efficiently, and the current conditions no longer meet those needs. That message needs to be disciplined and repeated.

It was also suggested that the age of the current facility should be highlighted. The existing location has significant age related deficiencies, layout limitations, and infrastructure constraints that directly affect productivity, safety, and long term maintenance costs. Explaining how long the city has operated in that facility, how operations have outgrown it, and what operational inefficiencies exist today will help residents understand that this is not discretionary spending but an infrastructure modernization effort.

There was agreement that this is an opportunity to elevate the narrative. While a public works building does not have the visual appeal of a fire station, there is still a way to communicate its importance effectively. A well coordinated communications strategy can connect the facility to the outcomes residents value most, including reliable power, dependable water service, effective wastewater treatment, rapid snow removal, pothole repair, and overall infrastructure reliability. Framing the project around service continuity and performance rather than the building itself will be essential. A public open house was also suggested as a way to engage residents and provide transparency before final decisions are made.

The proposed debt structure was then outlined. The bond would be structured with a defined "cliff" in year eleven, at which point the portion of debt service attributable to Fire Station 61 would fall off. This would reduce total annual debt service after that point and provide additional financial flexibility. The structure is designed to align the shorter useful life financing component with the fire station while allowing the public works facility to remain on a longer amortization schedule.

It was noted that the financial advisor did not identify any missing components in the structure as presented. The approach reflects prior discussions and incorporates earlier financial modeling.

Regarding power financing, it was acknowledged that additional education is still needed. The comparison of multiple financial scenarios and graphical presentations requires further refinement so the distinctions are clear. While direction has been given to continue evaluating bonding options for power infrastructure, additional study and public explanation remain necessary before any formal action.

The conversation concluded on a lighter note, acknowledging that operational efficiencies are always evaluated, but core equipment such as snowplows and salt supplies remain essential to maintaining service levels during winter conditions.

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## **DIVERSION BREAK**

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### **Parks and Recreation - Dale Robinson**

The discussion shifted to remaining projects on the capital docket, starting with the parks and golf maintenance shop. This project has been discussed for several years and is already funded through the CIP, with roughly half budgeted in the current fiscal year and the remainder programmed for the next year. That funding structure was intentional, recognizing the project would not be fully expended in a single year. The project was awarded as a design-build to Hall Engineering, and staff requested informal concurrence to issue a conditional notice of award so work could continue while the final contract is completed and brought to a formal Council meeting. The total contract amount is approximately \$2.14 million, coming in only about \$37,000 over the original budget despite a

late discovery that the site lies in a floodway, requiring the building to be raised three feet to meet floodplain requirements.

The project expands the existing golf maintenance shop to better support golf operations, adds office space, and creates additional workspace. It also provides new park shop space to support park crews serving the east side of the city, who are currently operating out of distant facilities, and consolidates Festival of Lights storage, which is currently scattered across containers and temporary locations. Staff emphasized that this single project relieves pressure in three areas at once: parks operations, golf maintenance, and storage capacity. Council members acknowledged that the need for this facility has existed for several years and that it has repeatedly been deferred, even as staff and equipment have continued to grow and existing facilities have become increasingly cramped and inefficient.

Questions focused on scope, priorities, and confirmation that the Council had already approved the project through the budget process. It was clarified that the request was not to reconsider whether the project should proceed, but simply to allow staff to move forward with the contract process so design and construction could stay on schedule. Council members indicated that priorities had not changed since the budget approval and expressed comfort with staff proceeding to formalize the contract and bring it back for official action.

The discussion moved to several additional capital projects. A new arena was briefly addressed, noting that the RFP closed the previous day and that the process is more complex than a standard low-bid award because it includes design and engineering evaluation. Pricing pressure is significant, with notice that costs are increasing by roughly 11 percent as of February 3, translating to an estimated \$150,000 increase. Staff plan to meet early next week to expedite evaluation and selection in hopes of avoiding those increases. The county is encouraging a lump-sum approach to move the project forward more quickly, and it was reiterated that the county would be covering roughly half of the anticipated \$11 million total cost, including space for USU Extension. Because details are still being finalized, this item will return in a future work session.

A donated clubhouse for the gun club was also discussed. While the donation is generous, it comes with conditions that present challenges and require further analysis. The gun club's finances have recently improved and are expected to be in the black this year. However, long-term considerations include nearby private and state-owned property, trap trajectories that may cross into those areas, increasing residential development, noise concerns, and public safety issues such as fencing and access control. Additional needs include aging lighting and RV hookups. Staff emphasized that accepting the donation would require addressing these issues in phases, and a more detailed work session will be brought forward once the constraints and options are clearer.

Finally, Canyon View Park and the pond fishery project were reviewed. The goal is to make the pond a viable, sustainable fishery. The Utah Division of Wildlife Resources is now interested in partnering, which is a change from prior years, and is helping pursue grant funding. The proposed work includes dredging approximately five feet of sediment to create eight to ten feet of depth in the center, installing a liner to prevent future sediment issues, and adding

ADA-accessible improvements such as a new ramp and shoreline enhancements. The total project cost is estimated at about \$364,000, with the majority expected to be covered by grants from the Watershed Restoration Initiative and Utah Outdoor Recreation, leaving less than \$40,000 as the city's share, supplemented by in-kind work from city crews. If grants are awarded in the spring, timing will depend on draining and drying the pond, likely beginning after summer or in the fall, with construction phased carefully to avoid equipment issues and ensure long-term functionality.

