

AMERICAN FORK CITY
COUNCIL SPECIAL SESSION AND WORK SESSION
FEBRUARY 11, 2016

SPECIAL SESSION

The American Fork City Council met in a special session on February 11, 2016, at the City Administration Building at 51 E. Main, commencing at 6:00 p.m.

Those present: Mayor James H. Hadfield
Councilman Kevin Barnes
Councilman Carlton Bowen*
Councilman Brad Frost
Councilman Rob Shelton
Councilman Jeff Shorter

Staff present: City Administrator Craig Whitehead
City Civil Attorney Kasey Wright
Deputy Recorder Terilyn Lurker

CONSIDERATION AND ACTION ON ENTERING INTO AN EXECUTIVE SESSION TO DISCUSS
PENDING LITIGATION – *Mayor Hadfield*

Councilman Shorter moved to enter into an Executive Session to discuss pending litigation at 6:00 p.m. Councilman Shelton seconded the motion. Those voting “aye” were Councilman Barnes, Councilman Frost, Councilman Shelton and Councilman Shorter. Councilman Bowen was not present at the time of the vote.

The City Council entered into an executive session in the Conference Room of the City Administration building at 6:00 p.m. Those in attendance included Mayor James H. Hadfield, Councilman Kevin Barnes, Councilman Brad Frost, Councilman Robert Shelton, Councilman Jeff Shorter and Councilman Bowen*. Others present included City Administrator Craig Whitehead, Civil City Attorney Kasey Wright, and Deputy Recorder Terilyn Lurker. Pending litigation was discussed. The meeting was audio tape recorded as required by statute.

*Councilman Bowen arrived at 6:03 p.m.

The executive session concluded at 6:41 p.m.

Councilman Shorter moved to return to special session at 6:41 p.m. Councilman Barnes seconded the motion. Voting was as follows: Aye, Councilman Barnes, Councilman Bowen, Councilman Frost, Councilman Shelton and Councilman Shorter. The motion carried.

ADJOURNMENT TO A WORK SESSION

Councilman Shorter moved to adjourn to a work session at 6:41 p.m. Councilman Barnes seconded the motion. All were in favor.

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council meeting.

The American Fork City Council met in a work session on February 11, 2016, at the City Administration Building at 51 E. Main, commencing at 6:41 p.m.

Those present: Mayor James H. Hadfield
Councilman Kevin Barnes
Councilman Carlton Bowen
Councilman Brad Frost
Councilman Rob Shelton
Councilman Jeff Shorter

Staff present: City Administrator Craig Whitehead
City Civil Attorney Kasey Wright
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DISCUSSION OF THE RESULTS OF THE RETREAT DISCUSSION OF GOALS AND OBJECTIVES – Craig Whitehead

Mr. Whitehead stated they would be going over what was discussed at the retreat with regards to the goals and objectives for 2016. He felt the best way to go through this discussion was to go through each of the six goals.

STREETS

Intention Statement: Increase quantity of resurfaced streets

Creative pathways: -Allocate 50% of budget surplus (any revenue brought in to the - General Fund over the projected revenues)
-Allocate fund balance over 20%
-Create Transportation Utility (funding?)
-Funding options – 1% of the existing 6% utility fee (1% streets, 5% other)
-Increase regular budget funding for Capital Improvements for streets

Measurement: Compare quantity of streets resurfaced to previous year, \$5 million budget for streets, road registry

Mr. Whitehead stated they would go over Streets first, which has always been their number one goal.

Councilman Bowen commented that at the retreat, they talked about a transportation utility and he wanted to clarify that his intent was to create a fund where the money was only used for roads. He thought that the road accrual fund met what he wanted and he would be satisfied with additional revenue streams going into that fund. Mr. Whitehead explained it was not its own fund, but it was a set amount of money they put into the budget strictly for road improvements.

Mayor Hadfield stated that Provo was the only community in Utah County that had a road fee on their utility bill, and that went into a roads fund. Provo was unique in the fact that they had many non-profit organizations that did not pay property tax and therefore did not pay for any of the roads. Every utility bill now had that fee added to it so that all property owner had to pay into the road fund. He noted that Provo City had been sued by agencies who did not feel that was fair. Mr. Whitehead stated that American Fork chose to wait until the lawsuit between Provo and IHC and BYU was settled before going any further with this in American Fork. Mayor Hadfield stated that American Fork also has many non-profit organizations, such as the LDS buildings, Developmental Center, schools and Hospital, which do not pay property tax.

