

AMERICAN FORK CITY COUNCIL
JUNE 2, 2020
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
Clark Taylor	Council Member

Staff Present:

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

Ryan Johnson & Greg Lowe with Jibe Media, Travis Dalley, Communications Specialist

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.

The American Fork City Council will meet in a work session on Tuesday, June 2, 2020 in the City Administration Office Conference Room, located at 51 East Main Street, commencing at 4:00 p.m. The agenda shall be as follows:

1. Review of the City's branding style guide as presented by Jibe Media

Mayor Frost welcomed everyone and let Greg Lowe and Ryan Johnson from Jibe media present.

Greg Lowe, Jibe Media, stated that he would go through the style guide and that the style guide was the capstone of the branding process. He stated that consistency was an important part of brand management because consistent execution was how recognition was built. He stated that the style guide served as a rulebook for application and it enabled justifiable enforcement of the rules. The style guide also allowed any vendor to work on their brand. He stated that as they went into the application phase there were going to be a lot of different vendors that touched the brand.

The style guide allowed the City to feel confident that these companies would execute their brand in the way that they wanted.

Greg Lowe, Jibe Media, presented the style guide with the aid of a PowerPoint presentation. He discussed some of the verbal guidelines and stated that a brand didn't need to just look consistent across different mediums and time, it also needed to sound and speak consistently which was what that section of the document was for; it discussed things like primary messages including what American Fork residents called themselves, as well as proper uses for the AF acronym.

Ryan Johnson, Jibe Media, stated that he would go over some basic rules for the laying out of the logo itself, the lockup of the icon with the wordmark, and the various layouts that had been defined. He said he would review the meaning contained within the logo prefacing the hub of Utah County in the spokes and the mountains for American Fork Canyon, and then would go deeper into sizing specifications and minimum sizes. He thought the smallest thing they would want to print on was a pen or something else very small, and said he would define the various color combinations and the black and white versions for things like embroidery that could only be done in one color. He stated that this would be helpful for telling vendors what they were not allowed to do, just in case. He showed examples of the departmental logo lockups to define the hierarchy between the main logo of the City and the smaller department logos. He showed the color palate they had defined and stated that the two main colors in the logo were patriot red and pioneer blue. In expanding the brand, they had chosen a set of secondary colors, antique brass, dark leather, and warm linen colors that rounded out the palate.

Council Member Carroll asked if Mr. Johnson recommended that the logo remain in only the two colors and not use any of the other colors from the secondary palate. She asked for clarification on the use of the colors in the secondary palate. Ryan Johnson, Jibe Media, replied that the logo itself should mostly only be reproduced in the red and the blue unless it was a special application. They had used the gold accent color for smaller details around the pages or a light tan color in the background for an accent and had used the darker brown leather color for some of the text. Greg Lowe, Jibe Media, stated that they would not see the logo colored and used in the antique brass or dark leather.

Ryan Johnson, Jibe Media, talked about the hierarchy of the typefaces that they had selected and the proper implementation of those, defined how they should be used, the details of the spacing, and how the typefaces should be applied. He showed some of the brand patterns that they had created with the logo and referenced the bottom pattern which had secondary lock-ups that were just brand extensions and not meant to replace the logo, but rather add to it. These had been used throughout the book as supporting elements and he stated that he could envision them being printed on a t-shirt or placed on banners around the City during Steel Days as a way to enhance the brand overall.

Greg Lowe, Jibe Media, referenced a banner from the presentation and stated that, as Mr. Johnson had mentioned, these were just meant to broaden the brand a little bit and give it a broader application.

Lastly, Ryan Johnson, Jibe Media, showed where they had laid out some of the brand applications for apparel and a flag. He referenced some examples of stationary, business cards, and pens that would be seen by Council every day. He stated that these were still being defined and were being fine-tuned.

Council Member Christiansen asked if they would be going by “the hub of Utah County” or “the hub of North Utah County” to which Council Member Clark stated that they had always been the hub of North Utah County because it made more geographical sense. Greg Lowe, Jibe Media, stated that it was up to Council and they could stake a little bit more claim or stick to North Utah County. Mayor Frost stated that they were the axis of the north and he wondered what putting another word onto the logo would look.

