

AMERICAN FORK CITY COUNCIL
OCTOBER 1, 2019
WORK SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Kevin Barnes	Council Member
Staci Carroll	Council Member
Barbara Christiansen	Council Member
Rob Shelton	Council Member

Members Absent:

Clark Taylor	Council Member
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Staff Present:

David Bunker	City Administrator
Camden Bird	Community Services Director
Wendelin Knobloch	Associate Planner
Terilyn Lurker	City Recorder
Aaron Brems	Fire Chief
Kyle Maurer	Finance Officer
George Schade	IT Director
Cherylyn Egner	Legal Counsel
Adam Olsen	Senior Planner
Darren Falslev	Police Chief
Derric Rykert	Parks and Recreation Director
Scott Sensanbauger	Public Works Director

Also Present: John Woffinden, Benjamin Sehy, and Dawn Dachenhausen

The American Fork City Council met in a work session on Tuesday, October 1, 2019, in the City Administration Office Conference Room, located at 51 East Main Street, commencing at 4:00 p.m.

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.

1. Discussion on a Proposed City Investment Policy.

Kyle Maurer stated he wanted to create a City investment policy. This would identify where and how City funds could be invested. He explained that the idle funds that were not in the primary Bank of America/American Fork account were currently in the public treasurer's investment fund, which was the Utah State-run investment pool. However, one of his concerns was that this was heavily weighted in corporate notes etc. He had worked with Moreton Asset Management (MAM) in the past and asked them to come present to the City some items they may need for this investment policy and how to develop it in the future.

Benjamin Sehy and Dawn Dachenhausen were introduced. They worked with government entities managing government funds through their company, MAM. They explained they would present on items needed in an investment policy and how to have a successful investment policy for the future of the City.

Mr. Maurer introduced their company. Mr. Sehy explained that MAM had been working as a team with government members in Utah for just over fifteen years managing government funds. MAM worked with about 60 different companies in the Intermountain West. They worked with government asset funds since the inception of the Utah Money Management Act. Mr. Sehy stated that their team was the longest tenured team on the certified advisors list.

Mr. Sehy stated that he spoke with Mr. Maurer about getting a financial investment policy. He proceeded to give a presentation on the principles of successful investing. This presentation was developed from twenty years of government fund management experience which he condensed into four main areas. The first principle was to establish a third-party, independent, safekeeping and custody agreement to keep investments in the name of the City; this agreement would then not allow the bank to use any of the government funds for lending purposes. Additionally, those funds would be insured and protected. This was not a deposit of funds; its sole purpose was to hold government securities in the name of the City. For example, Mr. Sehy explained, if there was a financial tragedy such as a recession and the bank went bankrupt, the government could use this safekeep account to keep their investments from financial harm. These investments were instead backed by the individual issuers that were allowed into the Utah Money Management Act. This was how to create diversity of investments. The funds were in the sole possession of the City and would be independent of the investment advisor. Ms. Dachenhausen added that an example of these types of investments could be government treasuries, agencies or T-Bills etc.

Mayor Frost asked if there would be any money earned off this investment. He asked if there was no gain from having this agreement. Furthermore, was the account so secure that the bank could not invest the funds, thereby not earning any interest.

Mr. Sehy responded that these were interest-bearing securities, allowed by the Utah Money Management Act. These were the safest securities allowable. Ms. Dachenhausen added that the specific securities were listed in the policy. Mr. Sehy continued, stated that the U.S. Government treasuries, agencies, and other brokered CDs could be invested by the bank for up to \$250,000. This specific safekeeping agreement was a holding account for those different securities so that the City did not have all funds in one institution backed by one issuer. He further explained that with this agreement, the City would have diversification, protection, and liquidity (meaning the funds could be sold). Therefore, the investment would earn interest. The same investment mechanics worked for cities of any size, and it was common for larger cities to use a different, third party custodian.