Councilman Bowen stated that he was not suggesting a fee, but noted there were other revenue sources that could be put into that fund. For example, the 6% utility fee paid with the Questar and Rocky Mountain Power bills brought in approximately \$1.7 million in revenue annually. He was suggesting they take 60% of that and put that in the roads accrual fund. It was a start and a regular revenue source they could count on. Councilman Bowen stated that Councilman Shelton had pointed that natural gas and electric cars were not paying the gas tax and that was what sparked Councilman Bowen's idea. Mr. Whitehead stated those utility fee funds went into the general fund, and if they earmarked those revenues for roads that they needed to take that amount from other areas to make up the difference. Councilman Bowen replied that he could not say what they were going to cut since the city had a zero-based budget, which he understood to be that each department based their budget off of what revenue was anticipated and what their needs were. He was not saying that they cut anything, but that they say roads were a priority and those funds were not available for any other purpose. He commented that each department may have \$100,000 less for their budgets, but each year the revenues go up so it may not be an impact. Councilman Bowen noted that the City budget was up \$10 million from when he first campaigned, to which Mr. Whitehead explained that was due to capital projects.

Councilman Shelton felt they do need an enterprise fund for roads. As soon as they start making headway, a future council could take this priority off the table and those funds could be disbursed other ways. As an enterprise fund, it would take the temptation way. He wanted a long-term, viable solution to a problem that would last longer than any of their terms of office.

Councilman Bowen wanted to accomplish this by passing an Ordinance for that specific reason, that there remain a long-term, viable source. Mr. Whitehead explained that if they created an enterprise fund, it would have to be supported by revenues such as a transportation utility fee. Mr. Whitehead stated that they cannot appropriate money from the general fund to an enterprise fund.

Councilman Bowen stated that they made it clear at the retreat that they did not want to impose a new fee. It wasn't a transportation utility fee they were talking about, but a transportation utility. He thought they could still have an enterprise with a revenue source that the money could only be spent for that but questioned if they did need that since they have the road accrual fund. It may not be as secure, but the money was allocated for the roads. He was fine if they have the transportation utility as long as it was not a vehicle for imposing a fee. He did not want to impose any additional fee, but to take existing funding and funnel it into roads.

Councilman Shelton stated that Provo had a bond that was going away paid for by property tax and they opted to then charge a transportation utility fee on their utility bill in place of that property tax. The monthly fee corresponded with what they paid in property taxes. He would support looking further into how they could increase the road fund by \$600,000 or \$700,000 and he would also be supportive of protecting the money in an enterprise fund. He would also be in favor of looking at the feasibility of a utility fee in place of the property tax increase approved in 2008, as they would have more property owners paying the fee which would then increase revenue. After the study was performed and a discussion held, they could then make an educated decision.

Mr. Whitehead stated that they need to remember they were already supporting the general fund by using surplus. Last year, they ended the year with about 25% fund balance but immediately took \$2 million for a project, reducing the fund balance to approximately 18%. He also explained that Preston Kirk met with him, Mayor Hadfield and Cathy Jensen concerning the refunding bond. One thing brought up by bonding companies was the fund balance; they felt the City's fund balance was low for a city of our size with our bond rating. If they saw a further decline, the city's bond rating could be affected. Mr. Whitehead stated that five years ago, they had approximately a 9% fund balance at \$3 million or less. This last fiscal year they were just under \$5 million, which was a decrease from \$5.1 million from last year. He commented that the bond companies want to see increases in fund balances, not declines.

Councilman Bowen stated that they have been able to allocate more to the roads. His point was that he would like to find a reliable funding source going specifically to the roads. The road accrual fund was there and has worked for several years. They could pass an ordinance saying that 60% of this revenue source (the utility fee) would go into that fund.

Councilman Frost stated that if they did that, they would have to have everyone tighten their belts. Those funds would have to come from somewhere.

Councilman Shelton asked if they could have staff look at a utility fee so they could see what kind of impact it would have. They could debate all night long, but until they see what the departments are requesting it would be hard to make a decision.

Mr. Whitehead asked what their goal was. If they were getting \$500,000 in the budget already, what did they want to see? He noted that they could potentially get additional revenue from the B&C Road funds, and it was thought to be around \$300,000. Mr. Whitehead stated that there was no set amount in the accrual fund, and they could increase that to \$600,000 or \$700,000 but it would come out of the fund balance.

Councilman Bowen commented that the \$500,000 that goes into the account each year comes from the property tax. It was explained that it technically go into the general fund, but they set the priorities and set aside that money for roads. Councilman Bowen wanted to address Councilman Frost's comments about tightening belts. From past experience, Councilman Bowen did not think it was belt tightening and that instead of spending more than the previous year they cut the increase that they normally receive.

Mayor Hadfield stated the single biggest expense is personnel. When they say we could cut here and there, they needed to decide what positions they do not want to fill.