Council Member Christiansen stated that she thought that Provo and Orem would be upset if American Fork were to act presumptuously. Ryan Johnson, Jibe Media, stated they would make a note to see what it would look like to add another word to the logo. Mayor Frost commented that it might look a little funny to add another word, but it was what they had been known as in the past.

Council Member Taylor stated that this would be the policing document of the new logo. He stated that the document was really in-depth in laying this out and he believed that they strictly follow it and build the integrity of the brand. He stated that they had made an investment and that Ryan Johnson and Greg Lowe, Jibe Media, had done a fantastic job. He asked Mr. Lowe if the idea was to be able to have the guide on their website. Greg Lowe, Jibe Media, replied that a lot of cities decided to put it on their site or media page, but he thought it was best used as an internal document. They could put together a media kit with logo assets, etc. that would be more useful to an outside audience but that it would be good to have available for internal access. He stated they could put it together as a PDF and have copies printed and bound.

Mr. Bird stated that they wanted to be transparent with the logo style guide. Mr. Bunker commented that they were excited to get it rolled out and that it had been a fun process. Ryan Johnson, Jibe Media, agreed with Mr. Bunker.

Greg Lowe, Jibe Media, stated that with the style guide complete it was time to start rolling out the brand and begin the implementation phase. He stated that there were two prongs to the application phase, the first of which was a messaging initiative to residents and City employees. He stated that they could help write out an email that would go out to City residents and that some cities issued press releases. The second prong was implementation, which was the actual application of the brand to City assets and materials. He stated that this obviously could not all be done at once as budgets didn’t allow for that, but their contract indicated that they could give the City a simple implementation plan which would be a timing summary with three categories. The first category would be items that could and should be handled right away such as business cards, letterheads, envelopes, etc. The second category would be items that should be changed as the budget allowed such as the website and City-owned equipment.

Mayor Frost commented that he thought that this was great and that it would give them the ability to look at their budget and proceed with what they had budgeted for.

Council Member Carroll commented that she wanted to reiterate what Council Member Taylor had said and that she expected all of the departments in the City to use the logo. It needed to be universal so that they could create a stronger brand.

Mayor Frost thanked Greg Lowe and Ryan Johnson, Jibe Media, and asked the Council if they had a date in mind to begin the implementation process. Council Member Christiansen suggested Steel

Days and Council Member Carroll agreed. Mr. Bunker added that the Chamber of Commerce had asked to use the new City logo in the City magazine for Steel Days and that that might be a nice way to put it out in the magazine. There was subsequent discussion on the matter.

2. Discussion of FY 2021 RDA Budget

Anna Montoya, Finance Officer, stated that this item was the discussion of the RDA budget that had been brought to them on May 12 with some updates based on previous discussion. She stated that not much had changed with the exception of the Egg Farm EDA. They had analyzed the projects in that capital plan in order to determine that they had met all of the priorities for that project area. She noted the financial report for the EDA covering the entire project span from 2005 to its close in 2025 was included in the staff report. Also included was the patriot station CRA which had no budget but showed the prior two years of activity.

Mr. Bunker stated that as a follow up to the Egg Farm EDA there was a question as to where they sat with the fund balance, and what the projects that would be completed as a part of the Egg Farm EDA were. He said this was outlined in the report when it was initially approved in 2013 and that there were nine projects that had a priority schedule listed. He referenced the report and identified each of the nine projects and the associated budgets for the projects. The EDA would not generate enough tax increment to cover 100% of all of the projects; therefore, there would be a shortfall above budgetary funds to complete all nine priority projects. He stated that as they evaluated which projects needed to be done, the widening of 1500 South would be one of the last projects that they would look at; it would also be underfunded. The project fund was listed at \$2.98 million and in the schedule, there was only \$1.84 million remaining to put towards 1500 South. However, with the Vineyard connector that was coming through that part of the project would cross through 1500 South and come over the railroad tracks on 1500 South clipping a portion of the Price Development property. He stated that they were unsure what 1500 South was going to look like once the Vineyard connector went through there and that there would need to be some connectivity to that interchange. He said that there would be some kind of connection on the Vineyard connector and 1500 South, but it was looking different in the future than what they had anticipated in 2013 when the projects were identified.

Council Member Shelton asked for clarification on the time frame of the plans. Mrs. Montoya stated that 2021 and beyond had been proposed based on the project area plan. Further discussion regarding numbers presented in the report were then discussed.

