



MINUTES
Springville City Council Budget Planning Meeting - APRIL 27, 2021

MINUTES OF THE BUDGET PLANNING MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, APRIL 27, 2021 AT 2:00 P.M. AT THE SPRINGVILLE CIVIC CENTER MULTI-PURPOSE ROOM, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Richard J. Child

Elected Officials in Attendance: Liz Crandall
Craig Jensen
Brett Nelson
Matt Packard
Mike Snelson

City Staff in Attendance: City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, City Recorder Kim Crane, Public Safety Director Lance Haight, Golf Course Superintendent Jay Geise, Building and Grounds Director Bradley Neel, Recreation Director Corey Merideth, Community Development Director Josh Yost, Power Director Leon Fredrickson, Public Works Director Brad Stapley, Library Director Dan Mickelson, Director of Administration Patrick Monney, Management Analyst Jack Urquhart, and Museum of Art Director Rita Wright.

CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 2:00 P.M.

WELCOME AND INTRODUCTION - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald welcomed the Mayor, Council, and staff. He explained the purpose of the meeting was to review the budget for the coming year.

THE WALL - A HARD DISCUSSION ABOUT SERVICE LEVELS - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald guided a discussion on service levels as set by the City Council as well as taxes and fees to cover those services. A possible challenge could be property tax doesn't increase with inflation. An option would be the council could agree to do truth in taxation program. This year's budget is sustainable, funding and service levels will need to be looked at for the years to come.

Administrator Fitzgerald asked the council for guidance on service levels and funding.

Councilmember Packard expressed consistently doing something each year to maintain services and cash flow, it may be necessary to have some increases.

Councilmember Jensen suggested rather than sitting on our laurels we should keep maintaining services and continue to evaluate fees.

Mayor Child stated we can always improve on things, sometimes there are other ways to save money or do things.

Councilmember Nelson asked if there was an ROI (Return on Investment) on services.

DEBT FINANCING - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle explained debt financing projects facing the city.

WATER - Proposed in the budget is a \$5 million impact fee water tank project to facilitate growth. He reviewed the debt profile and explained delaying it any further would have an impact on the growth pressure.

Councilmember Packard stated he was against incurring debt to the city. Asked if there was a way to do interdepartmental loans. Director Riddle expressed it could be done and offered a brief explanation.

Mayor Child cautioned the need to get ahead of the growth to prevent an emergency.

Administrator Fitzgerald added even if we wait another budget year, it leaves a \$4 million shortfall.

Director Riddle confirmed the council was in agreement to incur a small amount of debt to cover the \$5 million project.

GOLF - The golf course is an enterprise fund which is quite rare for a municipal course. Director Riddle gave a brief history of the funding for the golf course. The course does not contribute to capital improvements at the golf course. The irrigation system on the back nine is the same system when the course was built. The front nine was replaced over 20 years ago. It is to the point where the system is past its useful life. The ponds and the pumps need to be redone before the distribution side a piecemeal would not be an efficient way to replace the system.

Mayor Child commented on the water usage by the golf course and the State Water Conservancy District. Director Riddle mentioned it was not currently included in the project.

Administrator Fitzgerald expressed just the cost to bring the front nine into operability it makes sense to complete the entire course.

Council was in consensus to replace the entire system.

PARKS - Attorney Penrod reported citizens want more open space. However, the city has too much property and needs to develop some. In the Park Survey, there are requests for trails, a bike park, pickleball courts, and a dog park. Some improvements can be done, the city would need to make sure it has enough property for future needs. Some bonding would be needed in order to purchase property before it is all purchased.

Councilmember Crandall asked about having developments required to keep so much green space. Attorney Penrod explained it could be done as a density bonus and explained the procedure. Under the current plan, the city needs to develop park property before purchasing more property.

Administrator Fitzgerald reported there were funds to buy a property and the use could be determined later. Impact fees are separate and need to be used to develop the current park property.

Attorney Penrod stated the funds available were not enough to do more than one or two projects. The council would need to bond to do more development and asked the council to consider this for upcoming discussion in the next few months. Park impact fees need to be used within six years.

Councilmember Packard expressed he was not comfortable going into debt.

TELECOMMUNICATIONS NETWORK - Director Riddle reported more and more cities were getting involved in a municipal fiber network. He asked the council if they wanted to explore various fiber networks and it may involve debt planning. The city survey shows this as one of the top three requests.

Councilmember Snelson expressed he had a problem with the city competing with the private sector. The rapid pace of technology changes and he doesn't see the need to spend the money.

BREAK: The Mayor and Council recessed for a break at 3:44 p.m. and returned at 3:55 p.m.