Councilman Shelton stated they could make a goal of getting the road accrual of \$1.2 million, which was an additional \$700,000 on top of the \$500,000 that typically goes in the road accrual fund, and then see where those cuts were going to have to be made. He joked that maybe revenues would increase significantly and they would not have to make cuts.

Councilman Bowen wanted to address having staff come up with scenarios. He thought it was negative because staff would then want to protect their department and try to come up with ways to paint the worst possible scenario to fund the roads. Councilman Frost thought that a cynical way of thinking how people think of their job. Councilman Bowen stated he did not mean to put staff down, but if he were over a department he would want to protect his department's funding.

Mr. Whitehead stated that Councilman Bowen seemed to think it was simple. The \$10 million increase Councilman Bowen mentioned earlier was largely capital projects. When they are talking about operating in the general fund, they only have about \$20 to \$22 million. If they take \$1 million from the general fund, it impacts the departments. He thought that if they want to set a goal at \$1.2 million, they could work toward that goal. Mr. Whitehead stated they never fund all of the department requests. He knows there will be extreme pressure from Public Works for an additional building inspector.

Councilman Shorter stated they have increased revenue every year but expenses go up as well.

Mr. Whitehead stated they have to balance out the requests every year. If they do not want to balance the budget using the fund balance, they have to cut out expenses which was typically capital projects.

Councilman Bowen stated that on the flip side, the budget was up last year and they needed to ask themselves what they did fund. If they ask what they were going to cut, he was going to come back and ask what they did fund. Last year that could not be answered.

Councilman Shelton stated that he was willing to meet half way by investigating options. He was not willing to make a decision without having data to look at.

Councilman Bowen stated that he liked they could come to a consensus and hoped staff would operate in good faith, which he did not mean to be offensive in any way.

Councilman Frost stated that there would be an increase in the B&C road fund and asked if there was anything that said they could not put the B&C revenue in the road accrual fund. Mr. Whitehead stated that would be okay because the revenue would be going toward streets. They could have that increase go every year in the road accrual. As the city grows, the need for the B&C funds would increase.

Mayor Hadfield stated they usually end up with more than what was budgeted because of the increase in sales tax revenue. He explained there were four classes of roads included in the tax revenue the B&C funds come from; the city receives revenue from the B&C portion. The B&C tax revenue could be used for anything dealing with roads such as salt, equipment and other road related items.

Councilman Frost stated they could say that they have increased the road accrual fund by an estimated \$300,000 with the increase in B&C road tax.

Councilman Bowen asked what the percent of increase was. It was new revenue and he thought it was another ideal candidate for taking that money by Ordinance and putting it into that fund. The other council members did not feel comfortable with passing an Ordinance, noting that future councils could change the Ordinance anyway.

Councilman Bowen thought that the council was interested in having a reliable funding source for a utility fund that would make it so that year after year it would remain a priority but not tie future council's hands. In 2008, the City Council increased property taxes specifically for road accrual. He thought their hopes and actions would be to do that very thing, but if they will not do it by ordinance then how do they do it? Councilman Shorter commented that they just instructed Mr. Whitehead to do that.

Councilman Bowen thought the Council had passed a resolution regarding the \$500,000 tax increase and what the intent was for that increase. Mr. Whitehead explained that there was nothing in writing about the increase.

Councilman Bowen asked if the Council would be supportive of passing a resolution of intent. It was noted that a resolution was political move only. The City's budget was approved by a resolution, but budgets could change. Councilman Bowen thought there was a practical and beneficial value of passing a resolution that provided guidance to the Administration until it was changed at some point in the future. A resolution would stay on the books, but the discussion tonight was only for the next year.

Councilman Shorter was okay with a resolution, but did not think they needed it.

Councilman Frost stated that if there was a disaster of some sort and the city needed money quickly, they would be taking money from any place they could get it. At that point, would they have to change the resolution? If he wanted to provide guidance, he would do it verbally.

Councilman Bowen wanted to know why they were against putting the support in writing.

Councilman Shelton commented that if Councilman Bowen wanted to bring them a resolution, he could do that and they could discuss it then. However, he did not want to debate that tonight. He wanted to see what they could get accomplished. He stated his understanding was that Councilman Bowen wanted additional funding for roads and Councilman Bowen indicated that was correct as long as it was not from new taxes. Councilman Shelton stated that they have talked about taking the additional \$300,000 estimated from the B&C funds and put it into the road accrual fund and have staff look for additional funds; Councilman Bowen was supportive of that, but noted there were a couple of other funding sources that were possible.

Mr. Whitehead then stated his understanding was that the goal was to increase the road accrual fund to \$1.2 million.

