

MINUTES OF THE BUDGET PLANNING MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON MONDAY, APRIL 14, 2022 AT 4:00 P.M. AT THE SPRINGVILLE CITY LIBRARY, 45 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Matt Packard

Elected Officials in Attendance: Liz Crandall Arrived at 4:11 p.m.
Craig Jensen
Mike Snelson
Jason Miller
Chris Sorensen

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, Interim Building and Grounds Director David Ashton, Recreation Director Stacey Child, Community Development Director Josh Yost, Power Director Leon Fredrickson, Public Works Director Brad Stapley, Analyst Jack Urquhart, Library Director Dan Mickelson, and Museum of Art Director Rita Wright.

CALL TO ORDER

Mayor Packard welcomed everyone and called the meeting to order at 4:02 P.M.

WELCOME AND INTRODUCTION - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald welcomed everyone and reviewed the evening's agenda. Springville City has been ranked over the years the best city to live in by the Daily Herald's Best of Utah. The 2022 rankings should be released soon. In November 2022 S&P Global Ratings assigned a AA long-term rating. He reviewed the process to achieve the AA rating.

CAPITAL PROJECTS AND NEW PROGRAMS - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle reported on the upcoming budget year. He explained capital investment versus depreciation, he noted the General Fund project highlights were over \$7 million. The flood plain protection project is approximately \$1 million, with grants being awarded for the project to cover some of the cost. He went on to review the funding for the various projects coming from grants, explaining the B and C road funds, and transportation sales tax.

Councilmember Sorensen asked for details on the Jolley's Ranch road pavement project. Interim Director Dave Ashton stated until they decide what to do with the irrigation that runs down the roads in the campgrounds, they will wait to pave the roads inside the park but will do improvements with some road base.

Director Riddle presented on the special revenue fund. Some of the project highlights were street impact fee projects, public safety impact fee projects, and park impact fee projects.

Councilmember Crandall asked if all of the projects would be started and completed in the budget year. Administrator Fitzgerald explained some may be multi-year, staff will do their best with the current market conditions it will be hard to guarantee; some orders have been delayed 18 months or more.

Director Riddle reported on the vehicle and equipment fund. Some of the projects proposed were a police patrol vehicle, fire and ems ambulance, equipment, stormwater vactor, and sweeper, each will need to meet specific criteria in order to purchase and use the fund.

Councilmember Snelson asked if outsourcing would be an option similar to what was done in parks and save money on equipment. Administrator Fitzgerald explained the council would need to consider when privatizing to look at holding funds for the future should the city want to get back into providing the service and purchase equipment.

Director Riddle explained the new personnel and proposed programs in the budget, including a police officer, water supervisor, public works engineering, and planning positions. A potential of 12 new full-time Fire Fighter/EMTs if the safer grant is awarded, currently it is not included in the budget.

Programming proposed was a police license plate reader, needing further discussion; outdoor adventure camp, pickleball classes/league, and a Springville united program.

WAGES AND BENEFITS - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald reported on pensions with most categories down 0.5%. The city is still paying a lot more than its value. He reported on the URS earned investment over the last 10 years, the city is roughly paying more now so the city can pay employees what they are entitled to when they retire.

In a report on health insurance, some significant changes were made by the city last year, that brought the cost back in line with a transition from a traditional plan to a Health Savings Account plan.

Administrator Fitzgerald asked for feedback from the council regarding state holiday changes. The city currently has 11 holidays and doesn't observe all state holidays, the state recently added Juneteenth National Freedom Day. An option may be to give employees a choice of working and taking off holidays as they choose. This would mean some holidays would be considered workdays.

Administrator Fitzgerald reported on wages, in regards to police wages being comparable to other cities, he explained some different approaches other cities were making. He explained employees have moved up the scale, other cities are looking at giving COLA increases and the market continues to be very volatile. Benefits have been budgeted without changes, standard raises have been funded, some dollars budgeted for above-average performers, and more dollars for market adjustments.

GENERAL FUND OVERVIEW - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald reported on the Utah economy and the governor's economic report. Revenue highlights showed sales tax up approximately 17%, growth was forecast the same as this year, many fees were projected downward, while many fees were adjusted based on cost recovery policy, and administrative fees were up 5%, operating transfers up 6.5%, and no inflationary adjustment to property tax has been added, the staff is recommending an adjustment.

Administrator Fitzgerald provided information on the Safer Grant for the Fire Department. If received, it would pay for 12 new full-time firefighters for three years and the city would need to plan for the future costs. He reported directors have done a good job on their proposed budgets and operations costs are up 4%.