The discussion clarified several details about the Canyon View Park fishery project. There was uncertainty about whether the pond liner was included in the current cost estimate, and staff committed to confirming that detail. The dredging plan would remove approximately five feet of sediment across the entire pond, resulting in deeper water in the center, likely around ten feet, improving habitat and usability. If grant funding is approved, the project would be added to the budget and remain contingent on receiving those grants. Council members expressed strong support, noting that enhancing the pond for roughly \$40,000 in city funds, largely through in-kind work, would be a significant return on investment.

Staff emphasized that the Utah Division of Wildlife Resources values this project because it supports heavily used urban fishing, particularly for children. Canyon View Park is seen as more accessible and user-friendly for families than the reservoir, with easier access, grassy banks, and strong trail connections. Stabilizing the pond edges, improving depth, and adding aeration through a fountain would reduce moss, improve water quality, and make fishing more consistent throughout the pond, rather than limited to one shallow area.

The conversation then shifted to stadium bleachers, which have become a growing risk and maintenance issue. Despite ongoing plank replacements, the bleachers are nearing the end of their useful life. The estimated cost for replacement is around \$500,000, which drew concern, but staff explained that this is increasingly a safety and liability issue. The city has discussed cost-sharing with the school district and applied for an outdoor recreation grant, with the intent that the district and city would split the remaining cost if funding is awarded. While a more elaborate stadium had been proposed years ago, the current focus is on functional, safe bleachers similar to those at Pony Field, rather than an upgraded press box or premium seating.

It was noted that the city field is used heavily by the school district and regularly hosts 2A and 3A state tournaments, reinforcing the importance of maintaining the facility and protecting the city's reputation as a host site. Unlike Maple Mountain High School, which uses its own field, this facility is city-owned but shared extensively, making collaboration with the school district necessary as decisions move forward.

The discussion clarified that the city serves as the primary host for Don's Field, with the school district primarily using it for high school games and practices, while the city hosts tournaments and other events. Council members acknowledged that this shared-use model represents a more efficient use of taxpayer dollars compared to school-specific facilities that serve only one team. At the same time, it was recognized that the school district likely uses the field more frequently than the city, raising fair questions about cost sharing and

proportional responsibility.

Staff explained that the bleachers have become a growing safety and maintenance concern, regardless of who uses them more, and that replacement is inevitable. The current proposal would limit the city's direct cost to roughly \$125,000 if grant funding is secured, which was viewed as reasonable given the alternatives. Building a smaller, city-only solution could cost a similar amount while offering less functionality and potentially weakening participation from the school district. The replacement project is contingent on receiving the outdoor recreation grant, the same funding source being pursued for the Canyon View fishery project, with improved odds based on prior feedback from the state.

The broader interlocal agreement with Nebo School District was emphasized as balanced over time. While usage has shifted in different directions over the years, staff tracks costs and benefits through an interlocal balance sheet based on equivalent rental values, ensuring neither entity is taking advantage of the other. Council members noted that this long-standing, cooperative relationship is a strength and that projects like Don's Field have helped maintain trust and shared investment between the city and the district.

Council members emphasized that ending or significantly limiting the long-standing shared-use agreement with Nebo School District would have major consequences for the community. If the city were to withdraw from the partnership, the cost to replace lost facilities would likely reach two to four million dollars, and community basketball and other shared programs would effectively disappear due to insufficient standalone facilities.

It was noted that the cooperative relationship between the city and the school district is highly unusual on a national level and has produced substantial long-term savings for residents. By sharing facilities rather than duplicating them, both entities have avoided overbuilding and underutilized assets, saving millions of dollars over time. Council members stressed the importance of evaluating individual projects carefully while also keeping the broader system-wide balance in mind, since the overall financial and operational benefits are only clear when viewed holistically.

Staff highlighted that this level of cooperation is not only contractual but cultural. The shared access, including city use of school facilities and vice versa, is rare and often surprising to peers in other communities. Council members agreed that changing this approach, even incrementally, would significantly alter how the community functions and how residents experience local programs.

Regarding Don's Field, Council members agreed that it is widely perceived as a Spanish Fork facility rather than a school district asset. The field is maintained to a high standard by city staff and is considered one of the premier baseball venues in the state, which is why it is regularly selected to host state tournaments. Replacing the bleachers with a minimal, city-only solution would still require significant investment and would diminish the experience for both home and visiting teams.

When comparing grant priorities, it was acknowledged that the Canyon View fishery project offers an exceptional return on investment, with several hundred thousand dollars in

potential grant funding مقابل a relatively small in-kind contribution from the city. While the bleacher replacement is also important, the fishing project was viewed as a higher funding opportunity, though less time-sensitive. Council members noted that the fishery could tolerate delay if necessary, whereas the bleacher issue is driven more by safety and risk considerations.