Council Member Shelton asked what custodian MAM company used. Mr. Sehy responded that they “were bank agnostic” but that US Bank and Wells Fargo had positive points. MAM would recommend US Bank. Council Member Shelton asked if MAM referred to the bank’s trust department, or if they went there only to direct a brokerage service agreement. Mr. Sehy said they worked with the trust department.

Council Member Shelton asked about broker CDs, and if it was possible to obtain more than \$250,000 on a single statement. Mr. Sehy stated that when MAM purchased a bond, they occasionally bought in them bulk and broke the bonds up into multiple accounts. With State statutes, MAM could not have more than 97% of FTIC insurance or buy anything over par. The state of Utah had put out several protections for these issues.

Mr. Sehy explained that companies with large amounts of money maintained most of their finances in a safe secure fixed income instrument, held in a third-party safekeep relationship.

Council Member Shelton asked if the City Council decided to go up to 97% in terms of deposits. MAM would have the ability to broker in different institutions which would save the City time and energy compared to managing matters in-house. Mr. Sehy concurred, explaining that the City would not have to sign a signature card. This was powerful because the City could, for example, hold 50 different banks with 50 different FDIC insurance numbers and have diversification, and now they would have anything over FDIC insurance. Council Member Shelton asked if MAM used discretion on that diversification. Mr. Sehy replied yes; MAM sought to find the best yielding CD possible. This was stated within the guidelines of the investment policy.

Mr. Sehy continued to the second pillar: the investment policy. This was what Mr. Maurer was working on and what MAM had reviewed. MAM felt it was a decent policy and would work out well for the City with a final revision. The investment policy followed the Utah Investment Act. MAM recommended the City adopt the policy because it demonstrated that the City Council members have gone through the progression and understand the act at a deeper level, which could then be shared with the public. The investment policy could be anywhere from two to five pages. The main purpose of the policy was that it protected the City; it would be the City's guidelines and statement to investment in the future. Mr. Sehy continued that MAM had worked on several hundred different investment policies.

Mr. Sehy moved onto the third pillar: The City's transparency with government funds, the taxpayer dollars. Losing this money could not be a reality. This was an issue that had happened in the past, and MAM took it very seriously. MAM offered extremely robust and transparent reporting. It would allow the City to reconcile the monthly net interest income "to the cent" on a monthly basis. This report would show everything that the City needed to know about an account. MAM offered the highest audit quality recording possible; the reason MAM provided this to clients was because they wanted to give them all they needed to track their portfolio. The City would access what the net interest income was for the day, month, and year. When the City auditor looked at financial records, this report made the process audit friendly, and would show the auditors exactly what they needed to know.

Mr. Sehy said the final pillar was the expertise. When the City was looking at longer-term investments, it was important to pick a firm or working with brokers that had a lot of experience managing Utah funds and working in a government space.

In response to a question from Mayor Frost, Mr. Sehy explained that MAM only worked with institutional entities. He elaborated by stating that 1.3 of the 1.9 billion dollars MAM managed were government entities. 70% of what MAM did as an organization was with government money. Ms. Dachenhausen added that MAM was not tied to a bank.

Council Member Carroll if there was a comparison to the risk the City had now with its current investment plan compared to the risk, they would be taking on with this proposed plan working with MAM. Mr. Sehy showed surrounding states and their short-term investment state pools. He compared the City's finances to other state polls and what other states were investing in. Utah was the outlier compared to other states presented on the chart.

Mr. Sehy further explained that corporate bonds had the highest credit risk while using California as an example. When Mr. Maurer said the City funding pool was over-concentrated, he said that because he compared Utah to other state pools. Utah had gone for greater yield with its investments. Bond maturity in Utah was currently almost 500 days out, compared to the 80-120 days of other pools. Utah had created a lot of diversification amongst corporate bond issuers, but the State had also invested in lower credit qualities. They did not have the same liquidity as the other State pools and were therefore taking on more default risk.

