

**NORTH OGDEN CITY COUNCIL WORK SESSION
MEETING MINUTES**

April 2, 2019

The North Ogden City Council convened in an open meeting on April 2, 2019 at 3:01 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on March 28, 2019. Notice of the annual meeting schedule was published in the Standard-Examiner on December 28, 2018.

PRESENT:	M. Brent Chugg	Mayor	
	Ryan Barker	Council Member	excused
	Blake Cevering	Council Member	
	Cheryl Stoker	Council Member	
	Phillip Swanson	Council Member	excused
	Carl Turner	Council Member	

STAFF PRESENT:	Jon Call	City Administrator/Attorney
	Annette Spendlove	City Recorder/HR Director
	Dave Espinoza	Public Works Director
	Evan Nelson	Finance Director
	Dirk Quinney	Chief of Police
	Tiffany Staheli	Parks & Recreation Director
	Jason Reney	Culinary Water Superintendent
	Trent Wilkins	Sanitary Sewer Superintendent
	Jami Jones	Treasurer

VISITORS:	Kevin Burns
	Julie Anderson

Mayor Chugg called the meeting to order. Council Member Stoker offered the invocation and led the audience in the Pledge of Allegiance.

Council Member Turner motioned to Table Agenda Item #3 until the next City Council Meeting. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Cevering	aye
Council Member Stoker	aye
Council Member Turner	aye

The motion passed unanimously.

WORK SESSION AGENDA

1. PUBLIC COMMENTS

There were no public comments.

2. DISCUSSION ON 2019-2020 BUDGET

Finance Director Nelson reported the purpose of this work session is to focus on the City’s water and sewer funds. He reviewed a staff report and used the aid of a PowerPoint Presentation to summarize the operational and capital requests for the two divisions of the City.

a. Water Fund

Market and Merit Wage Adjustments	\$22,353
401K Additional 3% Match	\$19,133
Master Meter Hosting Subscription	\$11,000
Meters – New Connections (\$15,000 increase)	\$75,000
Meters – Change Out (\$85,000 increase)	\$285,000
New Utility Truck (Half of cost paid by Storm Fund)	\$65,000
New Vehicle (sell for \$15,000)	\$48,000
Vehicle Rotation Program Net Cost (5 vehicles)	\$4,000
Upgrade Well Houses	\$15,000
PRV Stations (3)	\$230,000
1050 East Reservoir (Roll over remaining budget + additional)	\$1,457,000
400 East Water Main (in connection with road widening)	\$390,000
1050 East Well #1 – Elevate Well Casing (DDW Requirement)	\$25,000
Inlet/Outlet Meters at Reservoir Sites (Water Rights Issue)	\$21,000
Administrative Fee to General Fund (\$90,258 increase)	\$231,154

There are significant capital expenditures proposed in the Water Fund budget, which will impact the fund balance. The proposal includes an estimated fund balance of \$2,580,590 at the

beginning of Fiscal Year 2020. \$2,152,639 of that balance is proposed to be expended on capital projects, vehicles, and equipment. With estimated revenues and expenditures from Fiscal Year 2020 added to the equation, the estimated fund balance at the end of Fiscal Year 2020 is \$1,208,466. The Council has adjusted utility rates over the past several years with the intention of being able to fund asset repair and replacement. These adjustments make the proposed capital projects possible without the need to go into debt.

The Water Fund does not have a balance of water impact fees, however, Fiscal Year 2020 as well as future impact fee revenues will help pay for the reservoir project.