Councilman Frost stated they have the Main Street project coming up and a 100 East project that would take \$2.5 million. If they create a resolution, do they break that when another project comes up that cannot be delayed? A resolution could be a great tool, but it may bind them.

Councilman Shelton suggested they table the talk about a resolution until they have something in front of them to debate. He wanted them to come to a consensus on what direction to give staff, such as giving them a goal of \$1.2 million for streets.

Councilman Bowen did not feel good about it. He stated there was more that needed to be talked about. He questioned where the \$1.2 million from. He had suggested they take \$700,000 more, and that was where he assumed Mr. Whitehead got the \$1.2 million from.

Councilman Shelton stated he wanted to make sure they were in agreement to give staff direction to this point. Councilman Bowen was okay with what was discussed so far.

Councilman Frost stated that streets were our number one priority; however, they had a city to run with a lot of moving parts. Anything that was saved should go towards streets as it was the number one priority. He was hoping to see more surface work done.

Mr. Whitehead stated that is the goal they had last year and they recognize it is the number one priority. This last year, they put \$700,000 more into streets than the year before. It was a balancing act every year and they use as much money for streets as they can get. They know they are not doing enough.

Councilman Barnes asked for clarification on the additional \$1.2 million and what revenue was included in that amount. Councilman Bowen commented they were up to \$1.5 million – the existing \$500,000, \$300,000 additional from the B&C road funds, and an additional \$700,000. Mr. Whitehead thought it was a total of \$1.2 million. It was felt by the other council members that they had also decided upon the additional \$300,000 from the additional B&C road on top of the \$500,000 road accrual money and that was all. Councilman Bowen thought they had agreed upon \$700,000 from the energy tax but the other Councilmen indicated that had not been agreed upon.

Councilman Bowen stated that at the retreat they also talked about the excess of surplus and taking a percent for roads.

Councilman Shelton stated he just wanted to come up with a goal of \$1.2 million. At this point in the discussion, it was felt that they had come up with \$800,000 with the original road accrual amount and the estimated increase of \$300,000 in the B&C road funds.

Councilman Shorter felt that water was more important than streets. They could not go without water, but they could drive on bad roads. Councilman Bowen noted that water had a reliable funding source, but streets did not.

Councilman Bowen restated that he wants a reliable and steady funding source without new taxes.

Councilman Frost asked if Councilman Bowen would be supportive of a tax increase if 80% of the residents were in favor of it. Councilman Bowen stated he would not be in favor of that.

Councilman Shelton stated that he has a storybook he is reading to his kids at home, *I Can Eat an Elephant*. They are talking about a major elephant: road funding. The book says to eat an elephant a little at a time. He understood that Councilman Bowen had a vision of getting to a certain point, but he asked that Councilman Bowen work with them bit by bit to get to that point. He felt it was better to come to a consensus of \$1.2 million a year, which was \$400,000 more and then they should run with it. He did not think they were going to get anywhere by trying to get the end result right way.

Councilman Frost stated that little savings do add up and would help the road accrual fund. The roads are a very important issue to the residents. He came in as councilmember thinking there would be extra money, and he was very disappointed to find that was not the case. He would say that we need to tighten our belts the best we can, make the employees happy as best we can, address the quality of life and go forward with the mindset that everything else goes to roads.

Councilman Shelton noted that there was a consensus to take the \$1.2 million for roads and move on to other priorities.

Councilman Bowen was happy to move forward and he thought they were moving forward piece by piece, but there were two more pieces they were going to talk about. He thought they would talk about anything over 20% net fund going to roads and taking a percentage of the budget surplus for roads.

Councilman Shelton clarified that any percentage over 25% was already allocated to the capital improvements program. Mr. Whitehead stated that was correct and they have done that for the past couple of years.

Councilman Bowen thought that the 20% was great idea. He thought they could have in a resolution or ordinance that anything over 20% was used as a funding source for roads so it would not have to be debated each year.

It was explained that in the budget process, projections on expenditures and revenues were made. Fortunately, the city has been able to have excess revenues due to excess sales tax revenue. They project what the surplus would be and they do put as much as they can into streets.

Councilman Shelton thought the fund balance should be around 18%. It was prudent to allow that to build up throughout the year and then take it back down to 18% and anything extra could be thrown at the roads. If another project came up that was important, they could look at that as well. Councilman Frost was okay with that and thought that 20% was a good number. Councilman Bowen was also supportive of that and thought 20% was okay, but felt it was best to have a fund specifically for roads that could not be used for anything else. Councilman Shorter felt 22% was a better percentage, but he was okay with 20%.