3. Discussion on the FY 2021 City budgets and review of budget book

Mr. Bunker stated that he appreciated everyone's comments and feedback and that they were trying to incorporate all of the comments. He said it was a big project and that Mrs. Montoya had done a great job putting it together. He mentioned that the budget they discussed was not set in stone and that as a City Council they had the ability to go back and amend it. Mayor Frost gave Mrs. Montoya a special thanks for coming in at a unique time and getting up to speed and bringing it together.

Mrs. Montoya stated that she welcomed and appreciated everyone's comments. She stated that the total City budget was \$102 million which included all plans of the City. The General Fund budget was just over \$23 million and as far as capital projects for the 2021 year they were planning on over \$55 million. A majority of that was in the \$28 million water line project and the \$8.4

million fire station. As far as revenues from all funds, they had revenues of \$85,451,000. Enterprise funds were a majority of the revenues including water, sewer, and storm drain, recycling, and sanitation. The General Fund was just over a quarter of that amount and the large capital projects were 14% of the overall budget.

Council Member Carroll asked how the total budget was larger than the total revenues. Mrs. Anna Montoya explained that in the Enterprise funds they were using a lot of fund balance for some of the capital projects. The City as using some reserves and the General Fund was minimal; they should have a balance budget in the General Fund but the revenues were going to be less in the other funds because they were expending some revenues, partially due to COVID-19, but mostly because of capital projects. Council Member Carroll asked if that included Impact Fee funds and restricted funds that were intended for those uses to which Mrs. Montoya answered affirmatively. She stated that they avoided using reserved funds for operations as much as possible.

Mrs. Montoya stated that with revenue by type it was the same amount: \$85,451,000. She showed charges for services which were user fees for water and the other utilities. Financing sources were bonding and potential loans for some of the capital projects: the water line and the fire station. Sales Tax was at 11% and impact fees made up the rest of the total revenues. She broke down taxes in the General Fund. Sales Tax made up the majority of the taxes, whereas Franchise Tax and Property Tax made up the rest. She explained that they had had to be conservative in their revenue estimates because of the COVID-19 pandemic and that they had basically gone down to the 2019-2018 budget year as far as the resources they could expect.

Mrs. Montoya explained that total revenues were \$22,718,000 and they had a \$2 million transfer that was previously transferred to the capital projects fund that they would like to give back to the General Fund to use for the shortfall due to COVID-19. Tax revenue was \$14 million, the other largest was charges for services, and other fees were \$2.7 million. She stated that since they were being conservative it was a lot less than last year; \$1.9 million based on last year's approved budget. For General Fund Expenditures she broke it down by function and type. She stated that public safety/police and fire was about 51% of the General Fund, and she recited figures from the slide regarding the enterprise budget, community services, and general services. She commented on expenditure types and said that personnel were the largest expenditure. She commented that on the flip side they were still growing, and they had the need to add personnel. The recommended changes for personnel was to add three full-time firefighters and one full-time battalion chief. However, they had to reduce part-time hours for shift coverage and that more or less it would be a wash in the total expense recommended for fire. For police, they were recommending one full-time police officer, one full-time police sergeant, and two part-time records specialists. For public works they were recommending one full-time civil engineer which would be paid by administrative charges to the enterprise fund.

In response to a question from Mayor Frost, Mrs. Montoya stated that they charged it out of the engineering department but in essence they charged those costs either to water, storm drain, sewer, and all of those Enterprise funds so that they recovered the costs of the additional personnel. For community services they had reduced hours based on facility closures and reduced services of those programs.

Council Member Christianson asked if they had anticipated reduced hours in the future. Mrs. Montoya replied that they had reduced their revenue by about 30% when they were looking at a benchmark to reduce personnel costs. The reduction in the parks and recreation program would

also be about 30% for part-time and they had cut all full-time personnel, but this would be reevaluated as needed in the weeks and months to come.

