Please note: These minutes have been prepared with timestamps linking the agenda items to the video discussion.

PROVO MUNICIPAL COUNCIL

Work Meeting Minutes

12:00 PM | April 14, 2026
Provo Peaks Conference Room (110)
445 W. Center Street, Provo, UT 84601

Roll Call

Council Chair Katrice MacKay, conducting
Council Vice-Chair Craig Christensen
Councilor Gary Garrett
Councilor Jeff Whitlock
Councilor Becky Bogdin
Councilor Travis Hoban
Councilor Rachel Whipple
Mayor Marsha Judkins

Approval of Minutes

The March 24, 2026 Work Meeting Minutes were approved by unanimous consent.

Business

A presentation regarding the FY2027 Budget: Airport 00:01:05

Airport Director Brian Torgersen presented the FY2027 budget for the airport. The budget includes several key changes from the previous year: addition of three full-time firefighters that were added mid-year to maintain FAA compliance for Aircraft Rescue and Firefighting (ARFF) requirements, moderate increases to several line items in anticipation of new terminal operations by the end of FY27, a request for a full-time systems analyst position, and promotion of a part-time administrative assistant to full-time.

Director Torgersen reported that the airport achieved over 540,000 passenger enplanements in 2025, representing a 20.4% increase from the previous year. He is confident that this will put them well within small hub status range. March 2026 was their busiest month ever with over 103,000 passengers. The airport added three non-stop routes: Raleigh, North Carolina (starting October), Las Vegas, and Burbank.

Key accomplishments included completing construction of the terminal apron, beginning construction of North Taxiway Charlie for 12 additional private hangars, and installing automatic exit lane doors to eliminate the need for dedicated TSA monitoring.

The airport is effectively at full 5-gate capacity during peak periods, the current work could bring it to 8 total gates, ultimate practical buildout is around 12 gates, and they may still be about $10 million short of completing the full envisioned expansion.

Councilor Whitlock inquired about the airport's fee structure compared to other airports. Director Torgersen explained they are extremely low compared to Salt Lake City and rank as the sixth lowest in Allegiant's entire network. The airport is planning to take over payment of the Durant property purchase from the general fund, with four years remaining on that obligation.

The airport operates as a self-sustaining enterprise with revenues looking strong, though they face challenges with increasing fuel prices affecting airlines. Director Torgersen confirmed they should be able to handle the additional financial obligations if current trends continue without requiring significant rate increases.

A presentation regarding the FY2027 Budget: Power 00:38:09

Interim Energy Director Tad Smallcomb and Management Analyst Charlie Little presented the power department budget. The department's goals focus on being the most reliable power provider while maintaining fiscal responsibility and environmental stewardship. They reported no injuries or vehicle accidents this fiscal year and maintain healthy cash reserves with 189 days cash on hand.

The department is currently rebuilding the Gillespie substation, replacing transformers from 1964 with newer, higher-capacity equipment. They also started the Draper substation project and implemented a new 5-year strategic plan tracking system. Over the past 10 years, they have invested over $70 million in capital projects to maintain system reliability.

Charlie Little detailed the financial aspects, noting they are recommending fee and rate increases to align with cost of service. The department has 65% of operating costs going to UMPA for power purchases, which they cannot control. Personnel costs represent 14% of the budget, and the department has streamlined from over 100 employees to 69.

A significant challenge is the changing power market, where UMPA can no longer contract a year ahead for power sales due to market volatility. This created uncertainty in budgeting, but they kept power costs flat rather than incorporating unpredictable market sales revenue.

The proposed rate increases include no changes for residential customers, 4% increase for small commercial customers (about $20/month average increase), 7% increase for large commercial customers (about $1,700/month average), and 10% increase for BYU industrial service (about $71,000/month increase).

Councilor Whitlock questioned whether projected 2% annual increases would be needed in future years. Little explained this depends on continued cost pressures, though they hope to avoid year-over-year increases. A cost of service study will help determine fair distribution of any future increases among customer classes.

The department also proposed fee increases, including banner installation/removal fees and parkway strip tree fees, with the tree fee increasing to $510 to better cover actual costs.

A presentation regarding the FY2027 Budget: Library 01:13:21

Library Director Carla Gordon reported the library has successfully balanced its budget for FY27 and ended FY25 with a $424,000 surplus. The ending fund balance improved from around $1.5 million to nearly $2 million, representing about 36% of their operating budget.