Overall, the discussion reinforced strong support for maintaining the city's partnership with Nebo School District, preserving high-quality shared facilities, and continuing to evaluate projects based on both immediate needs and long-term community value.

The Council expressed clear agreement that the goal was to pursue both projects, rather than choosing one over the other. Staff noted that many of the funding opportunities fell under the broader Utah Outdoor Recreation Grant umbrella, which includes multiple program branches, and committed to researching whether applying for both projects would strengthen or weaken the city's chances. Council members agreed that if the granting agency reached out to ask which project was the priority, that would be a positive signal that the applications were being seriously considered.

There was strong sentiment that the Canyon View fishery project carried particular weight because of the involvement and support of the Division of Wildlife Resources. Staff emphasized that previous efforts had stalled without DWR backing, and now that the agency was actively supporting the project, it significantly improved its viability. The fishery project was seen as having statewide and regional appeal tied to urban fishing goals, which could help its competitiveness for grant funding.

At the same time, Council members discussed opportunities to reduce costs on the bleacher project through community involvement. It was noted that local supporters, including members of the booster community, had previously expressed willingness to donate materials or labor, particularly masonry and concrete work. Developing a clear design and plan could help engage donors, reduce overall costs, and build community ownership of the project. There was openness to exploring alternative construction approaches, including masonry-style bleachers, if donations could meaningfully offset expenses.

Staff briefly reviewed additional capital needs and future planning items. Renovation of the Justice Court Plaza was identified as a budget issue, with an estimated cost of \$101,000, half of which would be paid by the state courts. The project was described as necessary due to deteriorating conditions and was anticipated to move forward in the fall through the normal budget process.

The Council also discussed the city skate park, which is approximately 20 years old and showing signs of wear. While still functional, the park was described as outdated, particularly for younger or less advanced users. Preliminary concepts included expanding the park, adding flatter and more accessible features, and potentially improving lighting, which junior high students had specifically requested. Staff noted that the concrete condition and safety concerns would factor into future decisions, and that this item remained in the study and concept phase.

Attention then shifted to the RAP tax, which is set to sunset in 2028. Council members agreed that the timeline was approaching quickly and that waiting until the final year to place the renewal on the ballot was not ideal. Several options were discussed, including placing the measure on the 2027 municipal election ballot. While it would be legally possible to place the question on an off-cycle ballot earlier, doing so would likely result in higher costs to the city and lower voter turnout. Staff noted that placing the question during a regular election cycle would reduce costs and increase participation. Council members acknowledged that those up for election in 2027 should be particularly engaged in shaping the timing and messaging of the renewal.

Overall, the discussion reflected consensus on moving forward strategically, maximizing grant opportunities, leveraging community partnerships, and planning ballot and capital decisions early enough to avoid rushed or costly outcomes.

Council members expressed support for renewing the RAP tax, noting that it had passed overwhelmingly in the past with approximately 66 percent approval. They emphasized that since its adoption, the city had made a deliberate effort to clearly show residents how RAP tax dollars were being used. Signage, printed materials, and event communications consistently identified RAP funding as a sponsor for parks, playgrounds, arts Council programs, Spanish Fork City events, youth theater, and other recreation and cultural activities. Because of that visibility and transparency, there was little concern that voters would not understand the value of the tax.

It was noted that the original case for the RAP tax was even stronger now than when it was first approved. Shopping demographics had shifted significantly, with an estimated 60 to 65 percent of retail purchases now made by nonresidents, compared to roughly 50 percent a decade earlier. This meant a larger share of the tax burden was being carried by visitors rather than residents, strengthening the fairness argument. Council members agreed that updated data should be gathered before the next ballot measure to clearly communicate this shift to voters.

The group discussed timing options for placing the RAP tax renewal on the ballot. While the sunset was in 2028, there were three potential election cycles remaining, including two off-cycle elections and the 2027 municipal election. Staff noted that placing the question during a regular election would reduce costs and increase voter turnout, while an off-cycle ballot would likely be more expensive and less efficient. Council members indicated that cost should be a key factor in determining timing, and staff was directed to obtain cost estimates from the county for each option.

It was clarified that state law allows flexibility in how early the renewal question can be placed on the ballot, including language authorizing the tax to begin or continue at a future date. Historical revenue figures were referenced, noting that in fiscal year 2019 the RAP tax generated approximately \$59,000 due to delayed collection after voter approval, highlighting the importance of timing and implementation details.

Staff committed to gathering additional information, including ballot cost estimates, grant

prioritization guidance from the state, and coordination with partners such as the school district and booster groups. Council members supported exploring community fundraising and donated labor to reduce costs on certain projects, particularly baseball facilities, and encouraged early outreach to maximize financial efficiency and community buy-in.

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### **Council Time - Elected Officials**

The Council discussed the idea of adding a city swag store or link to the Spanish Fork website to make branded items available to residents. Council members noted that city swag is already popular among elected officials, staff, and residents, and that there is strong community pride in Spanish Fork. The proposal would include a limited selection of items such as hats, sweatshirts, T-shirts, water bottles, and potentially Fiesta Days shirts. The intent would be to keep it simple and affordable, while highlighting local businesses rather than relying on a single vendor. There was interest in partnering with multiple Spanish Fork companies that specialize in branded apparel to create a collaborative, community-focused approach.