Mrs. Montoya stated that they had reduced the General Fund in most other departments with the exception of police which would be adding personnel and planning. She stated that they were unable to lower it too much because of the cost of personnel, but overall, it was reduced by about \$500,000 and that that was what they would be using the \$2 million transfer for. She commented that they wanted to highlight capital projects and said that the culinary water line project was about \$29.5 million and public safety with the fire station was \$8.4 million. As far as resources for public works projects, debt proceeds would be the majority with the potential State loan for which they had applied for the water line project, and the approved general application bonds for the fire station for which they had just received funding. She stated that they would spend \$2 million on the 45:30 plan based on the funding of the Class B and C road allocation. They had \$500,000 earmarked from property tax and the quarter cent transportation sales tax for that road plan, and the total of those resources was \$2,093,000. She stated again that the fire station was \$8.4 million and that they also had the 700 North connection of \$1.923 million based on the grant of Mountain Land Association of Governments (MAG). The 200S bike/pedestrian path was funded by the MAG grant of \$4.1 million, and water relay and replacement were \$28 million. The PI meters were \$3 million which was a \$1.5 million matching grant and they estimated phase one to be completed at the end of that year. There would also be the five-year capital improvement plan the next few years to complete that project for City-wide meters. There had been \$2 million requested for a pressurized irrigation pump on land for the recapture of the TSSD water and that concluded the overall snapshot of the budget.

Council Member Barnes asked about the \$2M for the irrigation pump and asked how much of that she thought would be for the study itself. He was concerned about committing to anything until they had a study that told them what they were doing and had had some good discussion on it. Mr. Bunker stated that it would be a placeholder until they had gotten the study back and felt comfortable with what they needed to do there. He stated that part of that study would be a review of their water rights and making sure that they knew how much of the water that went through their system and got treated at TSSD was available to the City. He said he did not know a number but that it would not be a cheap study and the legal water right work would probably be between \$30,000 to \$50,000. Council Member Barnes asked how much Mr. Bunker thought it would be total for the study to which Mr. Bunker replied that he thought it would be a couple hundred thousand but not \$500,000. Council Member Barnes stated he understood the placeholder and did not want anyone to misunderstand him because he was not opposed to this and asked what kind of time frame Mr. Bunker thought it would take to complete the study. Mr. Bunker replied that the Timpanogos Special Service was going through a master plan study at that time which would incorporate using the water as reuse water and they would like to get that committed by the end of the year. He thought that their study needed to coincide with that and be finished by the end of the 2020 calendar year. Mayor Frost stated that they were in a unique position to really look at the Timpanogos study and it would be a gamechanger.

Council Member Shelton commented that they had approximately \$7 million in the secondary water irrigation fund and that they were using \$1.5 million on the pressurized irrigation meters with another \$2 million budgeted for the possible study and land purchase. He personally would like to budget for the study to be done and then go back and take a look at it. He wanted to see a plan that would outline what they were doing with the pressurized irrigation and how they were

going to meter it. Further, he wanted to know when it would take place over the next ten years and when they were going to purchase the other 70% of the meters.

Council Member Carroll asked why they just did not leave it in as a budget item. The expense could be taken out which seemed more prudent than trying to somehow come up with money somewhere else.

Council Member Christiansen stated that she thought this would be more straightforward if that were where they thought they would be going and that they did not have to spend the money if they decided they didn't want to. Council Member Shelton stated that that was true but when they had something budgeted it was part of the plan. He thought it was hard to budget an item that they were studying at the time and he would like to see a plan. He stated that part of the \$7 million was sitting in cash in the treasurer's fund at that time so they wouldn't have to go looking for the money somewhere else; he just thought that the total cost was about \$8 million and he wanted clarification on the matter. Mr. Bunker said he would have to look it up. Council Member Shelton stated that if \$3 million was only buying a third of their water meters then they would need a good plan of how they were going to spend money.

Council Member Taylor stated that he could see it both ways and that leaving it as it was made sense but he also liked the idea of a plan, especially when 69% of the City would not have meters. He said it would be nice to have an idea of how it would go going forward because they could not just leave one-third of the meters done.

Mr. Bunker stated that he thought a plan was important and they definitely needed to have it mapped out. They had a proposed schedule for the metering and needed to make sure the funding was available.

Council Member Carroll stated that not buying the land made decisions for them in some ways because the opportunities would disappear. Mr. Bunker replied that it would make it more complicated to do the plan.

Council Member Barnes asked Mr. Bunker how serious of a commitment that placeholder was. Mr. Bunker replied that he thought it was a serious placeholder and that it showed some commitment. They would not make a final decision until the study came back and they understood the benefits to the City, but in his mind, it was something that needed to be seriously considered during that fiscal year. There was further deliberation on the matter.