Councilman Barnes stated that he understood them to say that roads were a priority but funding could go other places also. Councilman Bowen stated that was correct, that in the case of a natural disaster they have the discretion to do what was best for the city. Councilman Bowen felt it had value to setting long-term guidance and direction to staff and have some mechanism in place.

Councilman Frost stated that the guidance he has heard from the citizens was that roads was a priority. However, he did not want to see that on the utility bill.

Mayor Hadfield stated that several years ago they enacted a fee and placed it on the utility bill as a water assessment. That was to purchase the Central Utah water and for piping of the Murdock Canal. That assessment would decrease in future years and they could then enact a road utility fee in its place if they chose.

Mr. Wright left.

Councilman Barnes saw there were five items under the Creative Pathways for Streets and he wanted to make sure they had addressed all five items. Mr. Whitehead thought that they had only settled on increased funding for capital improvements. Councilman Barnes commented he thought they had also decided upon anything over 20% fund balance would go toward streets; it was noted that was correct. With creating a transportation utility, Councilman Bowen had intended that they create a fund or account, but not a fee. The Funding Options of 1% of the existing 6% Utility fee was something that they would go back and look.

Councilman Bowen stated that Mr. Whitehead was trying to get to a total \$1.2 million. Councilman Shelton commented that he had suggested they get to \$1.2 million and see what funding source they were using and then look at whether or not it was something that could be used year after year.

Councilman Bowen also thought they were all in agreement on anything over 20% being used for roads and by earmarking 50% of any additional revenue each year toward the streets.

Mayor Hadfield left.

Councilman Bowen summarized what the funding sources were. He stated they had fund balance, which was the savings account. If they had anything over 20% fund balance then they target that excess towards roads. The B&C funding was the increase revenue the City would receive. The fourth item they talked about was the energy tax.

Councilman Shelton thought it was poor planning to allocate any surplus on a monthly basis; it needed to be done at the end of the year. Councilman Bowen stated that they need to remember that throughout the year.

Mr. Whitehead wanted clear what his instructions were.

Councilman Shelton stated he could not make a motion, so he would make the following suggestions as to what they have decided. First, they give direction to Mr. Whitehead to try to find \$1.2 million for the road accrual fund; \$500,000 was already there, \$300,000 would come from the increase in B&C road funds, and an additional \$400,000 would come from the general fund. They also talked about using anything over the 20% fund balance for roads.

WATER

Intention Statement: Secure Culinary Water

Creative pathways: Year 1 – Spring Line - \$4 million
Funding: -\$600,000 water tank lid
-\$ 50,000 850 East
-\$600,000 PI Filter
+\$2.75 million Fund balance/net revenue
Year 2 – 100 East water line project - \$2.5 million
Year 3 – Water tank lids, PI filters, Emergency Generator*
(\$450,000)
*if funding available, this will be purchased earlier

Guiding Principles: Build up water fund balance from secondary bond savings;
advance projects as funding becomes available

Mr. Whitehead stated that with regards to the Water goals, they needed to re-arrangement the order of projects. The 100 East project had to be done first. The Spring Water line would be second as an environmental impact needed to be done and that would take approximately one year. The question was how they fund the \$2.5 million 100 East project. They could use the water surplus fund but it would wipe that fund out. They have an estimated \$3 million for water that was unrestricted and they could take that now to use, but they would need to immediately start building that surplus up again. He did not know where they would get the funds if they did not use that. However, the next project was the Spring Line at a cost of \$4 million. They would most likely construct that project over two years. If they upsize the water line, they may be able to use impact fees and it was noted that there was also the possibility to get the State to help pay for 30% of it.

Mr. Whitehead noted that by refunding the water bond, they would save about \$270,000 a year and would help build up the surplus again.

Councilman Shelton asked if they have discussed the PI filter north of Fox Hollow Golf Course. Mr. Whitehead was not sure if that was included in the \$600,000 PI Filter cost or not.

Councilman Shorter asked how they would get the State to help pay the cost. Councilman Shelton stated they would need to meet with the elected state officials and they would have to put together a request; he felt they could get the funding from the state, but they need to start the allocation process going. Councilman Shelton stated that there were plans for a development north of the Developmental Center and he thought the State would be willing to help in order to get the water to that project.

Councilman Shelton suggested that they look at making 100 East the priority and have staff get with elected officials this year to get some support on getting funding for an environmental impact study as well as the Spring Line project. He also felt the water tank lid was something that needed to be fixed and that could be put back on the list for repair this year; if they plan on

increasing the water capacity they should make sure they have a place to safely store it. It was noted that with the Spring Line being delayed a few years, the tank lid may not have to be put off.