It was emphasized that the model would not require the city to carry inventory. Instead, items could be printed on demand, similar to how school and athletic swag stores operate, which would reduce cost, risk, and staff involvement. This approach would allow residents to purchase items online without the city needing to manage storage, fulfillment, or upfront expenses. The goal was accessibility and availability, not revenue generation or city-run retail operations.

Some potential challenges were acknowledged. One concern was sizing and fit, as residents might want to try items on before purchasing, which could create confusion about where that would happen or lead to requests to buy items directly from city offices. There was also recognition that without a physical storefront, some residents may be hesitant to order apparel online. However, these concerns were viewed as manageable and not significant barriers, especially given the popularity of similar online swag stores in schools and community organizations.

Overall, the Council expressed strong interest in the concept and agreed that it aligned well with community pride and engagement. The discussion leaned toward exploring the idea further, identifying best practices, and having staff look into implementation options that minimize administrative burden while maximizing local business involvement and resident access.

The Council continued discussion on the potential city swag concept, focusing on implementation considerations and possible challenges. Staff was asked to explore whether the effort would make more sense as an entirely online option, a physical location, or a hybrid approach. An example was shared of another city that installed a swag vending machine at city hall, which had limited success, with better performance tied to nostalgic or retro logos rather than current branding. Members expressed interest in the ability for residents to see, feel, and try on items, while acknowledging that online shopping norms have shifted and

many residents are comfortable purchasing apparel online with the expectation of returns or exchanges if items do not fit.

Concerns were raised about how returns, exchanges, and refunds would be handled if the swag store were online, and whether that would create administrative burden for the city. It was noted that many school and athletic swag stores operate without school involvement beyond approving designs, with third-party vendors handling production, fulfillment, shipping, and customer service. This model was viewed as a potential template to reduce city staff involvement. There was also discussion about maintaining clear boundaries between city-funded swag used for official purposes and a public-facing swag store that should ideally be self-sustaining, even if it only broke even.

Council members also distinguished between two separate ideas: an internal employee swag system, where staff could order approved items within an allowance, and a public-facing swag option for residents. It was noted that internal systems already exist in other organizations that allow employees to select branded items without maintaining inventory, and that this approach could simplify internal needs before expanding to a public model. Staff was directed to continue refining the concept, identify pros and cons, and document options in a shared space for further Council review.

The discussion then shifted to a separate topic raised by the Chamber of Commerce regarding the possibility of a boat dock on the south end of Utah Lake. The idea was presented as exploratory, with the chamber seeking initial feedback from city leadership. It was noted that there are currently no boat docks on the south end of the lake, with Provo being the closest access point, and the proposal was framed as a recreational access question rather than a formal project request. Council members expressed some surprise at the chamber's involvement and sought clarification on the rationale and scope before considering the idea further.

The Council discussed a suggestion raised by the Chamber of Commerce regarding the possibility of a boat dock on the south end of Utah Lake. The idea stemmed from community members and businesses noting that Lincoln Beach and Provo Bay are currently the closest launch points, with Lincoln Beach being the most commonly used by Spanish Fork residents. With increased development occurring between Lincoln Beach and the freeway, particularly near industrial and commercial areas, the chamber appeared to be exploring whether additional recreational access could support future growth and economic activity. The concept was framed as exploratory rather than a formal proposal.

Council members identified several significant challenges and limitations. Utah Lake in this area was described as extremely shallow, with large expanses of exposed lakebed before reaching navigable water, making traditional boat access impractical without substantial dredging or channel construction. Land ownership, lake elevation variability, environmental considerations, and the high cost of infrastructure were all cited as major obstacles. It was also noted that Spanish Fork has a very limited lake boundary, primarily within Provo Bay, which further restricts the city's jurisdiction and feasibility for such a project.

There was general agreement that any discussion about additional boat access would need to be led by the state, rather than the city. Agencies such as the Utah Lake Authority, the Utah Division of Natural Resources, or Wildlife Resources were identified as more appropriate entities to evaluate feasibility, particularly given ongoing statewide planning efforts and long-term goals for Utah Lake, including trail development and potential future state park designations. Council members emphasized that this was not an initiative the city should take ownership of or advance independently.

Staff was directed to report back to the chamber that the idea had been discussed at a high level, that there were significant constraints and jurisdictional limitations, and that the concept would be better directed to state-level agencies. It was recommended that expectations be managed carefully and that the city avoid signaling that it was actively pursuing or studying a boat dock project at this time.

The discussion then transitioned briefly to internal matters, including the need for updated Council apparel. Council members expressed interest in ordering new shirts for the upcoming year, with a desire for refreshed designs, modern materials, and a cohesive look. This was framed as an internal item separate from the broader swag discussion and would be handled administratively moving forward.

The Council discussed the need for updated Council apparel, noting that several members needed new sizes and that the existing shirts were a few years old. The intent was to have updated polos or similar shirts available for events throughout the year, consistent with past practice of ordering new items every election cycle or every couple of years. It was agreed that this was a minor administrative item, with staff coordinating selections and sizes and keeping costs reasonable.

