

MINUTES OF THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, DECEMBER 13, 2022, AT 5:30 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Pro Tem Sorensen
Elected Officials in Attendance: Craig Jensen
Jason Miller
Mike Snelson
Chris Sorensen

City Staff in Attendance: City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, City Recorder Kim Crane, Deputy Recorder Jennifer Grigg, Community Development Director Josh Yost, Public Works Director Brad Stapley, Administration Director Patrick Monney, Fire Chief Hank Clinton, Library Director Dan Mickelson, Power Director Shawn Black, Assistant City Administrator/Finance Director Bruce Riddle, Museum of Art Director Dr. Rita Wright and Parks and Recreation Director Stacey Child.

Absent: Golf Pro Craig Norman, Police Chief Lance Haight, Mayor Matt Packard, and Councilmember Liz Crandall.

Motion: Councilmember Snelson moved to have Councilmember Sorensen serve as Mayor Pro Tem for this evening's meetings. Councilmember Jensen seconded the motion. **Voting Yes:** Jensen, Councilmember Miller, Councilmember Snelson, and Councilmember Sorensen. The motion **Passed Unanimously; 4-0. Councilmember Crandall was absent.**

CALL TO ORDER

Mayor Pro Tem Sorensen welcomed everyone and called the meeting to order at 5:36 p.m.

COUNCIL BUSINESS

1. Calendar

- Dec 20 - Work Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Dec 26 - City Offices Closed in Observance of the Christmas Holiday (Monday)
- Dec 30 - City Offices Closed in Observance of the New Year Holiday (Monday)
- Jan 03 - Work Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.

Recorder Crane corrected the observance of the New Year holiday to Jan 2, 2023. Mayor Pro Tem Sorensen added the employee party this Thursday, December 15, 2022.

2. MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

a) Utility Board Update - Councilmember Jensen and Councilmember Miller

Councilmember Miller complimented Directors Stapley and Black for the information given to the Utility Board and added the expert feedback of the members is helpful. Councilmember Jensen concurred, stating the members of the board are well-balanced and experienced. Councilmember Miller

turned the time over to the directors. Director Black said having experienced members on the board is helpful and he appreciates the accountability. He noted the strength of that group to promote projects. Director Stapley said staff gets focused on a project and needs the point of view of the board. Councilmember Miller said it is important to keep members involved. Mayor Pro Tem Sorensen asked directors and council members if there are more or fewer meetings since the consolidation of boards. Directors expressed there are more meetings because it is a different world and currently costs are spiraling out of control. Mayor Pro Tem Sorensen said there are more meetings. Councilmember Jensen agreed and is a fan of zoom meetings. Councilmember Snelson said not much gets done in zoom meetings. Mayor Pro Tem Sorensen turned the time over to Director Wright.

b) Museum

Dr. Wright gave an update on her time as Director of the Springville Museum of Art. She expressed how much she enjoyed working with the City Council and explained that her time at the museum was spent building on the past, and making the museum better. Since she was hired, she has worked to build trust with the city by building processes, and by implementing best business practices to provide budget transparency. The museum staff works to expand our network of Utah artists as well as make the museum fun again; geared toward families, not just the elite art crowd. The staff has expanded social media and rental revenue is up \$17,000 over last year. Working with the Public Safety Department, security systems have been updated. By working with our non-profit board responsibly the collection has improved though it needs better storage.

She continued by listing accomplishments during her tenure including updating the historic building, staff development, and improving state recognition for the museum which helps with getting grants to increase funding. She showed the three separate budgets to run the museum; Operations, POPS, and the Association; plus, FY24 will include the Public Arts budget. She listed activities and showed events including collaborations with other city departments and the children's studio space. Approximately 4500 children attended the Children's Art Festival during Art City Days. The Russian Collection is more and more significant and illustrates the idea that art defines cultural commonalities. The Utah State legislature is on board with supporting this museum. She acknowledged the funding sources and donors and showed the proposed addition of a meditation garden. She emotionally complimented her amazing staff. Councilmember Snelson asked for details on the increased rental revenue. She answered there is aggressive advertising so the number of events increased and the fees increased to match the market. In addition, staff now charges photographers to come in and take pictures. Director Wright noted the cost of replacement, repairs, and event staff are calculated into fees. With today's tight employment market, it is hard to keep host staff hired. Event Coordinator Gina Woolf's hours are significant and growing. There are even more non-wedding rentals. Mayor Pro Tem Sorensen asked about the new ADA restroom being too close to the front door. Director Wright said the ADA restroom needed to be accessible. She said there is gratitude expressed and additionally, the entrance doors are too heavy for ADA compliance. There is money out there for some of these updates. Mayor Pro Tem Sorensen thanked Director Wright and complimented her retirement party.

c) Administration

Director Monney noted the Lego Master Civic Center created by Drew and Miranda Maynard. He continued by explaining the efforts to build culture and unity in the city including the Holiday Festival and Santa Village. He also noted the door/office decoration contest to build employee unity and morale and the improved Civic Center Christmas decorations.

