

Pending minutes – awaiting approval

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.



PROVO MUNICIPAL COUNCIL

Work Meeting Minutes

12:00 PM, Tuesday, May 17, 2022

Hybrid meeting: <https://www.youtube.com/provocitycouncil> or 351 W. Center Street, Provo, UT 84601

Agenda ([0:00:00](#))

Roll Call

The following elected officials participated:

Council Vice-Chair George Handley, conducting
Councilor Bill Fillmore
Councilor David Shipley
Councilor Katrice MacKay
Councilor Rachel Whipple
Councilor Shannon Ellsworth, arrived 1:17 PM
Mayor Michelle Kaufusi

Excused: Council Chair Travis Hoban

Prayer

Dixon Holmes offered the prayer.

Approval of Minutes ([0:11:29](#))

March 29, 2022 Council Meeting Minutes
April 19, 2022 Council Meeting Minutes
May 10, 2022 Budget Work Meeting
Approved by unanimous consent.

Business

- 1. A presentation regarding the effects FY 23 Airport Budget with new air carrier, planes, and routes. (22-016) ([0:12:06](#))**

Dave Decker, Public Works Director, presented. This presentation was intended to clarify some aspects of the budget for the Provo Airport. Mr. Decker invited the Council and public to another grand opening event for the Provo Airport later that week. Council staff had passed along several questions about the projected revenue for the airport in the FY2023 budget, staffing levels, and the General Fund subsidy over the next several years. Mr. Decker reviewed the projected General Fund transfer—that number has been refined through further analysis of the Airport Budget. The new figure for FY2023 of \$894,229 is slightly lower than the earlier amount. Mr.

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Decker displayed a slide of recommended changes to the airport fees and shared a more detailed revenue breakdown. Councilor Katrice MacKay asked why some of the fees are being raised, but less is being budgeted on fees than the actual fee revenues in FY2022. Mr. Decker explained they were trying to budget in a very conservative manner. Ms. MacKay noted that seemed to be a general philosophy in the city budget; she asked if the budget formula had a certain percentage built in. John Borget, Administrative Services Director, explained that when they have experts in the Enterprise Funds, they rely on them as they are closer to the operations and better understand what goes on. They look at the current year actuals, the last three years' trends, and make an estimation based on those. Mr. Borget explained there was not a set percentage; the projections were based on these trends. Regression analysis can also be a useful tool to examine revenues.

Councilor Rachel Whipple asked for some assistance in understanding how this airport revenues breakdown correlates with the airport page in the budget. Mr. Decker suggested that Jimmy McKnight and Kelsey Zarbock coordinate to help illustrate how these numbers correlate with what is in the budget. Fees primarily include hangar fees and ground lease fees. Mr. Decker again noted these were conservative estimates for FY2023 but those fees would be increasing. Ms. Whipple asked if Breeze and Allegiant airlines were aware of the fee changes before they signed on—Mr. Decker said they were aware of these changes. Ms. Whipple asked about bicycle lockers at the Provo Airport—Mr. Decker said there is bicycle parking, but not actual lockers. Mr. Decker indicated the Council may want to fund bike lockers in the future. Mr. Decker reviewed parking revenue and how usage impacts their projection figures based on new flight routes and projected passenger counts. Mr. Decker shared slides with information about the anticipated economic impact of the new Provo Airport.