The conversation then shifted to rodeo-related swag and giveaways. Council members reiterated ongoing concerns about the limited amount of items available to throw to the crowd during rodeo events and the cost of higher-quality items such as shirts, which can be expensive when purchased in large quantities. Past examples were referenced where significant personal or sponsor-funded contributions had been made to provide crowd giveaways, highlighting both the cost and the positive reception from attendees.

Staff explained that discussions had already begun with rodeo sponsors to explore whether swag or giveaway items could be incorporated into sponsorship packages, rather than relying on city funds or small individual contributions. The concern was that allowing non-sponsor giveaways could undermine the value of larger sponsorships, and that any expanded giveaway effort needed to be coordinated carefully. The consensus was that staff would continue working with rodeo sponsors and the rodeo committee to determine whether additional, sponsor-funded giveaway items could be provided in a way that aligned with sponsorship commitments and budget realities.

The Council discussed the need to better coordinate rodeo giveaway items ahead of the event to avoid last-minute confusion. Members noted that in past years, swag was often distributed the night of the rodeo with little advance planning, resulting in limited quantities

and missed opportunities. There was agreement that alignment should happen earlier, with clearer expectations about what items would be available and how they would be distributed. Staff suggested using a shared tracking document and committee updates to ensure Council members were informed and prepared in advance.

The conversation focused on identifying inexpensive, practical giveaway items that would be safe, easy to throw, and appealing to children, while also being disposable enough that people would not feel burdened taking them home. Items such as stress balls, bandanas, or small co-branded merchandise were discussed, with an emphasis on keeping costs low. Council members agreed that higher-cost items, such as shirts or specialty goods, were not feasible for large-scale giveaways. There was also discussion about coordinating with rodeo sponsors to provide branded items as part of sponsorship packages, ensuring the giveaways aligned with sponsor value and avoiding undermining existing sponsorship investments.

The discussion then shifted to FitCity hours and facility access. Council members shared feedback they had received from residents requesting extended hours, particularly earlier morning access before the current 5:00 a.m. opening time, and potentially later evening hours. Questions were raised about how many users were affected, whether the requests were coming from a small group or a broader base, and what usage levels currently looked like during early morning hours.

Additional concerns were raised about FitCity programming, specifically related to pool access. It was noted that the programming pool was reportedly closed during peak evening hours, approximately from 4:00 to 7:00 p.m., for a period of several weeks to accommodate lessons. This raised concerns about limited availability for general use during high-demand times. Council members emphasized the need for more context and data, including how many people were affected, whether alternatives were available, and whether the situation was temporary or recurring, before considering any changes to hours or programming schedules.

Staff explained that adjustments were already being made at FitCity in response to crowding and scheduling conflicts, particularly in the program pool. During a recent holiday, the facility experienced wall to wall attendance, including an aerobics class that fully occupied the program pool. As a result, staff determined that classes should not be scheduled on holidays when general use demand is highest, and changes were put in place to better protect prime time access. It was noted that some of the concerns raised may have been isolated or lacked full context, but the feedback was still helpful as part of ongoing refinement.

Leadership emphasized the need for patience as operations continue to be fine tuned. FitCity is still in a learning phase, and while feedback is encouraged, there is an awareness that recreation centers can struggle if they attempt to be everything to everyone. The discussion acknowledged the importance of defining a clear niche and service focus, recognizing that some amenities available elsewhere may not be realistic to offer locally. At the same time, staff expressed a commitment to listening, studying usage patterns, and evaluating options such as earlier morning openings or later evening hours through data driven analysis. Staffing costs were identified as a key factor, with estimates suggesting several hundred dollars per

hour in additional expense, making it important to understand actual demand before making changes.

Council members highlighted the importance of clear communication with the public about how decisions are being evaluated. They pointed to past examples, such as transparency around pool temperature adjustments and the implementation of a pickleball queue system, as evidence that proactive communication builds trust even when not everyone agrees. Sharing data about usage, costs, and financial performance was seen as critical to maintaining credibility and explaining why certain decisions are made or deferred.

There was consensus that Council members should be able to tell residents that concerns are being heard and studied, even if immediate changes are not made. Ideas included piloting modest extensions, such as staying open until 10:30 or 11:00 rather than making large jumps, and using surveys or more visible feedback tools like QR codes throughout the facility. Council members reaffirmed that they would continue to pass along feedback they receive, even when it comes from a small number of residents, as part of their role in representing community interests while balancing operational and financial realities.

This portion of the discussion reinforced an important governance principle that Council feedback is not weighed by popularity. When a Council member asks staff to look into an issue, it does not mean the issue was raised by a large group of residents. It means at least one elected official believes the concern merits staff attention. Council is intentionally filtering and metering feedback before it reaches staff, and when direction is given, it should be treated as valid regardless of how many people raised the concern.

Several issues were noted regarding signage and wayfinding at FitCity. Temporary paper signs from the grand opening are still in use, many have become wet, shriveled, or inconsistent, and in at least one case conflicting instructions were posted in the same area. While staff noted the facility has only been open about forty days and permanent signage is still in progress, Council expressed that the facility should move beyond temporary signage at this point. If permanent signs are not yet ready, interim solutions such as laminated or more durable materials should be used, and all signage should be reviewed for internal consistency before being posted to avoid confusion and credibility issues.