Councilman Frost commented that there was a running tally of things that was needed and he thought it would be productive to have a work session with State leaders so they are aware of what needed to be done. It was felt that was a great idea and that they should hold a work session in August so they can make their strategies with a follow up meeting in January where the State leaders could make their proposals. Mr. Whitehead stated that staff would need to have good estimates on the projects.

With regards to the generator, Councilman Shelton asked if they could use that generator during Steel Days. It was noted the generator was very large and on a flatbed trailer.

Mr. Whitehead stated that he had talked to Dale Goodman about this several months ago. He brought up the idea to Mr. Goodman about leasing a generator. There were two proposals. One proposal was that the generator would be kept on-site but they would maintain it for \$70,000 per year. The second proposal was contracting with Sunbelt where in an emergency Sunbelt would bring the generator to us at a cost of \$5,000 per year. In a localized emergency, that option was fine. In a statewide emergency, it would not be a good idea. Mr. Whitehead stated they could look into a lease-purchase situation.

Councilman Shelton summarized that the Spring Line would be three or four years away, but they would get with the Legislatures this year to look into funding. The water tank lid would be done this year. The 100 East Water line was in the next year or two, depending on when the State did that project. With the emergency generator, possible options would be researched and then brought back to the City Council.

Councilman Shelton further explained that the funding for the 100 East water line project would sit in the water fund balance until the State came in and did the project, since the State has not given them a definite date for construction.

Councilman Frost commented that the Mayor had mentioned placing the water lines underneath the sidewalks. There were two water lines in the road right now, one on each side of the road so they do not have to cut across the road for lateral repairs.

Councilman Bowen commented that they approved a project for 100 East at the last City Council meeting and he questioned how that related to this. It was noted that was for bursting the sewer lines and that they would not be digging in the roads.

Councilman Frost stated that he knows engineering would never let this slide, but there was a well head off of 100 East by Mill Lane that improvements would need to be made in the near future.

MAIN STREET VISION PLAN

Intention Statement: To create a vibrant, safe, well-constructed corridor that stimulates economic growth and improves quality of life

Creative Pathways:

- Add to Main Street account – Capital budget
- Façade Loans – Façade Improvements
- Identify UDOT vs city responsibility
- Identify sub-street infrastructure
- East Main RDA approval
- Implementation Team
- Grants; private-public partnerships
- Land evaluations, zone enforcement, acquisitions, trades
- Harrington Study
- Facilities Study

Guiding Principles:

- No debt, pay-as-you-go
- Communication/Cooperation with business owners
- Citizen engagement

Measure Success:

- RDA Approval
- Allocation/Budget/Funds
- New Business
- Downtown Event Participation
- Actual improvements installed

Mr. Whitehead stated that there were many creative pathways. They received the cost estimate of about \$1.5 million for the project for things such as street lights, street scape, etc. It was a total of \$2.5 million for extending it out further. This did not include sewer, water and storm drain. They have already been working on replacing the water lines in anticipation of Main Street being reconstructed by the State.

Councilman Frost stated that in meetings, Lars was throwing out numbers and thought it would cost \$10 million from top to bottom. The lions share were things not seen such as the water and sewer lines.

Councilman Bowen was concerned with the sharrow and how it would limit traffic; he thought it would cause more problems than it would solve. It was noted that this plan was in the general concept phase and would be back before the City Council for approval.

Councilman Shelton commented that there was money in a fund for a development loan program for small businesses to borrow for improvements for their business. They have money that continues to sit there, and he would recommend getting rid of that program and move those funds the downtown fund. He thought it was only \$70,000 to \$100,000 but it would get a little extra money into the downtown fund. Mr. Whitehead stated it has been a successful

program in other cities, but he did not disagree with Councilman Shelton. Councilman Barnes indicated his support with doing away with the program.

Councilman Shelton stated that if they do go ahead with an RDA, that would provide a funding mechanism for participation and he thought that was a better option. Councilman Frost asked if the council members would be supportive of an RDA. Councilman Shelton wanted staff to present a plan that they could then discuss and decide if they wanted to go forward with it.

Councilman Shelton clarified that they would take the money from the loan fund and put that into the Downtown American Fork fund that was started several years ago. That fund was to go on the downtown area only, geared toward the streetscape on sidewalks, lights, etc. It was not to be used on private property. Councilman Bowen was also supportive of doing away with the loan fund.

Councilman Frost stated that the Mayor was concerned about the Harrington building. If that was part of the downtown, they need to consider having an assessment of that building and they could use some of those downtown funds to look at that.