Mr. Decker then addressed the request from the Council to cover more detail on staffing levels. The Airport supplemental requests included 4.5 full-time equivalents. Mr. Decker clarified that there is not a requirement from the FAA on staffing levels; the FAA has a preferred range but the airport is above the minimum requirement. Mr. Decker outlined future steps at the airport and some of the future changes they anticipate, such as an updated airport master plan, hangar expansion and associated infrastructure, and other continued improvements. ***Presentation only.***

2. A presentation regarding the Lakeview Parkway Phase 4 Interlocal Agreement. (22-046) ([0:43:05](#))

Dave Decker, Public Works Director, presented. There is an interlocal agreement with the County on any of the Mountainland Association of Governments-funded projects—it commits the money to being spent on a specific project. The Delta Restoration Project also contributed some of the funds. Lakeview Parkway phase 4 runs from Center Street to 620 North. Councilor Katrice MacKay asked how many sections of Lakeview Parkway remain after this one is constructed. Mr. Decker clarified that in some of the sections, only half of the right-of-way has been paved. The other area has been prepared for asphalt, but some sections need to be finished. To complete the whole area up to the Provo/Orem boundary, there is just one segment remaining. Ms. MacKay asked about the calendar date when it would be finished. Mr. Decker said the project still went for another couple of fiscal years; it would run until 2025-2026. Regarding the budgeted funds, Mr. Decker indicated that the funds designated to come from

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Provo City was already budgeted in the CIP. From FY2020 for four years, there was \$1.5 million budgeted in each of those years. Mr. Decker shared some photos from the latest construction.

Councilor David Shipley asked if this phase would be completed in September. Mr. Decker thought the bridges would be completed by then. Mr. Decker received some clarification from staff, who confirmed the segment of road from Center Street to 620 North would be completed in the fall. Mr. Shipley asked about the CIP projection of the wastewater plant which said it would be done in 14 years—Mr. Decker said was a typo. The entire first phase will be completed in fiscal year 2024. There is a 2025 deadline from the DEQ to have the effluent decreased so they hope to have a 6-9 months of operation to meet that requirement. There are future phases for the wastewater treatment plant, but the current project will be done in 2024. **Presentation only.**

3. A discussion regarding the mission statement, committee members, and committee chair & vice-chair for the Council's Natural Resources Committee. (22-005) (0:52:00)

John Magness, Interim Council Executive Director, presented. The Council recently voted to combine the Foothills Protection Committee and Water Conservation Committee into the Natural Resources Committee. The Council still needed to adopt a mission statement and designate a committee chair and members.

Motion: David Shipley moved to adopt a mission statement: *“The Natural Resources Committee is charged with the responsibility to explore policy and budget options regarding the city's stewardship of water and land and the identification of desirable protection, restoration, and enhancement of open space and recreation in the foothills and canyons, along the river corridor, and at the city's interface with the lake,”* with George Handley as chair, Shannon Ellsworth as vice-chair, and Bill Fillmore as a committee member. Seconded by Rachel Whipple

Councilor Rachel Whipple clarified that the Foothills Protection Committee and Water Conservation Committee would be dissolved.

Vote: Approved 5:0, with Travis Hoban and Shannon Ellsworth excused.

4. Potential Emergency Dispatch Center Consolidation. (22-047) (0:56:36)

Wayne Parker, CAO, and Fire Chief Jim Miguel, presented. Chief Miguel said there were several emergency dispatch operations throughout Utah County and this as an opportunity to work with Orem on consolidation of the Provo & Orem dispatch centers into one. There are three major problems they are still trying to solve and issues that would facilitate a consolidation:

1. How cell phone calls hit a signal tower and where they are directed. Near city boundaries, calls sometimes get routed to the other city, resulting in a delay in emergency response as the dispatchers have to relay details to the other city's dispatch.
2. Coordinating between different communications channels in the two different cities.
3. Extraordinary or major police and fire incidents—Provo and Orem already provide mutual support to the other city.

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Mr. Parker and Chief Miguel highlighted the positive aspects of consolidation, including improved service levels and response times, cost savings and efficiencies for both cities, encouragement from State officials and agencies, facility opportunities, attracting and retaining employees, history of working together and high trust levels, and more opportunities for collaboration. The basic concept is that the consolidation would start with a service contract and eventually move toward an interlocal agency setup. Provo will operate the center and Orem employees would all become Provo employees. Councilor George Handley asked how it would work for Orem employees and also about the service contract arrangement. Chief Miguel clarified that Orem would pay, with no increase to Provo's costs. Mr. Parker would address the contractual arrangement in more detail. The first phase feasibility analysis is complete, and the second phase of due diligence is beginning. The target completion is this fall, with a contract ready for approval in October.