Council Member Shelton asked if the \$4,000 budget for the Beautification Committee was still accurate to which Mayor Frost replied that was correct. Council Member Shelton stated that the Beautification Committee was holding a meeting the following day to discuss its budget. He also noted that the flowerpots on Main Street had also become an issue. He stated that Ross Brett used to drive up and down main street with a five-gallon bucket watering the pots but that he had since passed away. There was further discussion on ways in which the flowerpots could be improved such as outsourcing or involving local businesses in maintaining them, as well as the Beautification Committee's budget. Other projects discussed included the planting of trees, maintenance of park strips, the development of a downtown irrigation system, and the light poles along Main Street.

Regarding the light poles on Main Street, Council Member Taylor suggested that they take some of the money earmarked for flags with the City's new logo and put them on the light poles. Council Member Carroll stated that she liked this idea as well.

Council Member Shelton discussed the budget for the City's culinary water projects and stated that they had talked about a need for a plan with the secondary water. The secondary water fund balance which had roughly \$13 million and that they used to have a water plan to go through the older parts of the City and replace them with the CBG Grants. He stated that on page 50 of the report, it showed the enterprise funds and the expenses. The second line from the bottom was water line repairs went from \$300,000 to \$100,000, and he was wondering about the decrease in that amount. Mrs. Montoya stated that the recommended amount was \$500,000, and she thought the focus of that year was the 36-inch water line project. Therefore, staff had reallocated resources and recommended the \$100,000, but that amount was up for discussion.

Council Member Shelton stated that he thought one of the goals coming out from Council was to have an infrastructure plan that was only going to be for five years, but that it would overlay all of the infrastructure and replaced all prior infrastructure plans. Mr. Bunker said he thought it was focused on a road plan with the underlying utilities being considered. Council Member Shelton stated that he thought that they had taken a really good first step in raising the water rates in order to afford the repairs which had allowed the fund to build up over time; now he thought it was time to start putting the repairs into place. He commented that if they had \$13 million sitting in the bank without a proactive plan on how to spend it that he thought that would be the second step to really making good use of those funds. He stated he did not see a need for a reduction if they could do the \$500,000 in repairs. He stated that if they were worried about manpower in doing a \$30 million water line project, then that was a whole different discussion. He would like to see some sort of comprehensive plan in place.

Mayor Frost asked Council Member Shelton if he thought the comprehensive plan would just be for repairs for the entire water structure. Council Member Shelton replied that Council Member Christiansen had written an article when they had put out their water plan that was in *The Daily Herald* on the topic. The City needed to spend money on repairs for residents in front of their homes.

Council Member Carroll was concerned about the number of water line breaks and aging infrastructure. If there was an opportunity to do more by way of addressing those concerns this year, she was not opposed to it.

Council Member Shelton reiterated that the bigger underlying issue was putting a comprehensive plan in place and overlaying that with sewer and streets. He stated that he would like to go out to bid on this project and that if they needed to go out and get an engineering firm to help them because their current engineers were already overloaded, then that is what they should do.

Mr. Bunker stated that they knew that they would be replacing 600 East as part of the water plan, but that the 36-inch water line plan killed two birds with one stone. It replaced a dilapidated old line from 700 North to Main Street. In addition, they were expanding capacity so that there would be enough water for the growth on the south side of the City. He agreed that they needed a comprehensive plan. He stated that they definitely needed a road map and that in the budget there was a proposal to hire a City engineer that would separate some of the duties between the Public Works Director and the City Engineer. At that time there was one person handling all of the

duties—Scott Sensanbaugher—but their plan was to bring in another person to help separate some of those duties and work on that comprehensive plan to make sure they were headed in the right direction. He stated that he was not opposed to hiring a consultant to help with the plan and to identify critical needs and prioritization, but that that year they were tackling a big portion of the replacement plan.

Council Member Shelton stated that he did not see that coming out of the \$13 million fund, to which Mr. Bunker stated that they would have to pay debt service and borrow money because they didn't have \$27 million in cash available. Council Member Shelton asked if the fund would be used as part of the split between impact fees and the current use, to which Mr. Bunker replied yes.