C-ROAD FUNDS, THE GENERAL FUND, AND ROAD FEES - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald reported road revenues to be spent were approximately \$6.6 million. He reviewed permissible uses for C Road Funds. He asked if the council wanted to continue with the general

fund contribution of \$2 million to roads or do they want an increase or decrease. Some cities are charging a transportation fee.

BREAK **TIME OUT 5:57 p.m.** **TIME BACK 6:33 p.m.**

WHY USE RESERVES NOW - LEON FREDRICKSON, POWER DIRECTOR, AND BRAD STAPLEY, PUBLIC WORKS DIRECTOR

Director Stapley presented on the purpose of reserves. Public Works has a twenty-year plan to include revenues and expenses. The first five years of the plan are horizon planning, they are careful to manage expenses. The plans can be updated when needed. Enterprise funds by a policy are set at 30% for reserves, the reserve amount can also affect the city's lending score.

Director Fredrickson reported reserves are used to invest in continuing sustainability of enterprise operations. They help in funding capital improvements to the Whitehead Power Generation Facility.

Councilmember Miller commented there would be capital improvements needed by SUVPS that would require some funding from the city. Director Fredrickson explained there were some reserves set aside for this. He noted new growth would need to be considered to plan for capacity.

ENTERPRISE FUNDS AND RATE INCREASES - BRUCE RIDDLE, ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR

Director Riddle presented on enterprise funds. He explained no tax funds were going into them it was all rate driven. Currently, the inflation rate is very high, driving rate increases. He outlined areas in utilities for proposed FY2023 rate increases.

Councilmember Jensen mentioned the utility board has talked about reviewing rates. Administrator Fitzgerald expressed it would be helpful for them to do so. Mayor Packard agreed this is what the utility board should be doing.

Councilmember Sorensen asked about planning for the west of the freeway for utilities. Administrator Fitzgerald reported the city was working with developers and city engineering for the area.

Director Riddle stated resource acquisition in power was going to be a challenge over the next few years, power cost has increased.

Mayor Packard asked about making the green waste facility more profitable and accommodating citizens and possibly commercial. Director Stapley said there was not enough space, they are receiving more material than they can handle. Mayor Packard emphasized it could be looked into and see what is needed to provide it and the cost.

Director Riddle explained ARPA Funds and the requirement to use the city's allocation. Some could be used to offset the general fund expense from the golf course.

Councilmember Crandall asked if the city was investing enough back into the city from reserves.

ARPA FUNDING AND ONE-TIME MONEY - TROY FITZGERALD, CITY ADMINISTRATOR

Administrator Fitzgerald asked the council to give input on \$600,000 one-time money and how they want to use it.

Councilmember Jensen said he would like to see some funding given to the senior center for improvements.

Councilmember Crandall would like to see police-involved mental health specialists assist people and families in crisis. Administrator Fitzgerald said they could look at a full-time victim advocate or two part-time.

Councilmember Snelson commented on having a HAWK crossing on canyon road to make it a safer crossing. He would also like to see a few commuter bus stop shelters and could look at matching funds from UTA.

Councilmember Miller would like to see a curb, gutter, and sidewalk along 950 west and 400 s to center street. He would also like to see a dog park on the Northeast corner of Community Park. Mayor Packard suggested having a dog park and having dog owners set up an association to monitor and keep it clean, if it is not maintained, close the park.

Administrator Fitzgerald asked the council to select their top five picks. He asked the council for input on having budget meetings versus policy meetings or both.

Councilmember Jensen said he likes to have a timeline agenda to keep on task.

Councilmember Sorensen appreciated the time Troy and Bruce put into the budget meeting and the council had the information they needed. He expressed both types of meetings have a place, a policy meeting can be productive.

Mayor Packard would like to see more informal discussions once every three months or so.

Councilmember Miller would like to strategize and have more of a forward-thinking meeting.

Administrator Fitzgerald suggested using a second Tuesday in the month as a strategy meeting.

Mayor Packard appreciated the work the directors put into the budget. He emphasized the need to look into property taxes to keep in line with the CPI.

ADJOURNMENT

The meeting adjourned at 8:32 p.m. by consensus of the council

This document constitutes the official minutes for the Springville City Council Budget Planning meeting held on Monday, April 14, 2022.

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, accurate, and complete record of this meeting held on Monday, April 14, 2022

DATE APPROVED: May 03, 2022



Kim Crane, CMC
City Recorder