



Orem Public Works Advisory Commission Meeting Minutes

7:00 a.m. Tuesday, Oct. 16, 2018

Department of Public Works

1450 W 550 N

Orem, Utah 84057

APPROVED

CONDUCTING: Chris Tschirki

ATTENDING:

Commission Members: Drew Clark, Stan Roberts, Tai Riser, Carol Walker, Devin Rich (via telephone)

Public Works Dir: Chris Tschirki

Maintenance Div. Mgr: Reed Price

PWAC/Public Works Sec: April Nielson

Public Works Reclamation Mgr: Giles Demke

Streets & Storm Water Mgr: Cody Steggell

Orem City/Public Works Intern: Vanessa Palmer

Water Resource Div. Mgr: Neal Winterton

Public Works Mgmt. Analyst: Chris Wiltsie

Public Works Water Mgr: Lane Gray

Parks Mgr: Jim Orr

Administrative Dir: Richard Manning

ABSENT/EXCUSED: Tod Hadley (PWAC Member), KC Shaw (PWAC Member), Luke Peterson (PWAC Member), Val Hale (PWAC Member), Brent Sumner (City Council Rep)

Chris Tschirki opened the meeting at 7:00 p.m. and turned the time over to Drew Clark.

Stan Roberts **moved** to approve the May 15, 2018, PWAC meeting minutes. Carol Walker seconded the motion. The motion passed with unanimous consent of the Commission.

Chris Tschirki introduced Richard Manning, former Public Works Director in 2001, to present a brief history of the street lighting project in Orem. He would then turn the time over to Chris Wiltsie and Vanessa Palmer to deliver a presentation about the current fee and proposed changes.

Richard Manning explained that former mayor Joe Nelson initiated a city-wide street lighting project in the late 1990s. The people of Orem voted on the project and bond, and they decided what style of lighting they wanted. The selling point for the citizens was that the fee would be \$3.25 per month, and everyone would pay that fee every month for 17 years until the bonds were paid. Those bonds would be repaid in April 2019, and the intention was for the fee to disappear; however, they hadn't contemplated the cost of maintenance after the bonds were paid. There is a portion of a franchise tax dedicated to street lighting, but it is not be enough to cover operations. He noted that the street lighting recently changed to LED lighting.

Chris Wiltsie said that he and Vanessa Palmer have been involved with the evaluation of the current fee and the development of a new fee. When they started looking into the existing fee, they wanted to find a way to make the street lighting financially self-sufficient. Vanessa Palmer explained that one of the errors they came across was in the way that commercial uses were charged. With commercial uses, one ELU is equal to 90 feet of street frontage, and the charge is \$3.25 per ELU. She demonstrated how this didn't work in some areas. The new system they are proposing would simplify the issue. For residential uses, she stated that single-family homes

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are all charged one ELU, but things get messy with apartments and condominiums. The new system would also address this inconsistency. Chris Wiltsie explained that the new plan will approach businesses in the way that they are currently charging single-family units. Rather than keeping the system complicated and spending more on personnel costs, they want to make it as simple as possible. They are proposing that each business in Orem pay one ELU. Chris Wiltsie noted that the position of the franchise tax paid for the operations and maintenance of the street lighting, but if the new plan is self-sustaining, that tax money could potentially go back in to the General Fund to cover other projects that are important to the City. The current fee per ELU is \$3.25 to cover the bond payment, and they are recommending a new fee at \$1.57. They could increase that fee by twenty cents or so to start building up a reserve fund to pay for lighting repairs, or to start replacing the system when the time comes.

There was a discussion regarding the current lighting and it was confirmed all of the lights were changed to LEDs about a year ago. The group also discussed replacing the entire system in the future, and it was stated that the best way to do that would be to replace the lights slowly rather than trying to do the entire system at once. When the City decided to install of the lights with a bond, it took the City nearly 20 years to pay off that bond. Chris Wiltsie said that he calculated how much they would need to save to replace the entire system, but the amount of fee that would require was far too high.

Chris Tschirki reiterated there are some inconsistencies with the current fee system, particularly with apartments and commercial uses. The current system may be more accurate and possibly fairer but over time the complications of it have produced some unfair outcomes. Staff felt that it would be best to keep it simple. The new system would charge every business and every living unit one ELU. The City made a similar change to the sewer charge, and many landlords were unhappy with the change. They anticipated some pushback from landlords of multi-family and multi-tenant buildings. He noted that most people would see a fee decrease, but some people would be receiving the fee when they hadn't been paying it previously. It would be incumbent upon the property owner or landlord to collect the additional money from their tenants. Chris Wiltsie confirmed that the number of ELUs would be increasing while the fee amount was decreasing. They would be bringing in less money, but the City wouldn't be paying the bond amount anymore.

The Commission asked if they needed to make a recommendation to City Council on this plan, and Chris Tschirki answered affirmatively. He said that the proposal would be presented to the City Council during their work session on November 13th.

Drew Clark asked where staff expected opposition to come from, and Chris Tschirki said that it would come from the multi-family units that hadn't been paying the fee before. Staff felt that the business community would come out in support of this change. The intention is to charge businesses the fee for the entire year when they do their annual renewal for business licenses.

Tai Riser was concerned about charging each business one ELU, particularly in places like the mall. It would be fairer to charge larger businesses more for the street lighting. Devin Rich agreed and asked if they cared that this new system may not be as fair. Chris Wiltsie commented that businesses that are currently paying the fee are paying more than what is being proposed. They would be lowering the overall impact per unit but widening the net. He said that with the mall scenario, each business in the mall would be charged the fee.

NOTE: Carol Walker was excused from the meeting at 7:52 p.m.

The Commission asked if they needed to vote on this, and it was noted that there was a quorum with Devin Rich on the phone. April Nielson said that Carol Walker had expressed her support for the proposed fee before she left the meeting.

Drew Clark recommended including some sort of inflation adjustment in the fee. The political atmosphere would ebb and flow, so it would be wise to put the adjustment in the plan upfront. He also recommended setting the fee at \$2 in order to collect more cushion money. Chris Tschirki said that all of the money generated by the fee would stay within Fund 58, which is the street lighting fund. The General Fund cannot borrow money from that fund. They could set the fee at \$2 now and decrease it if they felt it was too rich.

Chris Tschirki said that staff was very comfortable with this proposal. He noted that a fee is not a tax and would not have to be voted on by the people. It could be adjusted annually by the City Council.

Devin Rich thought that the proposal was good, and it was the best way to move forward.

Chris Tschirki asked the Commission if there were other Public Works topics and projects that they wanted to discuss. He also asked if they felt that the current number of members was the right number. The current number of committee members was nine, but it could be decreased to seven.

Tai Riser asked for an update on Utopia, and Chris Tschirki said that there was no movement. The Council is comfortable with Utopia's estimate that they will be built out in three to five years. Utopia is reluctant to do anything differently than what they are currently doing.

There was a discussion regarding the number of Commission Members and whether they would be able to have a quorum for the majority of their meetings. Chris Tschirki didn't think that they needed nine members, because they rarely saw all nine members at any given meeting. They averaged around five members at each meeting. Drew Clark thought that there needed to be a bigger discussion about the purpose of PWAC and their priorities. For instance, they spent a lot of time on the Utopia project, but that issue had gone nowhere at the City Council level.

Stan Roberts **moved** in support for the street lighting proposal. Tai Riser seconded the motion. The motion passed with unanimous consent of the Commission.

The meeting adjourned at 8:02 a.m.