

MINUTES OF COUNCIL STUDY MEETING – APRIL 2, 2019

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THE WEST VALLEY CITY COUNCIL MET IN STUDY SESSION ON TUESDAY, APRIL 2, 2019, AT 4:30 P.M. AT WEST VALLEY CITY HALL, MULTIPURPOSE ROOM, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS CALLED TO ORDER AND CONDUCTED BY MAYOR BIGELOW.

THE FOLLOWING MEMBERS WERE PRESENT:

Ron Bigelow, Mayor
Lars Nordfelt, Councilmember At-Large
Don Christensen, Councilmember At-Large
Tom Huynh, Councilmember District 1
Steve Buhler, Councilmember District 2
Karen Lang, Councilmember District 3
Jake Fitisemanu, Councilmember District 4 (*arrived as noted*)

STAFF PRESENT:

Wayne T Pyle, City Manager
Nichole Camac, City Recorder

Mark Nord, Acting CED Director
Eric Bunderson, City Attorney
Colleen Jacobs, Police Chief
John Evans, Fire Chief
Jim Welch, Finance Director
Layne Morris, CPD Director
Russ Willardson, Public Works Director
Nancy Day, Parks and Recreation Director
Sam Johnson, Strategic Communications Director
Jake Arslanian, Public Works Department
John Rock, Administration
Dan Johnson, Public Works
John Springmeyer, RDA
Jeanette Carpenter, Finance
Robert Hamilton, Police Department

APPROVAL OF MINUTES OF STUDY MEETING HELD MARCH 26, 2019

The Council considered the Minutes of the Study Meeting held March 26, 2019. There were no changes, corrections or deletions.

Councilmember Nordfelt moved to approve the Minutes of the Study Meeting held March 26, 2019. Councilmember Huynh seconded the motion.

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A voice vote was taken and all members voted in favor of the motion.

REVIEW AGENDAS FOR REGULAR CITY COUNCIL, REDEVELOPMENT AGENCY, AND MUNICIPAL BUILDING AUTHORITY MEETINGS OF APRIL 2, 2019

Mayor Bigelow thanked City Recorder, Nichole Camac, for adding an additional paragraph to the Child Abuse Prevention Proclamation.

Upon inquiry by Mayor Bigelow, members of the Council had no further questions or concerns regarding items listed on the Agendas for the Regular City Council, Redevelopment Agency, and Municipal Building Authority Meetings scheduled later this night.

AWARDS, CEREMONIES, AND PROCLAMATIONS SCHEDULED FOR APRIL 9, 2019

A. PRESENTATION OF AWARDS TO THE PARKS AND RECREATION DEPARTMENT FROM THE UTAH RECREATION AND PARK ASSOCIATION (URPA)

Mayor Bigelow stated that the Parks Department often receives awards and the Council is looking forward to the presentation.

RESOLUTION 19-40: REAFFIRM THE CITY'S COMMITMENT TO THE COMPLETION OF THE 4100 SOUTH RECONSTRUCTION PROJECT

Russ Willardson, Public Works Director, presented proposed Resolution 19-40 that would reaffirm the City's commitment to the completion of the 4100 South Reconstruction Project.

Written documentation previously provided to the City Council included information as follows:

The city has been working on a project to reconstruct 4100 South between Bangerter Highway and 5460 West for several years.

On March 19, 2019, UDOT opened bids on the project. There were three bidders. The engineer's estimate of construction costs was \$15,063,237. The lowest bid received was in the amount of \$19,389,875, nearly 29% over the estimate, leaving the project short \$4.3 million dollars.

There were several key bid items that substantially exceeded the engineers estimate, as assumptions were made on those items that did not apply to this project. The transportation construction market costs have increased substantially as well. The main cost overruns come from the following bid items:

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Item of Work	Amount over Engineer's Estimate
Roadway excavation, imported fill and road base, asphalt paving	\$1.3 million
Concrete post and panel walls	\$0.5 million
Mobilization, traffic control preconstruction survey and other misc. items	\$1.4 million
Storm Drain System	\$0.3 million
Water System	\$0.2 million
Miscellaneous landscaping, Signals and ATMS improvements	\$0.6 million

UDOT is willing to allow the city flexibility to pay additional funds as the project progresses.

The Public Works Department recommends the continued commitment to this project, and reaffirmation to UDOT of the commitment made by the city in the Federal Aid Agreements to cover costs above the available federal funds.