Mr. Maurer explained that the State was investing in high-quality corporate investments. He did not think there was a risk that the PTIF was going to default. He explained that the City could withdraw millions of dollars at any point. Mr. Maurer said the problem was that the State of Utah did not have a variety.

Council Member Kevin Barnes noted that right now Utah was earning more than the other states represented by Mr. Sehy's information. Mr. Sehy stated that Utah was the highest yielding pool in the nation currently. This information was tied to short-term rates. Depending on the interest rates over time, things could change. Mr. Maurer explained that it depended on who was managing the funds; the State had a more conservative office in the past and were invested more in fixed type assets and government backed securities, so the yield was much lower. Within the past five years, the State had changes in fund managers who had a different strategy for the State's investments.

Mr. Sehy explained the interest rates over time for Utah. MAM compared this directly to a five-year treasury ladder. There were times over the last 30 or 40 years of PTIF where the City had been outperforming the longer-term pool. Right now, the yield curve was inverted. To complement the funds of American Fork currently "riding the wave" of the trend represented in the chart, they had a longer-term plan to help even out finances over time. He noted they were at the end of the bull market. MAM wanted to help diversify finds to make the City's portfolio more superior from a credit standpoint, but also to mitigate some of the potential interest rate risk.

Council Member Shelton asked whether the margin difference in the last 50 years was due to a declining interest rate environment and if this would invert in a rising interest rate environment. Mr. Sehy answered affirmatively, and explained that if rates were constantly rising, the Council would want to stay on a short-term plan. When the rates did rise, MAM counteracted this by consolidating the duration of the investments and purchases more flowing rate securities. When the rates decreased, MAM lengthened the duration and purchases more fixed rate assets of longer duration to keep yields for longer.

Council Member Shelton asked if this was what MAM was currently doing in its strategy. Mr. Sehy noted that the duration averaged anywhere from 1.5 to 2.5 meters.

Council Member Shelton asked if MAM was not presently seeking longer durations, to which Mr. Sehy responded in the negative. Per the Utah Money Management Act, treasuries and agencies had to stay at a five-year minimum. Corporate bonds or floaters were three-year minimum, fixed corporate bonds were 15 months minimum, and CDs were a five-year minimum. The State did this so that the City did not have any issues. MAM did look at the City's CAFR and determined that this plan was what they would recommend.

Council Member Shelton asked if the City had any funds in CDs at banks. Mr. Maurer responded in the negative; the CDs were earning a very small amount (about .2%) and not turning a profit, so everything was transferred to PTIF.

Mr. Sehy stated that MAM felt as though the City should have corporate bond exposure, and that it should be complemented with some securities that were AAA rated and FDIC insured. When rates were going down MAM could extend the duration slightly. This was a sample allocation.

Council Member Shelton clarified that if taken together this would mean that the brokered account with the trust company would include everything except the PTIF.

In response to a question from Council Member Carroll, Mr. Sehy explained that all these funds had a secondary market. The CDs and agencies had secondary liquidity and treasuries had same-day liquidity.

Mr. Maurer stated that whatever investment firm the City chose to work with, the Council board would have to discuss the long-term City funds and where the funds were located. He said he would not be comfortable with such a large asset allocation to start out while there were still pieces of this coming together. One part of the five-year plan was to create an updated CIP list. There were several things that would have to happen before the Council board would know what funds would go into which allocation.

Council Member Shelton asked if the City had \$35 million dollars. Mr. Maurer stated it was closer to \$40 with the last CAFR, but most of those funds were impact fees and restricted funds. When he had the CAFR completed, the Council would go through where the City's funds were during a work session.

Mr. Sehy stated that part of this process was to obtain a cash flow forecast. MAM would take 36 months of financial data and calculate the forecast. MAM would create a forecast for the City to help target funds that could be further invested. This would also give the Council a good demonstration on the City's liquidity needs.