For FY27, the library needs to replace one elevator and their boiler, planning to use $140,000 from the library legacy endowment and requesting a $285,000 appropriation from the ending fund balance. They have $1.8 million in unfunded future CIP needs over the next five years, including additional elevator work, air handlers, parking structure improvements, and brickwork.

The library has increased fundraising efforts, though not budget-changing amounts, and conducted a comprehensive staff efficiency audit. They launched the "ABC This Book's for Me" initiative to help patrons find appropriate materials and implemented evaluation processes for programming.

Director Gordon addressed concerns about reduced circulation, attributing a 10% decrease to the 10% cut in materials budget from two years ago. They cut streaming services ($40,000 total for music and video), receiving significant community feedback requesting restoration of video streaming services.

Councilor Whitlock inquired about the endowment, which generates approximately $100,000 annually in good interest rate environments. The endowment has historically been used as needed for major projects, with the goal of maintaining the principal at $2 million while using interest for building maintenance.

The library board, rather than the city council, technically approves the library's budget, though there was some discussion about the exact authority structure under state code.

A presentation regarding the FY2027 Budget: Parks and Recreation 01:40:14

Interim Parks and Recreation Director Foster Watabe presented the department budget, emphasizing their responsibility to residents and noting only two supplemental requests.

Peaks Ice Arena operates at 98% booking capacity and is 100% self-sustaining with 109% cost recovery. They're preparing for 2034 Olympics hosting with state assistance and had a recordsetting revenue year. The arena hosts about seven tournaments annually, generating approximately $5 million in economic impact.

Sports and Epic Sports Park requested a part-time sports coordinator for additional programming including pickleball, ultimate frisbee, and rugby. The fees would cover employee costs with no net budget increase. The complex generates approximately $18.5 million in economic impact and operates at 80-90% evening utilization, though they maintain one field open for community use.

Recreation Center performance measures show declining membership and revenue compared to previous years, attributed to increased competition from Spanish Fork's new recreation center, Springville's facility, and other fitness options. The center remains self-sustaining by adjusting expenses to match revenues, though they face challenges meeting their target cost recovery.

Covey Center receives approximately $500,000 in subsidy plus RAP tax funding. They're focusing more on rentals versus performances due to disappointing ticket sales for major shows, despite high-quality productions. They've secured sponsorship and donor support and plan partnerships with renters for next year's season rather than city-funded programming.

Cemetery requested $14,000 for their water line item budget and conducted 311 interments this year while hosting Memorial Day celebrations and wreath-laying ceremonies.

Golf Course is performing well with nearly 100,000 rounds expected this year, generating about $4.5 million in economic impact through tournaments. They completed facility improvements including new driving range netting, 100% electric golf cart fleet, renovated sand bunkers, and use zero gallons of culinary water.

Parks and Grounds continues maintaining increasing acreage efficiently without additional requests, utilizing over 3,500 volunteers contributing $184,000 in value and recording over 460,000 trips to Provo River Trail.

Councilor Bogdin questioned charging for Epic Sports Park parking, which only occurs during certain tournaments as negotiated contractually.

A presentation regarding the RAP tax 02:22:54

Parks Project Manager John Bunderson presented the RAP tax distribution, addressing previous council questions about funding breakdown. The RAP tax historically averaged $1.5 million annually over the past 10 years, enabling over 100 park capital improvements affecting 21 existing parks, 5 new parks, 10 playground replacements, 15 restroom improvements, and 6 miles of trail work.

With the renewed tax now generating approximately $2 million annually, the department targets 18% for arts (increased from 12%), including $330,000 for Covey Center improvements, $75,000 for community arts grants (increased from $25,000), and $10,000 for library art gallery (new allocation).

The department leverages internal funding sources with grants, contributing $13 million in local funds over six years to generate $27 million in additional grant funding, accomplishing over $40 million in projects.

Councilor Bogdin questioned the library receiving five times their previous arts grant allocation, suggesting $10,000 was excessive compared to their historical $2,000 awards. The allocation was made to avoid the library having to apply competitively for funds they consistently requested for art exhibits.

Discussion ensued about the Arts Council's role in reviewing grants versus predetermined allocations, with clarification that community arts grants continue going through the Arts Council while specific allocations like the library's art gallery funding are predetermined.