He explained that Google Fiber is coming to the city buildings, and the city website will be on a new platform it has taken a few months to rebuild and will be released soon. There were 194,270 visitors



to our website this calendar year along with 460 citizens that have watched City Council meetings and \$77,560 in revenue in passports. The administration department is now offering public fingerprinting for a fee. Administration staff continues providing GRAMA requests, minutes, podcasts, and digitizing city records including hiring. He noted the new judge, Eric Jewel, replacing Sherlynn Fenstermaker and Doctor Rita Wright is also retiring and interviews are ongoing to find her replacement. Human Resources under Kathy Hansen hired to calendar date 60 full-time and 304 part-time employees while staying within the approved budget. Finally, he invited the council to the city employee holiday party this Thursday. Mayor Pro Tem Sorensen complimented Director Monney for the professional way he conducted the job interviews today.

d) Public Works

Director Stapley reviewed the policy for snow removal which starts with providing an adequate transportation system for vehicles properly equipped for winter driving conditions. He explained which roads take priority. The no parking policy protects the plows and the parked vehicles. Snow plow berms are part of plowing streets and are necessary. Springville City does not maintain a bare pavement policy nor provide snow removal after every snow event. Salt is applied to intersections and steep grades. The budget for this season's salt and snowblades is \$24,720. Mayor Pro Tem Sorensen complimented the plow team saying they do a better job than the policy requires when possible. Director Stapley said snow plow drivers are limited in their driving hours. Councilmember Jensen asked for more parking enforcement on 400 South.

Director Stapley moved on to the five-year capital project plan for drinking water. Public Works has other five-year plans that are waiting on updated master plans. He showed an example of an improvement plan named the Burt Springs Rehabilitation project. Inflation has changed the price for this plan from \$800,000 to \$3.7 million (an increase of 460%.) That spring provides 1800 gallons per minute. Director Stapley concluded by lamenting cost changes are incredible.

e) Power

Director Black started his presentation by showing the wild swing in prices for market power purchases when the city exceeds the predicted baseload (the minimum amount of electric power needed from the power grid at any given time) and is exposed to the market. The average price for power in the first part of this fiscal year 2023 is higher than the budget approved last July. He said for years the budget averaged \$62.50 per megawatt wholesale then it increased by 3% to \$64.50 last fiscal year. During the last two 6-month periods staff came close to implementing the FAA (Fuel Adder Adjustment) as outlined in our code. He said that this year the city will likely need to implement the Fuel Adder Adjustment starting in the March billing, possibly opening the budget on the fuel and power line item. Today the price for wholesale power on the market is 12.9% over budget.

Councilmember Jensen asked about reviewing the numbers six months at a time. Summertime power has a lower price, but more hours. Administrator Fitzgerald said the budget is built with that type of calculation included. Mayor Pro Tem Sorensen asked if power prices are connected to the price of gasoline. Director Black said he will explain the causes of the rising prices. The San Juan Plant closing down hurt prices. He showed the 2022 resource stack and some projects have failed. UAMPS switched to a different resource because of liability.

He moved on to describe natural gas (which powers the five engines at the Whitehead Power Plant in Springville) futures stating our hedges (long-range purchases already purchased a long time ago) are in the \$3-\$4 range. When we don't use the gas purchased at that price, we make money selling that gas on the market. Today's market price for natural gas was \$47 per dekatherm which is 10X the normal price. Part of the problem is power plants can't get coal because mines are sending their coal out of the



country. Today, power purchased on the market was \$400 a megawatt hour for all hours. The power delivered from the predicted resources stack is lower than expected right now. Selling gas hedges for a profit might make up the margin when buying power from the market daily. To address this, while attending a meeting at UAMPS (Utah Associated Municipal Power Systems) he suggested running Nebo 24/7 and buying an additional long-term natural gas hedge. In October, he got a quote of \$4.80 a dekatherm for 10 years for a long-term natural gas hedge to run Nebo at night. Because of the current fluctuation in prices, every city at the UAMPS meeting has lost base load. He said he suggested to Director Riddle and Administrator Fitzgerald the option to run the Whitehead plant every day or sell the gas, to smooth out the fluctuations in price and return to the approved budget for now. He is hoping for a mid-\$50 baseload power product (not natural gas hedge) at Nebo. Every city is grabbing whatever generation of power it can. He said thank goodness Springville City has that capacity at Whitehead.

He explained force majeure and supply-chain delays in previously purchased hedges including solar, turbine, and gas. In his opinion, right now, a low \$60's price for a base load product in the daytime is pretty good. He said Springville City keeps growing, using at peak times 70 megawatts per hour. Electric cars are adding to the nighttime load. Increased load adds to the nighttime price, and right now Springville City is exposed to the high market prices at night, which is the most expensive time to buy power off the market. Those prices have been high since Thanksgiving and natural gas storage has been drawn down recently because of increased demand. Administrator Fitzgerald said there is something weird going on because prices in other parts of the country are stable. Councilmember Jensen said corporations are using overseas gas purchases as an excuse to raise prices. Director Black concluded by stating there is not enough gas to go around and price depends on pipeline locations.

Before the close of the meeting, Director Child confirmed the Council wanted the Main Street Christmas lights on through January. The temperature of the pools at the Clyde Recreation Center was discussed because they are heated by natural gas.

ADJOURNMENT/CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

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 UCA 52-4-205.

Motion: Councilmember Jensen moved to adjourn the meeting at 6:43 p.m. and convene in a closed session regarding property. Councilmember Snelson seconded the motion. Voting Yes: Jensen, Councilmember Miller, Councilmember Snelson, and Councilmember Sorensen. The motion Passed Unanimously; 4-0. Councilmember Crandall was absent.

This document constitutes the official minutes for the Springville City Council Regular Meeting held on Tuesday, December 13, 2022. I, Jennifer Grigg, do hereby certify that I am the duly appointed, qualified, and acting Deputy 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, December 13, 2022.

DATE APPROVED: January 17, 2023

Jennifer Grigg
Deputy Recorder