Concerns were also raised about the Willie Barn and roping barn use, specifically around perceptions of inconsistent access and closing times. Multiple Council members reported receiving texts and emails suggesting that some user groups feel they are being treated differently or that operating hours feel discretionary. While staff indicated that rules and hours are already addressed within contracts and that operations have been handled appropriately, Council emphasized that perception matters as much as policy. When rules are not clearly written and publicly available, enforcement can feel personal even when it is not.

Council clarified that it is not accusing staff of favoritism and is not directing that all users be treated identically regardless of circumstances. Instead, the direction is to reduce ambiguity by putting expectations in writing. Council wants a clear, public-facing policy that outlines how the Willie Barn is rented, approved uses, operating hours, closing times, and

enforcement expectations. This policy should be available on the city website and serve as a reference staff can point to when enforcing rules, allowing staff to rely on policy rather than discretion in the moment.

The expectation is that once rules are clearly written and published, they are applied consistently, with exceptions being rare and defensible. Council wants staff to be able to say that a rule exists because it is policy, not because of a case-by-case decision. If users disagree with the rules, that is acceptable, but ongoing ambiguity is not. The broader takeaway is that this is a procedural and reputational issue rather than an operational one. Clear, written policies protect staff, Council, and users by reducing conflict, emotion, and accusations of unequal treatment while reinforcing transparency and consistency.

Staff acknowledged that while expectations and hours are clearly spelled out in individual roping contracts, the issue being raised is not about whether rules exist, but how they are perceived by the broader public. Council agreed that even when contracts are consistent, users who do not see those documents can easily assume different groups are being treated differently, especially if they observe activity past posted or assumed closing times. From a public trust standpoint, the Council emphasized that skepticism grows when rules are not plainly visible and easily referenced.

The clarification from the Council was that contracts alone are not sufficient for managing perception. Even if the terms are the same, the public cannot tell whether Contract A matches Contract B. When someone believes another group was allowed to rope later than they were, the lack of a clearly posted, public policy makes enforcement feel personal or selective. Council reiterated that the goal is not to accuse staff of inconsistency, but to remove doubt by clearly publishing operating rules, hours, and expectations so staff can point to a single standard rather than individual agreements.

The conversation then shifted to the Rotary golf tournament and the city's role going forward. Historically, the city participated through its chamber membership, often fielding a team or having a visible presence at the event. In recent years, that arrangement became less clear, particularly after changes in chamber contributions and tournament participation costs. While the city continues to provide significant value through discounted course use for the event, the question raised was less about cost and more about presence.

Council members noted that the absence of a visible city presence at the tournament had been noticed by both Rotary members and the broader business community. In earlier years, the event served as a relationship building opportunity where businesses expected some interaction with elected officials. Even as the nature of those relationships has evolved, there remains an expectation among some participants that the city will be visibly engaged, whether through a team, a sponsored hole, or a formal presence at the clubhouse.

The discussion acknowledged that the chamber's position of tying access or visibility to sponsorship dollars is understandable and strategically sound, but it also raised the need for the city to clearly define its desired level of involvement. Council did not seek an immediate decision but agreed this is an issue that warrants a pros and cons discussion. Key

considerations include whether the city should participate financially, how that aligns with existing support already provided to the event, and what form of presence best represents the city without setting unclear expectations in the future.

The discussion clarified that the city's historical connection to the Rotary golf tournament was largely indirect and flowed through the Chamber of Commerce, rather than a direct partnership with Rotary itself. That dynamic has shifted as the Chamber and Rotary have become more distinct organizations, which Council members agreed is healthy and appropriate. While Rotary understands this change, it has affected expectations around the city's role and visibility at the tournament. The concern raised was not dissatisfaction from Rotary, but recognition that the relationship structure has evolved and needs to be more intentionally defined going forward.

It was suggested that the city clearly articulate its relationship with Rotary around the tournament, particularly given the significant in-kind contribution the city already provides through discounted use of the golf course. One idea discussed was formalizing that arrangement by acknowledging the reduced course fee in exchange for a defined city presence at the event. Council recognized that Rotary may view this as reducing their fundraising capacity, so any such arrangement would need to be balanced carefully and decided by Council based on financial priorities and community benefit.

Council also discussed Rotary dues and contributions, noting that individual memberships primarily support meals, scholarships, and community projects, and that Rotary provides meaningful value back to the community through those efforts. It was clarified that Rotary does not receive free vending privileges at the rodeo, correcting an earlier mix-up with another organization. Overall, the Council expressed respect for Rotary's work and a desire to maintain a positive relationship while being clear about expectations.

The conversation then broadened to economic development and the potential value of a city-led golf tournament separate from the Rotary or Chamber events. Payson was cited as a strong example, where a targeted economic development golf tournament has produced tangible relationship-building and long-term results. That tournament is intentionally curated, with invited businesses, state partners, and high-quality experiences, and has developed a strong reputation over several years.