Councilmember Buhler asked how many bids were received. Dan replied 3 and added that all 3 were consistent with one another. Upon inquiry, Dan explained specific numbers that were underestimated and the unanticipated increase of construction costs in these particular areas. Councilmember Lang asked if delaying the project would help improve the cost. Dan replied he feels delays would negatively impact the project and the cost would likely increase. He indicated that the City would still like to complete the project in 2 construction seasons. Councilmember Huynh asked who the highest bidder is. Dan replied that the bidding process was done through UDOT and the information will not be released to the City until the City provides a positive affirmation of support. He added that there is only a limited number of companies that can provide this type of major construction project. Mayor Bigelow indicated that it appears construction costs have been increasing all across the board recently and questioned whether the City will need to evaluate its process moving forward. Dan replied that the City already accounts for contingencies and that policy seems to be efficient. He indicated that this project was simply underestimated and it's important to provide UDOT with the affirmation of support in completing the project. Upon inquiry, Dan discussed differences in the construction market in regard to buildings and transportation. He also discussed funding options for the additional cost of the project including working with Granger Hunter on increasing their contribution, payment plans with UDOT, potential money from legislative decisions, taking money from the general fund, changing the type of walls to be installed, etc.

Councilmember Fitisemanu arrived at 4:51 PM.

Councilmember Buhler asked if the Council needs to approve this resolution to ensure that the project moves forward. Wayne replied that UDOT is looking for affirmation that the

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City is dedicated to completing the project but not requiring a commitment in stating where the money will come from. Councilmember Buhler stated that 4100 South will continue to deteriorate and the cost of fixing it will increase as time passes. He indicated that he feels there is no other alternative and is thankful for staff working to find a resolution. Councilmember Huynh agreed but indicated that he would like more money to come from UDOT and not Granger Hunter in making up the increase of cost. Councilmember Buhler stated that Granger Hunter is also replacing their infrastructure and the City took a heavier cost initially. Mayor Bigelow indicated that there are many ramifications of canceling the project and he feels the commitment and need is still present. He stated that he feels the Council is still in favor of making sure 4100 South is reconstructed and is looking forward to seeing what solutions staff comes up with regarding funding.

The City Council will consider Resolution 19-40 at the Regular Council Meeting scheduled April 9, 2019 at 6:30 P.M.

COMMUNICATIONS

A. BUDGET DISCUSSION

Wayne Pyle, City Manager, presented a PowerPoint presentation summarized as follows:

- Operational additions- \$714k
- Wage Increases- \$4M
- Vacancy Elimination- \$559k
- Operational Reduction- \$670k
- Insurance Decrease- \$500k
- Position Savings- \$832K
- Benefit Savings- \$744K
- Revenue Changes Net \$2M (increase)
- Property Tax- \$1M (increase)
- Sales Tax- \$.5M (increase)
- Utilities- \$.3M (decrease)
- Court Fines- \$.75M (increase)
- Others Flat- \$0 Change
- Revenue growth is moderate to low; changes are largely as illustrated on slide with a **net increase around \$2M.**
- Operational expenses are near net flat after cuts and recommended increases. Increases are mostly for software and license increases and facility costs for new buildings.
- Wage expenses are approximately \$4M between the three groups public employees, fire, police. Environment continues to be high competition through wages, smaller labor pool, lower appeal for many positions.

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- Position savings for salaries and benefits accrued by examining each position's budget and refining it back to the employee filling it or a starting wage if unfilled.
- Vacancy elimination included six positions across five departments.
- Operational reductions were many small changes from unexpended budgets. The largest was \$200k from the UTOPIA wifi and operational install project, the smallest was \$10k from an unexpended drug screen line.
- The insurance cost reduction was a result of HR's negotiation efforts, good claims history for the year, and the provider's realization that we are on the verge of being large enough to self-insure, which causes them to evaluate their costs more closely.
- **Unreserved fund balance** expenditure recommends include one-time expenditures such as the annual fleet budget at \$1.25M, \$2M for Mountainview Corridor betterments, \$300k for annual facility repairs and \$250k for the County grant match from last year.
- There is another \$1.1M in one-time improvements I've recommended for your consideration.
- The one-time expenditures do not yet include contributions for open space purchases as directed by council in strategic plan. We will bring those considerations to you as budget openings when and if tentative purchase contracts are negotiated.
- **General unreserved fund balance stood at \$21M (almost right on 25%)** as of the December audit. We will likely contribute significantly to that as well in finishing this fiscal year. Next year's budget will see a significant decrease if major one-time projects come to fruition, but will keep us well above safe levels.
- Wayne discussed program mods (draft)

Upon inquiry by Councilmember Fitisemanu, Wayne explained potential reasons for a decrease in sales tax including online sales, etc. Councilmember Huynh stated that he is happy to see an increase in property tax but is also concerned that West Valley City has higher property taxes. Wayne clarified that the increase in property tax is strictly growth. Staff and the Council discussed operational reduction and operational additions. Wayne discussed wage increases and funding. Councilmember Lang stated that she would like to have a cap for the reserve fund and implement a policy that any overages go into a separate fund. Wayne replied that the Council can direct staff to do something like this and the reserve fund can be titled as "CIP" or "stabilization". He indicated that the Council would need to have a policy discussion on what percentage they are comfortable keeping in the reserve fund. Mayor Bigelow stated that a discussion would also need to be had about what qualifies for dipping into the fund. Councilmember Lang stated that she

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would like to have a stabilization fund to help the City get through difficult times without having to raise taxes.