Councilman Shelton stated that when they buy a building, they are buying a depreciating asset. A building that size would take a significant amount of capital to fix up and to maintain. He would hate to buy it and improve it just for sentimental reasons, but he would be willing to invest in it if the need was justified. As part of the facilities plan, they can look at if the city has a need for it. If they don't want it or need it, then they can move on. When you re-hab an old building, there are a lot of hidden costs involved.

Councilman Frost wanted to look at it, but he would not let his common sense override the sentimental value.

FACILITIES MANAGEMENT PLAN

Intention Statement: Create and prioritize the facility needs of the city

Creative Pathways: -Show trust to the residents that use of impact fees will keep the same level of service
-How to legally and effectively use various funds available
-Developer participation/grants

Guiding Principles: -Look at the next five years and prioritize by needs
-Evaluate the properties owned and sell what is not needed (those funds could go toward other projects)

Measure Success: -By meeting stated needs
-Possibly hire consultants

Mr. Whitehead stated that he wanted to talk to Lehi City to see who they used as a consultant for their facilities management plan, however he has not had a chance to talk to their Manager. He thought they needed to start with having each department look at their buildings and their needs for the next 5 or 10 years. He stated this was a straight-forward goal.

PARKS

Intention Statement: Create and prioritize large impact improvement projects related to parks, Recreation and tourism.

Creative Pathways: -PARC Tax was passed – applications, renewing
-Budget
-Restaurant Tax – change focus to Boat Harbor
-Private/Public Partnerships – continue
-Citizens’ committees

Guiding Principles: -Process and administration (policy ordinance)
-Committee Appointments DONE
-Transparency
Communications and PR

Measure Success: -Are we “on the field”
-Highlight impacts from PARC

Mr. Whitehead stated that with the Parks goal, they were just changing the focus from the previous year. They now had the PARC tax and they would be seeing requests coming forward soon. Mr. Whitehead thought that there may be a request by the Arts Council to purchase the Harrington building, and he knew that the Parks Department would have several requests coming in.

Councilman Barnes noted that the requests will far exceed the revenue coming in.

Councilman Frost thought the City did a great job in bringing a solid foundation for this PARC Tax prior to the vote. They had a very good committee with smart and trusted people. It was in good hands.

Councilman Barnes thought they needed to get signs made for the projects that were completed using PARC funds. It was noted that provision had been included in the requests.

EMPLOYEE MORALE

Intention Statement: Making American Fork City a place where employees feel appreciated, respected, and fairly rewarded

Creative Pathways: -Implement an extensive performance management system
-Develop a performance plan for the year

- Set up monthly meetings with employees to review the plan and provide direction, praise, and correction when needed
- Do a yearly performance evaluation
- Provide a recognition reward system – merit increase, bonus or reward
- Provide a competitive compensation package

Councilman Frost stated that at the retreat, they found that all the stickers on Employee Morale came from the City Council. He stated that it was not all about money and that they needed to make sure the employees feel appreciated.

Mr. Whitehead noted that the City did have a formal performance program they have been using for a couple of years. It could be used in all areas that were listed in the creative pathways. He stated they were looking at a different software system, one that was similar but a little simpler to what they were currently using. He noted that most department directors do have monthly meetings where they go over the goals and objectives for the department.

Councilman Shelton thought that software was great to accomplish objectives. He liked to ask in interviews what was more important, money or the job, and the answer was usually both. People need to be able to enjoy their jobs but make enough money to support the family. As a leader, they need to figure out how they encourage improvement to get the employees to the next step. Software was there to help track it, but the biggest question they have was if they have the right people in the right seat on the bus that have the leadership skills to reach down and help the employees get to the next level. Are they seeing that progression? He did not think they had that right now, and it may be a lack of training for those in leadership positions.

Councilman Frost stated that they mentioned making sure people were in the right seat on the bus and happy. The leaders at the retreat needed to understand that they could make the changes they felt needed to be made.

Mr. Whitehead stated they want to get a good process in place for performance evaluations. They believe in improving the performance of the employees. Several years ago, they looked at incentives to motivate the employees and it came down to recognition and appreciation for a job well done. They did not come up with bonuses, although money can be the motivator. When Mr. Whitehead was interim Public Works director, they did quick rewards where they gave out gift certificates.

Mr. Whitehead reported that they started a six-course supervisory webinar training program through ICMA for all supervisors. All the supervisors are going through it or will go through it in the future.

Mr. Whitehead stated morale was important and has always been important, and the question was how they keep and maintain it. They completed the compensation study to make sure

every employee was fairly compensated. Every employee would be getting their pay range in the upcoming days.

Councilman Shelton commented that recognition, praise, and rewards come in different packages. When he has asked employees what they wanted for recognition or praise, all answers were different. He thought that the employees would be appreciative of their supervisor's praise. The supervisor-employee relationship was very important. If you treated an employee right, they would jump through hoops for you. Councilman Shelton thought that all supervisors should work on improving their relationship with their employees.