A presentation regarding debts and revenues 02:44:39

Administrative Services Interim Director Daniel Follett presented the city's debt portfolio as of June 30, 2025. The city maintains excellent credit ratings, with most issuances rated AAA or AA+, reflecting strong financial management. Utah municipalities are generally well-managed and conservatively operated, with Provo leading within the state.

The debt includes general obligation bonds for the recreation center and city hall/fire station 2, both refinanced in 2017 saving taxpayers approximately $2.8 million. Telecom sales tax bonds from 2004 that financed the fiber network later operated by Google Fiber were recently paid off.

The city maintains various revenue bonds for utilities and airport improvements, all backed by respective system revenues. Fire apparatus and golf course equipment are financed through tax-exempt leases, while golf carts use regular lease arrangements.

Director Follett emphasized the city continually monitors refinancing opportunities, though current interest rate environments are unfavorable. The city maintains very low debt levels compared to state-allowed limits and receives consistently positive rating agency feedback.

Councilor Bogdin noted the city operates well below both debt and taxation limits allowed by state law, indicating efficient financial management. Rating agencies regularly review the city's financial position and consistently provide positive assessments.

A presentation regarding property tax 03:01:24

Council Executive Director Justin Harrison presented property tax information, explaining that property tax rates are calculated as prior year revenue divided by taxable property values. As property values increase, rates automatically decrease to maintain flat revenue minus new growth.

Provo residents pay approximately 60% of property tax dollars to the school district, with only 14.6 cents of each dollar going to Provo City. The city's portion breaks down into three categories: library (0.000419 mill rate), general operations (0.000534 mill rate), and bonds (automatically calculated).

Compared to other Utah cities, Provo's general operations rate is very low. The library uses 42% of its state-allowed cap rate, while general operations uses only 7.6% of the maximum allowed rate.

Harrison reviewed recent legislative changes from HB 236 requiring additional transparency when proposing property tax increases, including impact schedules, separate agenda items, and specific notification requirements. These changes apply to any tax increase proposals between May 1 and June 13.

General fund revenues come primarily from sales tax (30%), with property tax representing only 8% of general fund revenue, making property tax a more stable but smaller revenue source compared to volatile sales taxes.

A resolution appropriating $75,000 in the General Fund for an economic development study for the fiscal year ending June 30, 2026 03:23:27

Economic Development Division Director Cody Hill presented the request for $75,000 to fund a citywide economic development study. This has been a high priority identified by city council and administration from the beginning of the year.

The Request for Proposals is currently out and closes on April 18. Twenty-six entities have downloaded the RFP, with one complete application submitted and another group indicating intent to respond. Director Hill expects most responses to arrive on the final day, which is typical for RFP processes.

The selection committee will evaluate responses based on criteria outlined in the RFP, including entity experience, longevity, and qualitative factors. Director Hill indicated that any more than 10 responses would be considered a good outcome, while all 26 would be overwhelming to review.

A presentation regarding the Provo City and Utah Valley HOME Consortium Program Year 2026 Annual Action Plan 03:26:58

Community Grants Administrator Melissa McNalley presented the 2026 Annual Action Plan, reporting final HUD funding amounts: $1,130,200 in Community Development Block Grant funds (slight decrease) and $1,428,425 in HOME funding (slight increase), totaling approximately $3.9 million.

McNalley explained the annual process including fall applications, pre-applications for HUD compliance verification, staff interviews for capacity assessment, and citizen committee scoring.

The Mountain Land Continuum of Care point-in-time count showed a 34% increase in homelessness, with more unhoused families than ever before.

HOME funding allocations include the largest amount going to loan-to-own programs, with changes allowing increased down payment assistance up to $60,000 for Provo residents through the Home Purchase Plus program. Building Beginnings receives funding for tenant-based rental assistance, particularly serving individuals transitioning from correctional facilities.

CDBG funding supports various community organizations, with final amounts slightly adjusted from initial recommendations due to funding changes. The public comment period is currently open through the city website, with public hearings scheduled for the 28th of this month and in June for final adoption.

Closed Meeting 03:39:44

Councilor Garrett moved to close the meeting to discuss the character, professional competence, or physical or mental health of individuals. Councilor Christensen seconded the motion.

Vote: Approved 7-0 (Councilors Garrett, Bogdin, Hoban, MacKay, Christensen, Whitlock, and Whipple all voted in favor).

Adjournment