Councilor Katrice MacKay asked about the cross-use of public safety personnel. Chief Miguel responded and said this may increase some due to more efficient communications, but Provo does not see this as a decrease to its public safety employees. Ms. MacKay relayed a question from Councilor Shannon Ellsworth, who wondered about the downsides. Chief Miguel felt that as long as Provo is able to meet the needs of the employees as we come together, and provide a positive work environment, he does not see a downside.

Councilor Rachel Whipple had some questions about the contractual relationship. She wondered what the odds were that Orem would choose not to consolidate. Chief Miguel said the Orem City Council has been informed and are having a briefing next week. If Provo serves them properly and accomplishes the goals, he can't see why they would not want to undo this consolidation which has great advantages for both cities. Ms. Whipple just wants to make sure that funding is appropriately secured. She also asked which cities rely on Orem for public safety. Orem provides police to Lindon, and fire protection to Lindon and Vineyard.

Wayne Parker, CAO, presented on additional aspects of the consolidation. They plan to utilize an interlocal agreement or agency in the future. A management committee would include 3 members from each city and a quorum vote would need 4/6. There would also be a technical committee, with 2 members from each city, plus the dispatch operations center manager. They would make recommendations about operational aspects like equipment. Orem could terminate the contract with 12 months' notice that could fall no later than June 1 each year, ensuring at least a full fiscal year from the time of intent to when any termination would take place.

Ms. MacKay asked how employees are feeling about the change. Chief Miguel has met with dispatchers in both cities—although this is not going without some trepidation from some staff, the vast majority see this as the next logical step. Currently, Orem's dispatch center does not have a communications director. Heather Perkins is Provo's Emergency Communications Manager; she has really improved morale, operations, and communications in the center and many people are excited about the leadership on display in Provo.

Mr. Parker said they proposed using Provo's emergency communications fund as the accounting entity under the contract. The funds would not go back to general fund, which would allow funds

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to go to the emergency communications fund balance to pay for future needs. Provo City would approve the budget under the contract model; under an interlocal model, the budget would be reviewed by the management committee. The operating budget would be divided with 50% being divided based on population served and 50% based on the (three-year) rolling average of calls for service between the two cities. The capital budget (including equipment, software upgrades, etc.) would be split only based on a population served basis. Orem would “buy in” to the dispatch center facility and would provide their own consoles and equipment.

Mr. Parker and Chief Miguel addressed personnel-related questions. Ms. Ellsworth asked how many employees would be moving to Provo. Chief Miguel said Orem has 22 FTEs and Provo has 26 FTEs; neither dispatch center is fully staffed. Mr. Parker indicated, though, that the new building and dispatch center was built with this kind of space in mind. In response to a question from Ms. Whipple, Mr. Parker said 6-8 employees could be lost through attrition over time although it is uncertain. Mr. Parker also indicated that Orem employees would retain their seniority status (for employees to bid on vacation time). Orem will also buyout a percentage of compensable leave balances and will compensate Provo City since transfer of banked hours becomes a liability for the city.

Mr. Parker indicated that the political and social interest in working this out would be helpful to know. Ms. Ellsworth asked when did this conversation start and when did they need to reach consensus. Mr. Parker indicated he briefly discussed this with the Orem city manager five years ago. They are currently in discussions with both city councils. They plan to bring a resolution of intent to the Council soon, with the contract to be approved in October for a January 1 effective date. Councilor Bill Fillmore expressed support for the initiative. Councilor David Shipley was also supportive. He thanked the Administration for the detailed white paper. Ms. Whipple thought this was a great idea and asked how it would affect the proposed budget. Mr. Parker said they would have those details worked out by October and would bring a budget resolution to make any necessary adjustments to the budget. Ms. Whipple was disappointed the Council only heard about it after it was leaked to other employees. Mr. Parker acknowledged there were a lot of moving pieces and they were trying to get everyone in alignment in order to release information at the same time to both groups. Councilor George Handley appreciated the Administration’s work trying to answer many challenging questions. *Presentation only.*