Mr. Whitehead commented that after the retreat, he and Judy had decided to do another employee survey. They also talked about meeting on a monthly basis, where they would have fifteen minutes to talk about three things they want to accomplish. It came down to the commitment levels of all employees.

Councilman Shelton suggested that as they look at wrapping these up, it would be good to have a quarterly work session to update them on where they are at and to look at if they are on track. It could be done as just an administrator's report. Mr. Whitehead indicated that his goal moving forward was to give them a quarterly financial reports.

Councilman Frost thought that out of the box thinking was fine with him. For his employees, he would take \$100 bills and gives to his employees. It does wonders for the morale. He thought movie tickets or golf passes would be a great idea, or the possibility of giving the supervisor's the option of allowing their employees half a day off. Mr. Whitehead stated they do hold an appreciation event for employees once a year.

Councilman Frost stated they have had a productive session, but he wanted to bring up an issue concerning budgetary items and new hires. He commented that when new employees are hired, the budget was increased perpetually unless they started cutting jobs. He thought it was important and a courtesy to inform the Council on the changes and explain the purpose and the cost.

Mr. Whitehead asked if it was new positions and not replacement employees they were referring to and Councilman Frost stated that was correct. Mr. Whitehead stated that when they do hire for new positions, it was always included in the budget and provided to the council. The budget included a listing of personnel in each departments and they could see the proposed changes in personnel.

Mr. Whitehead stated that if he was referring to the Management Analyst, he had told them it would be included in the budget and that he was moving forward with recruiting for that position.

Councilman Shelton stated that it would be good to know when they are exercising that and moving forward with a position. He did not like surprises; he likes to have a plan in place. He

has commented that they want to know where they were going and the direction they were going. He commented that they did that with the firefighters and the Public Relations/Economic Development Director. He asked that they be kept in the loop.

Councilman Frost asked if any of the councilmembers knew about the position, but none of them were aware of it. He asked for an occasional reminder about issues like this. They needed better communication.

Mr. Whitehead stated that he needed the position; it wasn't a fluff position. He did too much as it was and spent too much time here. He needed help as there were a lot of things he had to do. He stated that in the future when a new position was included in the budget, it would be pointed out and highlighted. When the firefighters were hired, it was a huge impact to the budget and was well-known. The Management Analyst position didn't increase the budget very much.

Councilman Shorter stated that they do need to know as it is a huge impact to the budget. The benefits and salaries are the biggest impact to the budget.

Mr. Whitehead stated that this was a position that saved money. Administratively, American Fork City was sparse. Lehi City was twice the size of American Fork, yet they have a City Administrator, Assistant City Administrator, Assistant to the Assistant City Administrator, and two Management Analysts. Pleasant Grove has a City Manager and an Assistant to the City Manager. Mr. Whitehead stated that he needed the help.

Councilman Frost didn't doubt that Mr. Whitehead needed the help, but he did not remember it being in the budget. It was important enough that they needed a gentle reminder occasionally.

Mr. Whitehead stated that this was not a huge impact to the budget but he would highlight new hires in the presentation. Originally, he had wanted Brittany Bailey hired on to help him out, but she ended up leaving for another job. It had been mentioned that she would be hired full time.

Councilman Barnes asked how many new employees might be asked for in the upcoming budget. Mr. Whitehead stated that Dan Rojas would be requesting another inspector, maybe two. Derric Rykert has always asked for new positions in Parks, however he has restructured his department to fill the needs. Mr. Rykert has always wanted the cemetery secretary to go full time and was recently able to do that by re-structuring his department. Mr. Whitehead stated that the Fire Department would ask for another three employees in anticipation of when they have another station and to help fill shifts.

Mr. Whitehead stated that he was happy to finally get help in Administration; the position would be invaluable to the City. Councilman Frost commented that Mr. Whitehead was an employee and they were concerned with his morale as well as the rest of the employees.

Councilman Frost did not want any divisions; they needed to be a team. He commented that he also did not understand what the job description included.

Councilman Bowen thought that it was a great point on communication and making sure they were aware of new hires.

Mr. Whitehead stated that the budget was a balancing act that they have to go through every year. The departments always ask for more, and they do as much as they can with what they have.

Councilman Frost changed the topic and stated that they may want to look into going in with another city to purchase equipment that would grind down and then repave the road. Mr. Whitehead stated that one of the duties of the Management Analyst would be to look at that and decide what would be the best option to go with.

ADJOURNMENT

The meeting adjourned at 9:45 p.m.



Terilyn Lurker, CMC
Deputy Recorder