Council members expressed interest in exploring a similar city-hosted tournament focused specifically on economic development, rather than trying to fold those goals into the existing Rotary or Chamber events. The idea would be for the city to control the purpose, invitees, and messaging, ensuring a clear return on investment through relationship building. There was consensus that this would be a separate initiative and not a replacement for existing community tournaments, and that it could be explored further for a future year once capacity, cost, and goals are better defined.

The discussion acknowledged that the scale and intentional design of the Payson golf tournament has produced real economic development results, with relationships and projects that can be directly traced back to that effort. While Payson is a different community,

the takeaway was that a focused, city-led tournament can be an effective tool when it is purpose-built for economic development rather than general fundraising. There was agreement that Spanish Fork could benefit from a similar approach, recognizing that it would likely mean committing to two distinct golf-related efforts each year, one focused on community and Rotary engagement and another focused on targeted economic development with state and private partners.

Regarding the Rotary golf tournament, Council discussed shifting the city's presence away from fielding a full team and instead hosting or staffing a hole, which would allow interaction with all participants and may be more effective than playing. It was recognized that Rotary may have concerns about pricing, hole sponsorships, or lost revenue, but there was general agreement that Rotary's mission is broader than maximizing dollars and that they may be open to a solution that increases engagement. Jesse agreed to speak directly with Rotary to understand their perspective and report back, with the understanding that the city's involvement should be clear, consistent, and respectful of Rotary's goals.

The conversation then moved to concerns about the senior center reservation system. A request had been raised by a group planning a 50-year class reunion that needed to reserve space well in advance to accommodate travel and planning. They were reportedly told reservations could only be made six weeks out, which created challenges. Council questioned whether that limitation was accurate, noting that other facilities such as the Heritage Room allow reservations up to three months in advance. It was unclear whether the group needed general space or access to food service, and staff acknowledged that more details were needed to determine whether policy flexibility or clarification was appropriate.

The Council discussed the senior center reservation policy after concerns were raised by a group planning a 50-year class reunion that needs to reserve space farther in advance to accommodate travel and scheduling. It was noted that the group had been told reservations could only be made six weeks out, which seemed inconsistent with other facilities such as the Heritage Room, which allows reservations up to three months in advance. Council expressed a preference for allowing reservations up to six months out if possible and asked staff to look into the reasoning behind the current policy, including whether it is tied to programming needs or internal priorities. It was acknowledged that city use currently has priority, but since the senior center functions as a community center, there may be flexibility to adjust the policy once staff better understands the constraints and rationale behind the existing timeline.

The conversation then shifted to the DUP Memorial Building and the broader issue of preserving and displaying Spanish Fork history. Council discussed the possibility of acquiring the Oak Family History Center building on the south end of Main Street near the Nebo offices, which is currently owned by the church and largely vacant. The building had previously been listed for sale, but the transaction fell through due to potential contamination and liability concerns, leaving it unused except for limited basement activity. The idea was raised that the city might be able to acquire the building at a reduced cost and use it as a dedicated space for historical displays, artifacts, and preservation efforts tied directly to Spanish Fork, rather than having items transferred to the DUP where ownership would no longer remain with the

city.

There was discussion about whether it would make more sense for such a facility to be run through the DUP, given their volunteer structure and experience, balanced against concerns about long-term ownership and control of city history if the DUP were ever to dissolve or change. An alternative was raised about using existing or future city-owned buildings, such as SF17 or other properties the city may sell or repurpose, rather than purchasing a new building. The main counterpoint was that the Oak Family History Center may be uniquely affordable at this time due to its issues, and the city may be better positioned than a private entity to absorb or manage those risks.

Staff and Council acknowledged that more information is needed, particularly regarding the nature and extent of the contamination concerns, whether a phase one environmental assessment could be conducted, and whether the church would be open to allowing that analysis. No decisions were made, but there was agreement that the idea merits further exploration before determining whether acquisition, reuse of existing city buildings, or partnership with the DUP would be the most appropriate path forward.

The Council continued discussion on the potential historical building and communication processes, noting uncertainty about existing environmental monitoring data on the Oak Family History Center site and agreeing that staff should reach out to the church facilities management group to better understand any contamination issues and available information. There was general hesitation about the city directly operating a museum, but openness to partnering with the DUP or another entity that already has volunteers and experience, especially if ownership and long-term preservation of Spanish Fork history can be protected. Council members agreed it would be helpful to be proactive rather than reactive on historical preservation needs and recognized that the church may be uniquely positioned to hold or lease a property with underlying issues, particularly if the use aligns with preserving shared religious and community history. The conversation then shifted to a request from David Isaac regarding a property constrained by access to a sewer lateral, where planned roadway expansion remains in the city's master plan but has not progressed due to cost and easement challenges. Mr. Isaac is seeking city involvement to help resolve access issues since private negotiations have stalled, and Council agreed the matter needs further discussion outside of the current setting. Finally, the Council discussed improving communication between residents, Council members, and city staff, recognizing that Council often serves as the first point of contact for complaints but lacks a consistent way to track issues, assign responsibility, and report progress back to residents. Suggestions included creating a shared tracking system to log concerns, provide context, assign staff follow-up, and close the communication loop. Staff acknowledged the concern and expressed the need to consider how to improve transparency and responsiveness without creating a fragmented or inefficient process across departments.