Mr. Maurer asked if there were any specific questions about the investment policy. Council Member Barnes then asked if the City had its money in the PTIF. He asked if MAM was proposing that the City could change their investments, and if that meant MAM could earn them a better investment return. Mr. Sehy answered affirmatively; right now, the PTIF was outperforming in yield. Any security that was allowable under the Utah Money Management Act outside of corporate bonds was out in three years. At this point in time, with the inverted curve (see packet), the PTIF was outperforming a longer-term.

Council Member Barnes clarified that he understood. He asked what a projected five to 10-year timeline looked like. Mr. Sehy explained that MAM had a report card that showed exactly the

amount of dollars spread out in different funds compared to the PTIF. He stated that the prior four years they were 25-50 basis points higher, but in this case the points were lower. Council Member Barnes went on to confirm that in the last five years, MAM had been 25 to 50 basis points higher. Mr. Sehy responded that this was correct except for last year.

Council Member Carroll asked if the City paid a management fee for the PTIF. Mr. Maurer replied that no, this fee was netted out of the interest income.

Council Member Barnes asked if the 25-50 was the net after MAM's fees. Mr. Sehy stated that MAM had a fee schedule. MAM was transparent with its fees. Their fee was all-inclusive of the third-party custody. With these banks, MAM could get better pricing and so they passed that better pricing onto their clients. He explained that their fee structure also included third-party reporting. It also covered their day-to-day asset management. The fees were not tiered, which meant that if the City hit a breakpoint, for example, they go from 0 to 10 million, once the City went over 10 million, the fee dropped for the entire balance. The City would not be charged a higher fee for neither the first round nor the second.

Council Member Barnes asked how often MAM calculated this fee. Mr. Sehy responded that it was charged at the month's end and was based off the City's average monthly balance.

Council Member Shelton asked if the treasurer was the one responsible for the policy, and since there had been changes in administration if they still wanted the current treasurer to have jurisdiction over investment management. Mr. Maurer stated that either way, State law dictated who controlled the funds. There was further deliberation on the matter.

2. Review of Fall Budget Amendments, Fund Balances, and Fund Balance Policy Transfer

Mr. Maurer said that while he did not have the official funding audit yet and was actively drafting the financial statements, he thought this would be a good time to go over initial fund balances of for the different funds.

Mr. Maurer presented a summary of both types of amendments added together that describe the funds carried over from last year, in addition to the amendments generated since the start of the new fiscal year. He then discussed the carryover money. In the general fund, the City typically did not carryover money unless there was a dedicated project that the Council board had already committed funds to, which Mr. Maurer further explained. He noted that the carryover funds with Art Dye were pulling over what the Council had committed which were the construction and lighting contracts. The project did not have any carryover funds, nor did it need additional funds for the score keeper tower or any changes; the Council board would have to come back and make changes to this later. Mr. Maurer could not give the Council board a final budget on Art Dye at this time because of this.

Council Member Shelton asked if Mr. Maurer did not get a final Art Dye budget complete, then would this information not include the score keeper tower addition, even though it was approved by the Council. Mr. Maurer clarified that this included whatever the Council board had. David Bunker explained that the Council had the pricing backed for Art Dye, which was not part of what was approved in the original budget. The budget was still in process.

Mr. Maurer asked what the Council board should do with the pavement management programs. He understood that it was the Council's street reconstruction budget, but that the Council would carry over what had not been spent in the prior year. This totaled to almost 1.7 million. These funds came from projects that the Council did not get started before the year ended and were still on the radar for completion.

Council Member Barnes asked if the Council was holding off on road construction until a decision was made. Mr. Bunker replied that he was trying to be strategic about that issue and note what roads could be completed and evaluated. The roads that could be completed were those where road cuts were not needed, or utility work was not needed.