Council Member Christiansen stated that she wanted the City to be prepared for what they would be doing the following year. Council Member Shelton agreed. He asked what cuts they had made in the budget to get that extra \$200,000 to \$250,000, to which Mrs. Montoya replied that it was taken from the general fund. Further, expenditures were reduced across all of the departments. She stated that they had looked at every line item to try to balance the budget. Council Member Shelton stated that when he looked at the ten-year road plan, they were supposed to be spending \$2.5 million. At the time they were at \$2 million, and it felt like they had communicated to the public that they were going to fund the road plan. He thought that they might have to push the pause button until they hired a consultant to develop the comprehensive plan.

Council Member Carroll stated that they should put every single dollar budgeted towards fixing the roads.

Council Member Christiansen stated that any plan needed to be a living document that was flexible and accessible to the public.

Council Member Barnes mentioned several road projects in the City and observed that they were putting quite a few resources into road projects this year, which he supported. He commented that the water line project was also a much-needed project. He asked if it would be advisable to take some money out of the fund rather than bonding for it. He also stated that moving ahead they should do all the work at once.

Council Member Taylor agreed with what Council Member Christiansen had said and added that they were at a takeaway spot with the water line so there was not a lot of room.

Council Member Shelton stated that the City was advocating and putting information on the website to push forward the road plan, but they were not following it which he thought was a disservice. Council Member Carroll asked for clarification on whether or not they were doing all of the roads they were supposed to be doing, because they were doing roads from the road plan. Council Member Shelton stated that he did not think they were doing a majority of those roads because they did not have the water infrastructure repaired underneath them yet.

Mr. Scott Sensanbaugher stated that there had been some significant changes and some of the roads that had been done were different than the ones listed in the plan. Whether or not they needed to do infrastructure underneath them depended on what kind of treatment was being done and the condition of the pipe. If there was a pipe in good shape that had not been giving them problems, and they were only looking at doing a surface treatment because the road was not that bad, then they were not replacing it. He stated that usually the roads in the worst shape were the ones with

the water lines in the worst shape, so they tended to go together. He said that there had been some changes because the way that the road plan had been listed. Staff had found that when some of the roads were scheduled to be done, some had major problems with water lines or a significant geotechnical issue, and some of those had been set aside to get more low hanging fruit that did not have those problems.

Mr. Bunker stated that they had accelerated some roads and delayed others, so it was not that they were not keeping up with the overall plan, they were just doing different roads. As a City, they were coming to a juncture where they would not have enough money, and they needed a long-term funding source identified so that they could keep up with the full plan. They needed the plan to be flexible enough to swap projects if need be, because there were all kinds of issues that popped up.

Council Member Shelton stated that he agreed and that that was the reason for the annual update. He stated that if they did not update it and diverted too far, then people would lose trust in the plan because it was not being followed. The reason for the annual update was for accountability, but he argued that they were not doing that. Mr. Bunker agreed that updates were necessary.

Council Member Taylor stated that it seemed like there needed to be a level of flexibility when the plan went out each year that showed what their best intent was, but each year as budgets changed the plan needed to be flexible. There was further discussion on this point.

Mayor Frost stated that he had looked at the road plan and didn't put a lot of stock in Facebook because it could strike nerves and had the ability to get hijacked; however, he valued people's opinions. He stated that the road plan had to have flexibility and referred to it as a living document.

Council Member Shelton stated that a goal from the retreat that year was to make an infrastructure plan. There was no money budgeted for it so if staff did not have the bandwidth, they should give them the resources they needed to get it done. Council Member Taylor stated that he thought it was a one-year rolling plan. Mr. Bunker stated that initially they had said that by July they would have the first year's plan done, and that by the end of the year they would add five years to that plan which was what staff was working towards.

The Council further deliberated upon the City's road plan and how to move forward with remaining projects and maintenance.

4. Discussion on Proposed 2020-21 General Fee Schedule

Mrs. Montoya stated that every year they reviewed the fee schedule and that every department looked at their prospective fees and proposed changes based on cost of service. She said they surveyed other cities for any inflationary pressures and that Council Members had before them the proposed fees in red and the justification for each fee. She stated that rate changes were highlighted based on the 2018 resolution. She said that one thing that had come to their attention that was not included in the packet was the rate change for the garbage fees based on the Republic Service rate increase. She said they were minor fees and that the first container fee would increase by \$0.10, the second container would increase \$0.07, and recycling cans would increase \$0.28 for the first can.