5. A presentation regarding a comparison of Council and Mayor Office budget expenditures in various Utah cities. (22-016) ([1:39:11](#))

Mark Eyo, Council Intern, presented. He is presenting a comparison of the Provo Council and Mayor’s Office budgeted expenditures compared to other Utah cities. He tried to compare apples-to-apples by using other cities with a strong mayor form of government. For adopted budgets for Fiscal Year 2022, the Council ranked third and the Mayor’s Office ranked second among other cities budgets. Mr. Eyo shared a dollar-per-resident comparison. This comparison added the total budgets for the mayor’s and council offices together, divided by FTEs (Full-Time Equivalents) in those offices, and then was divided by total population. Provo is second among five cities in this ranking. As a percentage of the general fund, Provo ranked the highest. For Council expenditures, Provo ranked second behind Ogden. Provo has the highest percentage of general fund dollars for the Mayor’s Office expenditures.

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In response to a question from Councilor Katrice MacKay, John Magness, Interim Council Executive Director, explained that Provo's general fund is the second smallest and that other cities have much larger general funds. Other problem is Mayor's FTEs are higher than most cities because media services is under the Mayor's Office. Comparing general funds still presents some challenges since not every general fund is organized the same way.

Councilor Shannon Ellsworth shared comments and asked whether the Provo City Council needs to restructure anything so as not to overburden staff. Staff noted that the Councilors were included in the FTEs calculation for all cities. Councilor George Handley noted it was not the right time to evaluate that question since there is currently a vacancy for the executive director; he thought prior to this vacancy, the office seemed to be appropriately staffed. Ms. Ellsworth thought the question still deserved examination, perhaps in the context of how staff time is being used and for what purposes and whether this is meeting the Council's needs. ***Presentation only.***

6. A presentation regarding utility rates, property tax rates, and fees. (22-016) **(1:52:26)**

John Magness, Interim Council Executive Director, presented. Mr. Magness briefly addressed private goods and resources versus public goods and resources. Provo charges some fees for services and some for commodities (such as utilities). Councilor Katrice MacKay asked if Provo has specific reserve accounts for depreciation and capital improvements. Mr. Magness said the City has them for capital improvements for most departments and equipment, but not everything. Mr. Magness outlined a model for total cost recovery, which includes capturing both the direct and indirect costs in how the fees are structured. He also outlined a cost structure for commodities fees. Councilor David Shipley cited parking as an example for where the city was trying to apply cost-recovery. He thought Mr. Magness was explaining the concept well by highlighting the other real costs to a department with management overhead in addition to hourly employees performing the work. Mr. Magness explained that true cost recovery needs to include all those costs. Costs not recovered through fees are a policy decision. Councilor George Handley noted that when building more infrastructure, there is a similar problem because there are so many indirect costs or long-term costs with maintenance.

Mr. Magness reviewed the fees for the last five years. There have not been any adjustments in the last five years for administrative costs (blueprints and records), business licensing, city hall rentals, community development, engineering (although there are two fee adjustments in FY2023), fire department, general building inspection, library (although there are room rental fee adjustments for FY2023), parks and recreation (Covey Center, Golf Course, Recreation Center, youth sports, sport field rentals, and the Peaks Ice Arena; although most of these have changes planned in FY2023), permit parking areas, Police, commercial sanitation fees, and justice court (which are primarily set by the state). In the last few years, fees have been adjusted for the airport, cemetery, parks and recreation (pavilion rentals, Rec Center day pass, shooting park, adult sports), some culinary water, some sanitation fees, waterwater, and impact fees (which were set by the last impact fee study).