Council Member Barbara Christiansen asked how far behind the Council was with their 10-year plan. Scott Sensanbaugher added that some of the road costs were higher in the first few years than was anticipated, so they were behind in finances for roads and needed to re-adjust the amount. He stated that the roads project was about $\frac{1}{2}$ to $\frac{3}{4}$ of what was put to vote regarding the 10-year plan.

Council Member Shelton asked if the Council was waiting to link 10-year road plan with the telecommunications plan, or if the Council was waiting for the fiber to be decided upon before the Council to re-do the plan. Mr. Sensanbaugher responded that he was taking notes and would give an update on this information at another time.

Mr. Maurer moved onto the cemetery expansion funds, the portion of a plot sale that was dedicated towards expansion of the cemetery. He explained that in prior years this was listed as a budget item with expense item. However, he had several questions from staff regarding this as a potential available fund, so he separated those funds and put them in a restricted section to eliminate confusion. Council Member Shelton asked if the sales were keeping up with what they anticipated. Mr. Maurer said he would have to check into what Lewis Young Robertson & Burningham had projected when that was initially put into place.

Council Member Carroll asked if there was a timeline on the 700 North Connection project. Mr. Bunker answered affirmatively. Mayor Frost stated that they had discussed about applying for an extension on this issue. Mr. Maurer clarified that this was a UDOT project so the funds would not actually be moving through the Council board. The City would still be involved managing the road being built.

Council Member Christiansen asked if the group had the property acquisition for this project. Mr. Bunker stated that they had met with the property owner to discuss but they needed to discuss it further.

Mr. Maurer stated that there were several PARC Tax projects that had to be moved from last year's to this year's budget. Because some of the projects were awarded in May, he had to book them in May. This explained why these projects showed up as last year's budget despite not being officially authorized, so those funds would move to the next year. In addition, the Council likely noticed some of these projects that had been completed are still noted as having funds. The Council and staff needed to take formal action to move those funds to other projects. The financial team cannot budget them into another project on their own because these were restricted funds.

Mr. Maurer the Police Department was in the process of building their storage shed, so their funds should to be carried over. The Police Department also had an amount set aside every year for equipment. Mr. Maurer would like to move them over to the next year to help the Police Department continue to use these funds.

Mr. Maurer then mentioned that there were park funds the Council was using for park fund projects that had been allocated to Art Dye. Because there were still funds left over that he would propose to move those funds to the Art Dye project.

Council Member Carroll asked about the Easton Dog Park. She thought the City was finished with the dog park but there was still \$31,000 allocated to the project in this report. Camden Bird responded that the dog park was now finished but that the construction was previously delayed. He didn't want to sign off on the funding before the project was 100% complete. Mr. Maurer reiterated that this was why they needed to bring forward a motion to the Council to reallocate funds. Council Member Carroll asked if did those funds were ever used to enhance the dog park. Mr. Bird said that yes, they needed those funds to double the size of what the park was outlined originally.

Mr. Maurer moved to the Park impact fee. He said the Council had some money allocated for the Art Dye project and that this was where the remaining money for the project would come from.

Mr. Maurer discussed the water fund and explained that there were several projects the team was working on regarding this issue. The spring line replacement project was still in process. Engineering asked for their remaining funds to be continued for engineering design and construction. The waterline replacement project was finalizing. The final payments for phase seven were completed at the beginning of the year, so the funds listed would be carrying over to the following year.

Mr. Maurer said in reference to impact fees, the Council needed to adjust for developer reimbursements. He recorded those adjustments as liability to keep track of the records to make sure they have available funds.

Mr. Maurer discussed the \$940,000 currently in the fund balance and the debt service fund. The Council was holding this for the balloon payment on the Goodsell property. He proposed moving these funds over to capital projects since they did not necessarily need the funds in debt service.