Council Member Staci Carroll stated that she thought those were contractually set and wondered if they could increase rate whenever they wanted. Mr. Bunker replied that the increases were part of the contract, so it was a contractual increase for Republic. Council Member Carroll commented that last time they increased rates it was outside of the contract to which Mr. Bunker replied that because of the recycling issue they had had to renegotiate that and bring it back to the Council separately.

Council Member Barnes asked about commercial business licenses, to which Mrs. Montoya stated that it could be defined as full-time depending on Council discretion. She further explained that their fees were particularly low for commercial businesses; for example, Wal-Mart paid \$40 for a renewal every year versus other cities that charged \$2,500 based on the employee count. Council Member Barnes asked how that was determined. Mrs. Montoya explained that she was not sure what the particular ordinance said but they could define it as full-time employees. Council Member Barnes asked how they could verify that to which Mrs. Montoya replied that they would request it on the renewal application and have it certified.

Council Member Shelton stated that he was opposed to that because they needed to recuperate their costs; their fee should be based on costs not what other cities charged. He said that it took Wal-Mart just as much time to process an application as it took a business with two business owners and they were trying to spread that cost out.

Council Member Carroll agreed, explaining that the fee should not be based on how big the company was but how much it cost to process the business license. If it cost more for bigger companies then the employee count might not be the right way to base it on. She said it seemed illogical and that the companies would have to volunteer that information, which seemed unreliable.

Council Member Shelton stated that they were in a new world where people worked from home and he asked how that came into play. He stated that he was not a big fan of the per employee count. Mayor Frost asked if it was a safe assumption that these were revenue neutral. Further, he asked if there could be some sort of revenue generator rather than neutral. Mr. Bunker stated that this was the formula that a lot of other cities were using. He stated that it might cost a little bit more to do a business renewal for a larger company, but that this could be a revenue generator where with smaller businesses it might be a revenue loss. He stated that this should be close to what it cost the City to perform the operations. He said that if the Council would like to go to more of a flat fee than to look at employee count, that they could pursue that route.

Council Member Shelton stated that he would be looking for the cost, revenue, and how the new formula would work. This data was missing for him to which Mr. Bunker replied that he would obtain that information.

Council Member Carroll noted that this would be for new commercial applications not particularly for annual renewals. Mrs. Montoya clarified that annual renewals would also be based on employee count. Annual commercial business license processing fee would be \$40 plus \$10 per employee.

Council Member Shelton stated that he had seen that short-term rentals had been added. He thought that in their discussions they had talked about the police officers having the same absentee landlord registrations go under business licensing, and that the best time to do that was when they

adopted the fee schedule. However, he did not see that on there and wondered if that was still something that they wanted to do. Mr. Bunker asked for clarification on what was being asked. Council Member Shelton stated that they had the absentee landlord program which required them to register with the police department, and that they had talked about having one place where everyone went. Rather than applying for permits through the police department, that would be considered as a business license where they would register online. Mr. Bunker indicated that this information should be included.

Council Member Barnes asked if it was fair to assume that all of the fees and licenses were to cover the costs to the City, to which Mr. Bunker answered affirmatively. Council Member Taylor stated that it was punitive when someone was operating a business in the City without a license, which was a little different.

Council Member Barnes commented on fire inspections and stated that it appeared that the fire department had thought it through very well. He said totally agreed with what was going on in that section.

Council Member Taylor stated that he had to leave and that he would listen to the recording of the rest of the meeting.

Mr. Bunker stated that most of the charges were the same and that some had small increases.

Mayor Frost stated that the fee schedule would help offset the cost of the new engineer that was coming on board. Mr. Bunker stated that staff reviewed this fee schedule extensively. He stated that when the proposed engineer worked on a project, whether it be a capital project or a development project, those hours would be tracked accordingly and the charges would be assessed to the corresponding enterprise fund rather than the general fund.

Mayor Frost stated that they had done a good job as a Council making minor changes and staff had done a good job of keeping a record of charges.

Mr. Bunker asked for feedback and stated that the fee schedule would come back before the Council for approval. Staff would look at the absentee landlord and employee fee to make sure it was revenue neutral.

Mayor Frost thanked everyone for their participation. He noted there was a Council meeting coming up on Tuesday which would be on Zoom.

5. ADJOURNMENT

The work session was adjourned at 6:15 p.m.



Terilyn Lurker, City Recorder