The Council discussed improving how resident concerns are handled and communicated, with staff offering a caution against Council members directly solving individual problems. The concern raised was that when Council members resolve issues themselves, residents may continue to bypass the appropriate departments and rely on Council as the primary fix, which

can create inefficiencies and place Council permanently in the middle. Staff emphasized the importance of redirecting residents to the correct department or staff member who can actually address the issue, while still allowing Council to escalate matters when necessary.

Council members acknowledged this concern and clarified that the intent is not to solve problems personally, but to better understand who is responsible, ensure issues are being addressed, and have visibility into progress so they can confidently communicate back to residents. Examples such as benches in FitCity locker rooms and parking lot concerns illustrate that work is often happening behind the scenes, but Council is not always aware of follow-up or resolution. This lack of feedback makes it difficult for the Council to close the loop with residents.

There was general agreement that improving communication, rather than control, is the goal. Ideas included having a clearer internal process for identifying the appropriate staff contact, improving reporting back to Council when issues are addressed, and potentially using a simple tracking mechanism so Council can see when an issue is assigned and resolved without inserting themselves into day-to-day operations. Staff acknowledged that better reporting back would be helpful and noted that follow-up does occur regularly, but it is not always visible to Council.

The discussion concluded with consensus that residents will continue to approach Council members first, which is natural and appropriate, but that Council should focus on redirecting concerns to the correct source, escalating only when necessary, and improving internal communication so Council can confidently tell residents that their concern is being addressed, even when the answer is ultimately no.

The Council continued its discussion on communication and chain of command, emphasizing the importance of maintaining clear accountability and avoiding situations where issues are solved by bypassing supervisors. One Council member shared past experience where leadership skipping the chain of command caused confusion and undermined responsibility, reinforcing the preference to work through the city manager rather than directly contacting individual staff. There was broad agreement that Seth should remain the primary point of contact, with Council members looping in whenever they reach out to directors or staff, ensuring transparency and consistency. Staff echoed this preference, noting that direct contact without leadership awareness can quickly create operational problems, particularly in departments that rely on strict hierarchy. At the same time, Council members expressed the need for a stronger feedback loop so they know when issues have been addressed and can report back to residents. Seth acknowledged that follow-up often happens but is not always communicated back to Council, and committed to improving that reporting. Staff also suggested that recurring questions should be answered more publicly so the same concerns are not repeatedly routed through Council or staff individually. The group agreed that better internal communication, consistent CC practices, and clearer public-facing answers will help reduce duplication, preserve proper chain of command, and still maintain the approachability that residents value.

The Council shifted to a brief process update on the general plan, focusing on timing and

next steps rather than substance. Staff explained that the Development Review Committee has made its recommendation and that the Planning Commission has a public hearing scheduled for next Wednesday covering both the land use element of the general plan and the growth management boundary amendment. The Planning Commission may act that night or may continue the discussion to a later meeting, particularly since they may be short-handed, and staff expressed some preference for allowing adequate time rather than forcing a single-meeting decision. Once the Planning Commission completes its action, the next formal step would be a public hearing before the City Council, which could occur as early as March, though Council retains discretion on when to act after that hearing. Council members noted that prior discussion on the growth management boundary had surfaced concerns but also some openness to compromise, with the understanding that details still matter and additional refinement is likely. There was acknowledgement that it is difficult to fully debate elements of the plan while knowing further changes are anticipated, and that meaningful discussion will be more productive once revised drafts incorporating Planning Commission feedback are available. The consensus was to allow the Planning Commission process to continue, gather their input, and then return to Council with clearer options and substance for final deliberation.

The meeting concluded with final comments emphasizing appreciation for staff and the collaborative culture between the Council, administration, and department directors. It was noted that an updated draft of the general plan would be prepared after the Planning Commission hearing, incorporating DRC recommendations and anticipated commission feedback, and that Council members were encouraged to allow that process to run its course before diving deeply into revisions. Staff reiterated that discussion on the growth boundary and other elements would occur with the Planning Commission and that any clear direction from that body could be incorporated quickly into a revised draft for Council review. The Mayor and Council members expressed strong gratitude for the directors' work, highlighting that the strength of Spanish Fork lies in the quality of its people, the trust between elected officials and staff, and the absence of unnecessary barriers between leadership and residents. Staff explained that upcoming work sessions would be heavily focused on the budget, including transparency around any proposed staffing changes, and that no surprises were intended. The Council echoed appreciation for the execution and professionalism of staff, recognizing that shared vision, strong relationships, and effective communication were key reasons the city continued to function well compared to other communities. The meeting was then formally adjourned by motion and unanimous vote.

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Councilwoman Beck ▾ made a Motion to Adjourn ▾ the Work Meeting for January 31, 2026

Councilman Oyler ▾ Seconded and the motion Passed at 12:49 pm with a roll call vote.

ADJOURN:

Attestation date: January 31, 2026

*I, Tara Silver, City Recorder of Spanish Fork City, hereby certify that the foregoing minutes represent a true, accurate, and complete record of the meeting held on January 29, 30, and 31, 2026. This document constitutes the official minutes of the City Council Work Session meeting*

*Tara Silver*

TARA SILVER, CITY RECORDER