Mr. Maurer discussed the fund balances. This was every fund listed, not just the funds the City had budgeted for. In the general fund the City had an ending balance of \$2.7 million which was 11.58% for that year. General Capital projects, with the carry overs and the \$941k, had \$3.2 million, with \$211,000 listed in the cemetery restricted account for expansion. There was close to \$12 million in the impact fee fund. In the water funds, there was about \$2.3 million available both culinary and PI were added. Broadband stayed the same.

Mr. Maurer finally went over the fund balance and how it was calculated. The City had an increase of \$243,000, which reflected the 10% the Council wanted to add each year. The Council ended up transferring \$1,187,000 to capital projects, which was reflected in the \$3.2

million. This was new money that would be available this year for projects. Mr. Maurer's proposal was to wait until budget season to determine a use for these additional funds.

3. Discussion of the City's tree trimming policy

Mr. Bird introduced what the Council kept calling "the tree trimming policy," but clarified that was a more complex issue. This was the park-strip ownership, sidewalk maintenance, and tree trimming policy/ordinance and transition plan, which he felt was really the funding enforcement plan. The goal of this discussion was to come to a consensus on how the Council wanted to move forward in terms of managing right-of-way, sidewalks, park-strips, and trees that would help give the residents the rights of control that they want in a particular area. This would also help the Council do their job in terms of maintaining the areas. When the Council concluded, they must determine the best way to make this actionable.

Mr. Bird continued, stating the last time the Council met, the recommendation was that they refer to the Beautification Committee to have an additional review. He believed they were in support of the City owning the park-strip and the sidewalk, but the residents had responsibility to maintain the areas including trees and bushes. The residents would be liable for contents/hazards within the park-strips; residents would be required to remove the hazards with the City's enforcement.

Council Member Shelton asked if this included tree roots damaging sidewalk. Mr. Sensenbaurer answered affirmatively and explained that most of the damaged sidewalks were caused by tree roots. Council Member Shelton noted that this would be a financial hardship for some property owners.

Mr. Bird stated this would be included as part of a transition plan. The City would be responsible to fix the sidewalks and ensure safety of the public space. However, they could require a resident to correct a hazardous tree in order to do so.

Mr. Sensenbaurer asked if this is the direction the Council wanted them to move towards. If, for example, they were to receive a call about a sidewalk issue from a jogger who tripped on an uneven sidewalk and skinned their knee, the City would then be required to confirm the issue with the sidewalk. This would lead to notifying the homeowner to fix the issue, leaving the City to remove itself from that part of the issue. This would exclude sidewalks not clearly in front of a resident's home. He noted that this would be a substantial change in philosophy and practice.

Council Member Shelton asked if the Council had funds budgeted for tree removal. There was \$110,000 allocated for sidewalk removal. Mr. Bird stated the Council could use half of these funds for tree removal, but it would limit what else the Council could use it for. Mr. Bird continued that if someone moved into a new development and hypothetically in 20 years a tree on their property was impacting the road, the City could say this ordinance had been in place and that the resident then would have to fix the problem. It was the residents who have had trees that have been an issue for 20-30 years where the City had not removed the problem tree. He proposed a grace period where the City would be required to dedicate funds to offset the cost of tree maintenance for current residents.

Council Member Christiansen asked if any sidewalk damage would be the responsibility of the property owner. Mr. Sensanbaugher said yes, this was what the proposal stated, and the Council was here to seek more direction on this issue.

Mr. Sensanbaugher continued by stating that there were other things that could cause damage to sidewalks, but that most of the current damage was due to overgrown tree roots. Some trees may only need a root cut. Mr. Sensanbaugher stated they were hoping to talk thru other issues like these during this meeting.

Mr. Bird informed the group that the Streets Department had done an extensive study of the sidewalks. It was noted that the department was 70% complete with this project. Mr. Bird showed the City's program that demonstrating the conditions of the sidewalks. This would feed into a financial plan for sidewalks, which he indicated could lay on top of other work the City wanted to complete. Mr. Bird stated there were a lot of issues adding to the complexity of the tree/sidewalk problem.