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Mr. Shipley asked about business licensing fees and the policy issue of subsidizing increases over time through tax funding. It seemed like a public good to have more businesses at a lower cost, but he wondered how much business licensing costs actually deterred or attracted businesses. Councilor Shannon Ellsworth asked about the typical range of business license fees. Mr. Magness shared some examples and offered insight into how different business license fees may be calculated. Mr. Handley observed that the Council hasn't comprehensively looked at fee structures. John Borget, Administrative Services Director, noted that historically departments have kept in line with what neighboring or similar cities have done. They should also be reviewing their costs to evaluate their fees. Mr. Borget indicated that probably about six or seven years ago, a consultant analyzed the business licensing fees and examined service calls for different types of businesses. The consultant proposed fee adjustments for businesses based on what it was costing the city. Based on that analysis, there was a lot of outrage from businesses and the Council decided not to adjust those fees at the time. Mr. Borget thought the City could be more systematic at reviewing these fees.

Ms. Ellsworth asked for staff's recommendation. Mr. Magness suggested the Council evaluate whether each fee was achieving cost recovery. She asked if the Council should adopt a policy statement to have each department evaluate cost-recovery and bring a recommendation to the Council. Mr. Magness suggested the next year's budget cycle would be a better time since departments have already submitted their FY2023 changes as part of the budget. In response to a question from Mr. Handley, Mr. Borget indicated that departments are expected to review their fees each year, but he acknowledged that some departments could do a better job of that. Councilors briefly discussed some policy aspects of choosing not to raise certain fees. They also briefly discussed inflation. *Presentation only.*

7. A presentation regarding budget increases from FY2022 to FY2023. (22-016) ([2:45:33](#))

Melia Dayley, Policy Analyst, presented. She covered revenue and expenditure changes for the general fund and non-general funds and displayed a graph illustrating changes to revenues in the next fiscal year. Most had modest increases, with sales tax projected to increase by 20%. Total expenditures are increasing by 6%, with a projected 10% increase in general fund transfers.

Councilor George Handley commented that with the City's philosophy for estimating revenue, the gap between 10% and 6% could be different. He asked John Borget, Administrative Services Director, if the city was being overly conservative in their estimations. Mr. Borget said they have projected a 20% increase for sales tax, which is a 15% increase from the FY2022 actuals at 8 months into the year—in effect, they are budgeting for 5% on top of the actuals. They feel comfortable with this calculation. They felt the 5% cost of living adjustment for employees was really important to do. They are relatively confident that revenues will be strong, but they are not comfortable being any more aggressive than they are right now.

Councilor David Shipley said the engineering decrease stands out. Ms. Dayley addressed this, noting that this was in line with the different capital improvement projects being built this year. There are some expenditures that go with the construction that have happened in FY2022. Mr. Shipley asked for clarification that the general fund expenditures typically covers FTEs and

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operations, not capital improvement projects (CIP). Ms. Dayley referred the question to Mr. Borget, who believed the Engineering division's compensation and operating expenses were part of the General Fund. He indicated he would look into this question/possible discrepancy.

Ms. Dayley reviewed non-general fund revenues. Revenues were projected to increase the most for enterprise funds—most of this related to large construction projects. CIP expenditures were decreasing by 18% as a result of some major projects being completed and dropping off the five-year CIP. Ms. Dayley indicated that the memo included more information and she also noted that it was very easy to compare information across several years in the budget book and that Finance has included a lot of helpful context about the increases and decreases. *Presentation only.*

8. A presentation regarding transfers in the FY2023 budget. (22-016) ([2:56:12](#))

Dan Follett, Finance Division Director, presented. State law requires that the City notify utility rate payers of any transfers they plan to make which come from the payment of utility fees. They do this with a mailing that goes out in utility bills annually. Mr. Follett outlined the transfers that take place with the transfer amounts for FY2023:

