

1 Minutes of the Centerville City Council **work session** held Tuesday, April 19, 2016 at 5:30 p.m.
2 in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

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4 **MEMBERS PRESENT**

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6 Mayor Paul A. Cutler
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8 Council Members Tamilyn Fillmore
9 William Ince
10 Stephanie Ivie
11 George McEwan
12 Robyn Mecham

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14 **STAFF PRESENT**

15 Steve Thacker, City Manager
16 Blaine Lutz, Finance Director/Assistant City Manager
17 Lisa Romney, City Attorney
18 Randy Randall, Public Works Director
19 Kevin Campbell, City Engineer
20 Jacob Smith, Assistant to the City Manager
21 Katie Rust, Recording Secretary

22 **MASTER PLANS AND FUNDING FOR STREETS AND WATER MAINS**

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24 Steve Thacker, City Manager, presented five water rate increase scenarios designed to
25 provide funding for the next five years of water main replacement projects listed in the capital
26 project list prepared by the Public Works Department and ESI Engineering.

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- Scenario 1: One time increase of 30%, no other increases
 - Scenario 2: First year increase of 24%, with 2% increase over the subsequent 4 years
 - Scenario 3: First year increase of 15%, 2nd year increase of 10%, and 3% increases in the subsequent 3 years
 - Scenario 4: First year increase of 10%, 2nd and 3rd year increases of 10%, and 3% increases in subsequent years
 - Scenario 5: debt financing. A \$1.2 million bond issue in 2017 to cover construction costs for the 2018-2019 construction projects. The first year would still require an initial 10% increase and 4% increases in subsequent years.
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39 Mr. Thacker stated that staff have discussed these scenarios and appear to prefer one
40 of the multi-year scenarios. Kevin Campbell, City Engineer, explained that staff looked at the
41 City streets and culinary water system as potentially having a 100-year lifecycle to put together
42 the project list. Replacement of the water lines was prioritized, with replacement of cast iron
43 and asbestos-cement (AC) lines having top priority. Current street condition was also
44 considered, as well as scheduled UDOT projects on Main Street. Councilman McEwan asked if
45 a 50-year model would be possible. Mr. Thacker responded that staff anticipates funding for the
46 first five years being available largely due to the ability to coordinate with two UDOT projects on
47 Main Street. It is not anticipated that funding would be available for a 50-year street lifecycle.
48 Randy Randall, Public Works Director, commented that ideally the City will find a way to fund
49 closer to a 75-year lifespan, since it will be difficult to keep roads in working condition for 100
50 years. Councilwoman Fillmore pointed out the need to encourage Deuel Creek Irrigation to
51 replace and update irrigation lines. Mr. Campbell stated that, with current funding, street work is
52 at a 200-year level; an additional \$1.4 - \$1.7 million will be needed to reach the 100-year level.

1 Councilman McEwan stated it would be helpful to know how much was included in the
2 water main replacement estimates for street patching. Mr. Campbell responded that
3 approximately 15-20% of the estimates are for patching. Councilman McEwan said he would
4 not want a large one-time rate increase to result in the City collecting more than necessary from
5 residents due to poor planning. Mr. Randall confirmed that, even if the City is not able to keep
6 up with the street portion of the plan, it is important to ensure that water main replacement is
7 funded – especially the cast iron lines. The current plan is to replace cast iron lines within the
8 next 20 years. Mayor Cutler pointed out that, while improvements are needed, Centerville has
9 an outstanding water system compared to surrounding communities. The Mayor stated it would
10 be his preference to implement smaller, consistent rate increases approximating the cost of
11 operational inflation rather than larger increases every few years. Mr. Randall commented that
12 he expects to see a lot of emphasis placed on infrastructure at the State level in the next few
13 years.

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15 Councilwoman Fillmore stated she is most comfortable with scenarios three or four. Mr.
16 Thacker recommended the Council adopt multi-step rate increases by ordinance. He also
17 recommended an aggressive public education outreach approach to explain the City's
18 infrastructure needs and plans. Mayor Cutler asked if it would be cost effective to implement a
19 small rate increase this year and issue a bond next year in time for the 2018 projects. Mr.
20 Randall stated he does not feel the cost of bonding would be worth it. Councilwoman Fillmore
21 suggested the Council consider implementing steady increases for more than the proposed few
22 years as an inflationary measure. Mr. Thacker cautioned the Council against implementing rate
23 increases for more than 3-5 years at a time. He suggested the Council state in the ordinance
24 that the rate will be reevaluated at the end of the 3-5 year period. Councilman McEwan stated
25 he prefers scenarios three or four, and repeated that he would like the cost of patching the
26 streets separated from the estimates. Councilwoman Mecham stated that she prefers scenario
27 four over scenario three since she would not want the increase to exceed 10%. The Council
28 discussed the various rate increases that citizens will experience between last year and this
29 year. Councilman Ince suggested that a 6-6.5% increase over five years would give the City the
30 same ending amount. Mr. Lutz pointed out that a lot of the funds need to be available for 2018
31 projects. The Council seemed to be in agreement that they are not interested in scenarios one
32 or five.

33 34 LONG-TERM SICK LEAVE POLICY

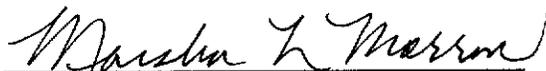
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36 Mr. Thacker reviewed again the proposed changes to the City's Long-Term Sick Leave
37 Policy to reduce financial liability, including an annual cap of 800 hours with a pay-out
38 conversion rate of four-to-one at the current pay rate of each eligible employee. Councilman
39 Ince asked Mr. Thacker how accurate the reporting of sick days is among City employees, and
40 whether or not employees are aware of how many sick days they currently have. Mr. Thacker
41 responded that sick leave balance is reported on each pay stub. He reviewed time-keeping
42 policies and practices with the Council, and expressed confidence in payroll oversight. Mr.
43 Randall agreed that department heads do a good job of auditing and verifying time sheets.

44
45 Mayor Cutler commented that data collected by staff shows City employee benefits are,
46 for the most part, on par with cities of comparable size. He suggested the City could reduce
47 particular benefits and offer a trade-off of a more tangible, useable benefit that would result in
48 net savings for the City long-term. Councilman McEwan pointed out that employee response
49 would depend on the tangible benefit offered. He said he would be interested in what staff
50 members would consider a meaningful tangible benefit.

1 Mr. Thacker mentioned that the pay-out amount from the annual conversion of long-term
2 sick leave can be placed in a retirement account by employees. Staff calculated that employees
3 would need to work for the City at least 14.2 years to accumulate 800 hours of long-term sick
4 leave. Mayor Cutler said he hopes the Council will adopt the proposed changes to cap liability
5 now, and continue to look at additional changes later if desired. Mr. Thacker suggested funding
6 sources for the initial pay-out.

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8 **ADJOURNMENT**

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10 Mayor Cutler adjourned the work session at 6:53 p.m.

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16 Marsha L. Morrow, City Recorder

5-3-2016

17 Date Approved

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21 Katie Rust, Recording Secretary