Council Member Christiansen asked who owned the park strips and was responsible for their upkeep. Ms. Egner stated there was a fine line in this example, and that it was an unanswered question at this point. Every City was treating this issue differently. Many cities had taken the stance that if the tree was in the park strip then it was a City tree, while others were taking the stance that the City did not have the time or manpower to determine which trees needed maintenance at a given time. Therefore, homeowners were responsible to notify the City of a problem before an issue occurs. At the end of the day a tree in a park-strip was a City tree, and if the tree harmed someone else, the City would likely be sued.

Council Member Christiansen asked why the City owned the park-strip. Mr. Bird replied that it was important for the City access to utilities, fire hydrants, meters etc. The City's hope was that the ordinance could state that it was the responsibility of the residents to maintain park-strips and trees. However, the residents needed to be aware of how to properly care for a tree. There was further discussion on the matter.

Adam Olsen mentioned that in subdivisions, there was a sentence that stated street trees were required. Ms. Egner confirmed state the code stated that trees must be planted in park strips. The question was then what the Council wanted to do about this issue.

Council Member Shelton commented that an estimated 25% of the trees on 100 East, for example, would need to be taken down because the roots have pushed the sidewalks up which was the primary cause of the sidewalk damage. Council Member Shelton continued that this was a huge financial burden on residents, and that the City would have the ability to cite residents for this issue for over the last 30 years. He asked about a transition plan. Ms. Egner said it would be difficult trying to inform residents of this issue.

Council Member Shelton said he saw two problems: one was the sidewalks buckling, and the other was that it was difficult to walk on the sidewalk because of low-hanging branches. The City required trees to be in park-strips but noted that the public was not trimming nor maintaining them. He was more interested in getting the homeowners to be responsible for trimming tree branches to clearance level. He noted that the Council could continue to look at a transition plan as far the removal of trees causing major issues. He thought of the Police

Department Chief while looking around the City and saw the trees hanging in the road. He thought they were making headway if they addressed this issue first.

Mayor Frost stated that there was a similar complication in addressing the issue: if they took the seven-foot threshold, many trees in the Nob Hill area would be very distorted because of their large limbs finally getting removed.

Mr. Bird remarked that there were many issues to be resolved. In the short-term, all the Council did was codify a requirement that the residents needed to maintain a seven-foot clearance for their trees on the sidewalks and a 12-foot clearance. Aaron Brems, Fire Chief, stated that his trucks must cross the yellow center riving line because trees were hanging so low.

Council Member Shelton thought it would be a huge win if the City could get 50% of the trees in the City to meet the clearance requirements. He would then look at the legal ramifications if they were to require additional maintenance. Larger trees caused more issues but addressing and removing these trees would be a huge financial burden on the City.

Mr. Sensanbaugher mentioned that Eric Hyde had stated there had been three calls just today about tree limbs in the street. The Council needed to talk about that component as well. Council Member Christiansen thought it was absurd that the homeowners did not remove the tree limbs themselves.

Council Member Shelton stated regarding the issue of moving branches to escape legal ramification, the cities started to get more calls to have the trees removed when TSSD stopped taking green waste. TSSD was incredibly busy when he last saw them. The Council should address this. The City of Orem gave out passes for residents to take the tree limbs to the landfill; this was a cheaper solution for the City than having staff remove it from the resident's property.

Council Member Christiansen was on board with the property owner maintaining the tree as far as watering, trimming etc. Mr. Bird commented that most residents felt similarly and thought that they were already maintaining their trees. When an issue arose that would cost residents money or time, they would refer to the City code to have it fixed.

Council Member Shelton proposed that the City could say the maintenance of the tree was the responsibility of the homeowner. They could educate the citizens on this responsibility, and the City would then enforce this responsibility.

Council Member Christiansen added that the City was currently not maintaining those trees. It would be logical to put the responsibility of this on the homeowner.