The proposed budget in its current form includes an operational water rate increase in the amount of \$0.41 per month and an asset repair and replacement increase of \$0.46 per month, for a total proposed increase of \$0.87 per utility account per month, related to the Water Fund. These rates may be adjusted based on the budget priorities of the City Council. At Tuesday’s meeting, staff will provide an overview of estimates related to the City’s asset repair and replacement calculations.

b. Sewer Fund

Market and Merit Wage Adjustments	\$11,295
401K Additional 3% Match	\$7,097
Central Weber Sewer District (\$34,187 or 3% increase)	\$1,185,405
Sewer Line Maintenance (\$47,000 increase)	\$97,000
Vehicle Rotation Program Net Cost (2 vehicles)	\$2,000
Sewer Pipe Lining (\$50,000 increase)	\$350,000
Administrative Fee to General Fund (\$113,897 increase)	\$235,483

The Sewer Fund budget also contains proposals affecting fund balance. The budget includes an estimated fund balance of \$1,214,430 at the beginning of Fiscal Year 2020. \$450,700 of that balance is proposed to be expended on capital projects, vehicles, and equipment. With estimated revenues and expenditures from Fiscal Year 2020 added to the equation, the estimated fund balance at the end of Fiscal Year 2020 is \$1,057,735.

As noted above, the Central Weber Sewer District has an estimated increase of \$34,187. It is proposed that this increase be funded through an increase to utility rates in the amount of \$0.45 per month, per utility account. Additionally, the budget includes a rate increase in the amount of \$0.89 to cover the other operational increases and \$0.28 for asset repair and replacement. The total proposed utility rate increase in the Sewer Fund is \$1.62 per month, per utility account.

c. Utility Rates

ADMINISTRATIVE FEE TO THE GENERAL FUND

The utility funds help share the cost of administrative functions the City provides. These costs include employee salaries and benefits, materials and services, utility and building maintenance costs, and other expenses. The allocation of these expenses was reviewed and revised as part of

the budget process. The proposed adjustments have been included in the budget. The adjustments resulted in significant increases in the Administrative Fees paid by the Water and Sewer Funds. Portions of the increases are offset by reductions in salary, benefit, and Motor Pool expenses because some expenses were shifted to the General Fund and then allocated to utility funds.

SEWER IMPACT FEE FUND

The Sewer Impact Fee Fund had a balance of \$206,935 at the end of Fiscal Year 2018. With no impact fee eligible projects budgeted in the current fiscal year or proposed in Fiscal Year 2020, the balance is expected to be approximately \$377,103 at the end of Fiscal Year 2020. This money is held in reserve for future sewer infrastructure projects related to new growth. A portion of this balance must be expended by 2021.

WATER UTILITY RATE STRUCTURE

Staff would like to have a Council discussion related to the current rate structure in the Water Fund. In the Water Fund, residential customers pay a base fee each month plus a per 1,000-gallon fee that escalates as usage increases. Non-residential customers, including businesses, government entities, churches, and schools, pay a larger base rate plus a per 1,000-gallon fee, however the per 1,000-gallon fee does not escalate with usage as it does with residential customers. The effect of this disparity is that residential users may end up paying more for water used than non-residential customers. Staff seeks input from the Council on possible changes to this structure. A copy of the City's current utility rates is included in the Council packet.

LOOKING AHEAD

Thanks for your work and support on the budget so far. We will plan to discuss the Storm and Solid Waste Funds at the Council meeting on April 9th. We will also discuss revised proposals in the General Fund and progress bringing that fund into balance. Please feel free to contact me if you have any questions.

d. Capital

Throughout the presentation there was discussion with Public Works Director Espinoza and his staff regarding topics such as ranking of capital improvement projects; coordination of projects to ensure appropriate underground infrastructure work is done at the time a road construction project is being completed; various project funding sources; state and federal mandates regulating certain water projects; and the allocation of personnel costs to appropriate sections of the budget based upon an employee's function.

Discussion then shifted to Administration's proposal relative to adjustments to the City's utility rate structure, the primary purpose of which is to fund depreciation of City infrastructure assets.

e. Public Comments

Julie Anderson, 940 E. 2600 N., stated she wanted to take a moment to thank the City Council and City staff for the work they do to ensure City residents have clean water to drink and

adequate sewer infrastructure. She understands that it can be a difficult job to adequately maintain aging infrastructure and she appreciates the job the City is doing.

3. **DISCUSSION ON THE AGE OF TOBACCO SALES**

This item was tabled at the beginning of the meeting.