RATE INCREASES - A DEBATE - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald reported on various rate increases done over time. He explained as long as the city is doing inflationary increases the funds can likely be maintained, although there will not be a lot of excess dollars. He asked if the council was inclined to add any dollars to any of the funds to provide some breathing room. Over the last 10 years, increases have been below inflation.

Mayor Child asked if the tiers could be adjusted. Administrator Fitzgerald replied they could and in doing so it may influence conservation.

Councilmember Jensen commented the water fund seemed to be underfunded.

Councilmember Packard stated he would rather the city have average fees compared to other communities.

Administrator Fitzgerald asked the council if they wanted the adjustment on the water with the new budget. Council was in consensus on the water fund adjustment.

PROJECTS GALORE - ENTERPRISE FUND SUMMARY AND QUESTIONS - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle presented on enterprise fund projects. He explained the sewer rate structure would be based on treatment and the type of business.

Councilmember Crandall stated she didn't want to penalize businesses.

Director Stapley commented it had been built into the fee schedule and has not been enacted or billed. Other communities currently bill based on treatment and type of business.

The Electric Fund programs were reviewed along with the Storm Water Fund. A proposed Storm Water rate increase was discussed, they are currently staying within the operating target.

The Solid Waste Fund has a modest increase. The Southern Utah Valley Solid Waste District was looking to move to a new transfer station in Spanish Fork over the next two years. Currently, there are no tipping fee increases.

Golf fees were increased at the beginning of the year and no new rate increases.

MOVING ON UP - RESERVE, REVIEW, AND TARGET - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle reported on HB 128 accumulated fund balance amendments increasing the reserve ceiling and reviewed the cash reserve status with the council. He asked the council what to do with reserves in the general fund. because of Cares Act Funding revenue will take a jump in the General Fund this year. Council agreed with keeping 30% in the General Fund, Director Riddle explained this will have an impact on having funds available.

Councilmember Crandall was not sure about moving it to 30% from 25%. She wanted citizens to know their parks and infrastructure is being maintained.

BREAK: The Mayor and Council recessed for dinner at 5:05 p.m. and returned at 5:30 p.m.

EXCITING FOCUS GOALS, NEW PROGRAMS, CONCEPTS, AND ONE-TIME MONEY - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald provided information on a public art program that would have 2% of the general fund dedicated to the arts.

Councilmember Nelson asked about the RAP Tax. Administrator Fitzgerald said it was scheduled for the November 2021 election.

Administrator Fitzgerald reported on an Endowment Fund for Operations policy work is still needed, the fund would offset future tax impacts

Programs discussed were property purchases of approximately \$2 million for future uses, a veteran's project, children's bike pump track, trail projects. An upgrade and replacement of a fire ladder truck, because the vehicle and equipment fund only funds like for like to increase the size of the truck more funding would be needed. Other projects include roadways 1200 West from 400 South to 1500 North; cemetery section improvements and significantly more sidewalk repair.

Administrator Fitzgerald stated the tentative budget did not include a 24-hour fire. Recently Public Safety applied for a grant opportunity, it would be 100% funding for personnel. If awarded the budget would need to be adjusted. If not awarded they would look at making changes late in the year and apply for another grant.

Administrator Fitzgerald reported each department submitted performance goals and measures.

WAGES AND BENEFITS - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald reviewed health insurance costs. This year the cost came down giving a \$500,000 savings. COVID drove utilization down, top users came off, the age of employees dropped, and a transition of all employees to an HSA plan.

Administrator Fitzgerald reported on current trends; the available workforce in Utah was 6th in the country. The housing market is on fire. Part-time seasonal and executive-level employee's wages are getting out of sync. There is a recommendation of a 9% wage increase and to raise grades by 5% in order to stay competitive with brackets. Revenue growth is adequately covering the increase. He said it was important to acknowledge those that who get an increase will be merit-based.

The structure of supervision will be evaluated in part-time heavy departments.

GENERAL FUND SUMMARY AND QUESTIONS - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald provided information on general fund revenues. Facility and park planning were reviewed.

WRAP-UP/QUESTIONS - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald asked for any questions. There were none.

CLOSED SESSION

The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated Section 52-4-205

There was none.

ADJOURNMENT

COUNCILMEMBER JENSEN MOVED TO ADJOURN THE MEETING AT 6:54 P.M.
COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

This document constitutes the official minutes for the Springville City Council Budget Planning meeting held on Tuesday, April 27, 2021.

I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, April 27, 2021.

DATE APPROVED: July 06, 2021



Kim Crane, CMC
City Recorder