- General Fund:
 - 10% transfer
 - 1% road transfer
 - Administrative overhead
- Other Funds:
 - Telecom Debt Service
 - Provo 360
 - Water

Mr. Follett gave additional context for each of these transfers and when several of the transfers would be dropping off. The total transfers for FY2023 are \$19,122,626. Councilor David Shipley asked about the end date of the telecom debt service; Mr. Follett explained that the end was targeted for 2026, but if there were extra funds in the account they could pay this off sooner. Mr. Shipley also asked about the administrative overhead and Provo 360. Mr. Follett explained that Provo 360 was separate from the administrative overhead chargebacks; Provo 360 included amortization of the Workday software program. Mr. Follett indicated that Finance worked closely with each of those departments to determine the amount of those transfers. Councilor George Handley asked if the 1% road transfer had always been that amount; Mr. Follett indicated it had been set at that amount since 2013. He wondered if Public Works was satisfied that this was sufficient for the City's pressing needs. Mr. Follett thought that was a question which should be deferred to Public Works. He did note this was not the entire road maintenance budget—there are other revenue sources for that, but this amount was designated 100% to road repairs (rather than to overhead, compensation, etc. in the Streets division) only. Wayne Parker, CAO, shared additional clarification on this 1% figure and the impacts to it over time. *Presentation only.*

9. A presentation regarding the Tentative Budget FY2023 and Council priorities (22-016 & 22-037) ([3:07:24](#))

Melia Dayley, Policy Analyst, presented. Staff compiled this report about the Council's budget priorities which were discussed in April and then staff have compared these priorities with the

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tentative budget to help the Council in their budget analysis. Ms. Dayley reviewed the budget priority report and the policy items listed in it. Councilors shared comments and feedback throughout the process. Councilors George Handley and Shannon Ellsworth reiterated that master plans for Rock Canyon and Slate Canyon should be included. Ms. Ellsworth also suggested that additional street lighting to increase safety around the BYU campus area should not be limited to only the Joaquin Neighborhood. Councilor Katrice MacKay shared her concern that the City's current funding does not include keeping the city current on backups and patches. Ms. Dayley said they could reach out to Information Systems staff. She also noted that there were more specific details in the supplementals. Councilor Dave Shipley thought he saw about \$40,000 in the supplemental requests for an update manager program. Mr. Shipley also asked about the Zoom room funding and whether it should be included here. John Magness, Council Interim Executive Director, indicated this was already being handled with an appropriation.

Mr. Handley was interested in an extra officer for campus area, but he wanted to get Chief Ross's perspective on this question before the Council decided. Wayne Parker, CAO, indicated that he would follow up on this. Mr. Parker suggested that it would be helpful to identify the desired outcome and then program a solution to achieve the desired outcome.

Ms. MacKay asked about additional police officers, as safety is a concern in various areas of the city. She also asked if BYU Police are authorized to respond to incidents off-campus. Mr. Parker indicated that while there is some coordination between BYU and Provo Police, off-campus response is primarily Provo City's responsibility. Mr. Handley thought it would be helpful for the Administration to continue this conversation with both parties.

Mr. Handley had some feedback on transportation. There is a public meeting tomorrow night about Timpview Drive, which seems like an opportune time to share major improvements. Ms. MacKay shared some clarification she received from Public Works—this area was being used as a study of the options for citywide issues, but there is no intent on Timpview Drive besides repaving. Mr. Handley was under the impression that this was to address safety issues on Timpview Drive. Ms. MacKay said Gordon Haight and Rob Hunter in Engineering did not indicate that when she talked with them.

Ms. Ellsworth thought it would be helpful to have a review of the Council's priorities from the last year with the outcomes produced with the funds expended. Staff would prepare a report on this for the next Work Meeting. *Presentation only.*

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code. *None requested.*

Adjournment

Adjourned by unanimous consent.