Mr. Bunker mentioned he saw a post where a resident said there was a tree branch down in their neighborhood and the person was told by other residents to call PW (streets department). The Council would have to retrain what the public expectations were based on this information.

Council Member Shelton asked when the best time prune trees were, and it was noted that best time was when trees were dormant (fall/winter).

Jason Thomson asked if there was a precedent currently set for the homeowner as responsible for the park-strip. Mr. Bird stated the Council could do something to solve the top half of the tree

problem, but not the bottom half of the tree problem. He knew this was a heavy burden for the Council.

Mayor Frost mentioned that in the past, the City did a massive project where the City replaced the sidewalk concrete over a large area. The City participated in helping pay for the concrete, a cost which was matched by the developer. The City would consider helping pay for concrete for the sidewalk replacement program. The City cut off the roots of the large trees and then fit the form in about twenty years ago. Residents had to apply for this level of City assistance.

Mr. Bird asked if there were no trees ruining any sidewalk in the City, if the Council would be fine with an ordinance requiring the residents take address any problematic sidewalks in the future.

Mayor Frost asked if it would be reasonable to expect the resident to be responsible for both the tree and the sidewalk. Ms. Egner said the sidewalk was the property of the City; the tree maintenance was a little different, where the resident maintains the trees present on a park-strip. She stated that if a person tripped over sidewalk, they would fight the City through legal action. The City did not have the legal right to push that claim off to the property owner because the City knew this problem existed and was not actively fixing it.

Council Member Shelton suggested Council look solely at maintenance of the tree one piece at a time. If the Council could get 50-60% of trees in compliance with top tree trimming maintenance over the next few years, the City would be ahead. If the Council tried to do too much now, they would receive pushback from residents. Council Member Shelton received complaints about tree limbs being too low more than anything else.

Ms. Egner pointed out the difference between trees in park-strips and on private property. The code stated that the City could charge for maintenance on private property, but this had not been enforced recently. If this was a tree on private property impacting the sidewalk, the City could say the resident had 30 days to remedy the issue or the City will do it for them and then bill the resident.

Council Member Shelton asked Chief Falslev how much labor they had to complete this available. Chief Falslev said they were currently handing complaints as they came in. They did not have the power to be proactive about this issue. Council Member Shelton said he would look to the top part of the tree and find a way to better enforce this. Council Member Christiansen thought education was important too. Mayor Frost agreed that they had to start somewhere.

Mr. Bunker mentioned there was a substantial liability to the City for not addressing and taking care of the sidewalk. The streets department took the time to put this information and plan together to start working on the problem. If the City was ever challenged in a legal case, the street department could prove they had a plan to fix problems they may arise.

Council Member Shelton said he was okay with what the Council had been doing so far. He did not think the City was ignoring the issue but felt that if the Council was looking at ordinance of this nature, there would not be enough money to fix the issue.

Council Member Christiansen said the City clearly owned the sidewalk, and that the Council needed to figure out how to take care of it. Mayor Frost stated the Council would have to get more serious about this issue and find money for sidewalk replacement.

Mayor Frost asked that Mr. Sensenbaugher spearhead this at the budget retreat.

Mr. Bird said he would bring back a code revision that put maintenance on the residents for tree care to make sure they meet the tree height clearances. The Council would need to work on a transition plan for the sidewalk and bottom portion of tree maintenance in the future.

4. Open and Public Meetings annual training.

Ms. Egner presented the annual training for the Open and Public Meetings Act.

5. Discussion on Council Goals.

Mayor Frost asked to move the Council goals to another meeting.

Council Member Shelton was interested in the financial and downtown plans and requested an update to be sent to him regarding both issues.

Adam Olsen responded, stating that there were many things going on behind the scenes in reference to the financial plan and downtown plan.

6. Adjournment

The work session adjourned at 6:00 p.m.

A handwritten signature in cursive script, reading "Terilyn Lurker".

Terilyn Lurker, City Recorder