4. **DISCUSSION AND/OR ACTION TO CONSIDER AN AGREEMENT WITH Y2 ANALYTICS FOR A SCIENTIFIC SURVEY**

A staff memo from City Administrator/Attorney Call explained there has been some talk at the Council and staff level about doing a survey of residents on some of the more controversial projects and topics being discussed in the City. Much of that discussion arises out of the situation that the City is unable to present many issues to the residents for a public vote because of Utah Election laws. City Administration published a request for proposals (RFP) for scientific survey work to provide the Council with the opportunity to select a topic or range of topics for public feedback.

During this discussion the Council needs to determine if this is a valuable exercise for the City and what topics you would like to explore. We can then bring Y2 Analytics back to a future meeting to have them explore the specific answers or questions you are looking for.

As proposed, the Survey will cost the City \$13,500 with an option for a 15% discount if we committed to do one survey for each of the next two additional years, as well as any additional surveys during that time period.

Staff believes it might be helpful to get some feedback on some of the more controversial topics in the City to give the Council some guidance as it moves forward with planning for projects in the future. Some ideas for topics to explore may include and would not be limited to:

- Police Station and funding options;
- Nordic Valley Expansion proposals and whether the City should oppose or support the project;
- Tax rates;
- Bond proposals for Police Station or Barker Park; and/or
- Resident satisfaction of municipal services.

Staff does not have a position on any of these topics as they are policy questions and our goal is to help the Council identify options. The Council should decide if they feel this would be a useful feedback tool for the City.

Mr. Call reviewed his staff memo. He indicated staff has explored other options for conducting a survey or soliciting public feedback; one option was to engage the Walker Institute at Weber State University (WSU) and the projected cost of that service is \$5,000 to \$6,000 to be paid to the individual that will be hired to compile the results of the survey conducted by the Institute. He facilitated discussion among the Council regarding the potential topics for exploration as cited in his memo, which led to discussion of the scope of the work that would be performed by Y2 Analytics. The Council concluded they would be supportive of enlisting the Walker Institute to perform a no cost survey with the understanding that there may be a cost associated with compiling the results gathered by the Institute, but to forego a contract with Y2 Analytics at this time given that the \$13,000 that would be spent on the survey could be allocated to other needs in the City. They also indicated more discussion of the topic may be warranted when the entire Council is in attendance at a future meeting.

5. PUBLIC COMMENTS

There were no public comments.

6. COUNCIL/MAYOR/STAFF COMMENTS

Council Member Covering indicated he has received feedback from residents about some of the content in the North Ogden Connection magazine; some were concerned about the Council's endorsement of certain topics of discussion and he asked that the magazine include a disclaimer statement that the Council has not necessarily read all the content of the magazine or endorses certain opinions expressed. Mr. Call stated there is such a statement on the Connection website, but he will follow-up to determine whether a similar statement is included in the hard copy of the magazine. He also added that the time for reviewing the contract to determine whether to renew it is approaching and this issue can be explored further at that time.

Council Member Stoker complimented the Public Works employees on their response to a storm drain issue on 1700 North that she noticed while running through the City.

Mr. Call reported on plans for an Arts Guild open house meeting scheduled on April 18; there is no Council meeting scheduled for that night and he invited Council Member attendance at the meeting.

7. ADJOURNMENT

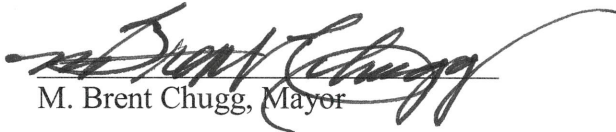
Council Member Turner motioned to adjourn the meeting. Council Member Covering seconded the motion.

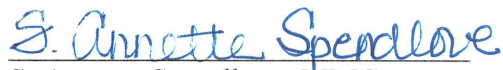
Voting on the motion:

Council Member Cevering	aye
Council Member Stoker	aye
Council Member Turner	aye

The motion passed unanimously.

The meeting adjourned at 4:59 p.m.


M. Brent Chugg, Mayor


S. Annette Spendlove, MMC
City Recorder

28 May 2019
Date Approved