B. COUNCIL CALENDAR

Mayor Bigelow referenced a Memorandum previously received from the City Manager that outlined upcoming meetings and events.

Members of the City Council had no further questions regarding the Council Update.

NEW BUSINESS

A. POTENTIAL FUTURE AGENDA ITEMS

Council Suggestions

Councilmember Lang asked if there is an ordinance on the lime, bird, etc. scooters. Wayne replied that there is no ordinance at this time but drafts have been prepared. He indicated that staff will provide a recommendation if this seems to become an issue again during the summer. Mayor Bigelow encouraged the City to be prepared because this seems to be a growing concern. Wayne stated that if there is a demand for green parking spaces, the City will also bring a proposal forward.

Councilmember Lang asked if the City has looked into 5G. Wayne replied that he is unsure what is happening in the market but there doesn't appear to be a demand at this time.

Councilmember Buhler asked for a presentation on what regulations apply to items being sold throughout the City on corners (such as bouquets, oranges, etc.).

Councilmember Fitisemanu asked for a follow-up communication regarding the Cordova Concept and CAB.

B. COUNCIL REPORTS

COUNCILMEMBER BUHLER- NFL DRAFT

Councilmember Buhler joked that he is hopeful to be drafted in the NFL draft.

COUNCILMEMBER LANG- COMMITTEES

Councilmember Lang stated that Councilmember Christensen has offered to take over her position on the Association of Municipal Councils. She asked if anyone would be interested in serving on the Clean and Beautiful Committee. No Councilmembers were interested.

C. REVIEW AGENDA FOR SPECIAL REDEVELOPMENT AGENCY MEETING SCHEDULED APRIL 9, 2019

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RESOLUTION NO. 19-02: APPROVE AN INCENTIVE AGREEMENT BETWEEN THE AGENCY AND ZIONS BANCORPORATION

Mark Nord, RDA, discussed proposed Resolution 19-02 that would approve an Incentive Agreement between the Agency and Zions Bancorporation.

Written documentation previously provided to the City Council included information as follows:

The Proposed Agreement sets the terms for the incentive agreement for the new Zions Bank branch at 2950 West and 3500 South. The agreement would authorize payment to Zions Bancorporation of property tax increment collected by the RDA and generated by the development of the new facility. The RDA would retain 12.5% of all property tax increment collected by this property. Zions Bancorporation would receive the remaining 87.5%. The term of this proposed Agreement will run concurrently with the 20-year term of the Fairbourne CRA. Zions Bancorporation incentive payments would be capped at \$500,000 for the term of the Agreement.

Councilmember Buhler clarified that this agreement is honoring a commitment the City made to Zions Bank previously. Mark replied yes and indicated that this has been delayed due to regulations in creating a CRA.

The Redevelopment Agency will consider Resolution 19-02 at the Special Redevelopment Agency Meeting scheduled April 9, 2019 at 6:30 P.M.

MOTION FOR CLOSED SESSION

Councilmember Buhler moved to adjourn and reconvene in a Closed Session for discussion of pending litigation and the disposition of real property. Councilmember Christensen seconded the motion.

A voice vote was taken and all members voted in favor of the motion.

Upon adjournment, the Mayor and City Council met outside City Hall and placed pinwheels in honor of child abuse victims for Child Abuse Prevention Month.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY COUNCIL THE STUDY MEETING ON TUESDAY APRIL 2, 2019 WAS ADJOURNED AT 5:45 PM BY MAYOR BIGELOW.

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I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Study Meeting of the West Valley City Council held Tuesday, April 2, 2019.

Nichole Camac, CMC
City Recorder

THE WEST VALLEY CITY COUNCIL RECONVENED IN CLOSED SESSION ON TUESDAY, APRIL 2, 2019, AT 5:48 P.M., IN THE MULTI-PURPOSE ROOM, WEST VALLEY CITY HALL, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS CALLED TO ORDER BY MAYOR BIGELOW.

THE FOLLOWING MEMBERS WERE PRESENT:

Ron Bigelow, Mayor
Lars Nordfelt, Councilmember At-Large
Don Christensen, Councilmember At-Large
Tom Huynh, Councilmember District 1
Steve Buhler, Councilmember District 2
Karen Lang, Councilmember District 3
Jake Fitisemanu, Councilmember District 4

STAFF PRESENT:

Wayne Pyle, City Manager
Nichole Camac, City Recorder
Jim Welch, Finance Director
Mark Nord, Acting CED Director
Eric Bunderson, City Attorney

The City Council met in Closed Session and discussed pending litigation and disposition of real property.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY CITY COUNCIL, THE

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CLOSED SESSION OF APRIL 2, 2019 WAS ADJOURNED AT 6:19 P.M. BY MAYOR BIGELOW.

Nichole Camac – City Recorder