

**Pleasant Grove City
City Council Meeting Minutes
Work Session
Tuesday, May 2, 2023
4:30 p.m.**

Mayor: Guy L. Fugal

Council Members: Dianna Andersen
Brent Bullock
Eric Jensen
Cyd LeMone
Todd Williams

Staff Present: Scott Darrington, City Administrator
Kathy Kresser, City Recorder
Denise Roy, Finance Director
Drew Engemann, Fire Chief
Sheri Britsch, Library and Arts Director
Neal Winterton, Public Works Director
Keldon Brown, Police Chief
Kara Kresser, Planning Tech
Megan Zollinger, Recreation Director
Daniel Cardenas, Community Development Director

Excused: Tina Petersen, City Attorney
Kyler Brower, Assistant to the City Administrator
David Packard, Human Resources Manager
Deon Giles, Park Director

The City Council and staff met in the Community Room, 108 South 100 East, Pleasant Grove, Utah.

4:30 P.M. WORK SESSION

Mayor Guy Fugal called the meeting to order at 4:30 p.m. and welcomed those present.

a. Kent Loosle Mountain Point Medical Center President/CEO.

The above item was continued.

b. Strawberry Days Royalty.

The introduction of Strawberry Days Royalty included Kenadie Austin, the Strawberry Days Queen for 2023. She chose Service Nurtures All People (“SNAP”) as her community service initiative. Her goal is to help people understand that SNAP benefits both the recipients and those who serve.

First Attendant, Kylie McCann, chose her community service initiative as Meet You, which helps people recognize the good in general and in themselves.

Second Attendant, Marissa Brown, selected Plug into Life, as her community service initiative. It helps people who worry about technology better connect with others in the community and school.

All looked forward to serving the community. A group photo was taken.

c. Discussion on Transportation Utility Fee.

City Administrator, Scott Darrington, reported on the positive ruling in the Transportation Utility Fee case. By way of background, prior to its implementation, Pleasant Grove studied the fee issue for about two years. Provo was the first city to initiate the fee and it was expected at that time that Provo would be sued so the issue could be litigated for all. Instead, Pleasant Grove, the 13th city to initiate the fee, was sued.

The City’s intent for the fee was to generate \$1,000,000 to be used for road maintenance. To that end, the City prepared a study of traffic patterns of residents and businesses using an Institute of Transportation Engineering (“ITE”) manual. The study provided traffic pattern information consisting of an average number of trips for various types of businesses and residential areas from which the City devised various fee tiers based on usage. As businesses vary in type of traffic flow, two separate business tiers were created as follows:

- Tier 1 covered about 98% of the City’s businesses.
- Tier 2 addressed higher volume businesses such as drive-thru fast-food restaurants, convenience stores, and businesses with several employees such as doTERRA and Macey’s.

Administrator Darrington reported that the City’s fee system was implemented in 2018, with a suit following within one or two months. In the initial law suit they wanted the City to stop collecting the fee and the City told them that they would continue to collect the fee but would not spend any of the proceeds, that was the compromise with them. *(Please note the fee was collected from July 2018 to January 2020)* The District Court case took about two years and during that time, the City collected around \$2,000,000. The District Court ultimately ruled that generally, a Transportation Utility Fee could be collected, however, what Pleasant Grove was collecting was considered a tax and not a fee. The ruling was appealed to the State’s Supreme Court who two years later sided with the City. They ruled that it was collecting a fee and not a tax. The basis for the ruling rested on the fact that Pleasant Grove’s fee schedule contained various tiers based on traffic patterns. It

was also determined that a Transportation Utility Fee Fund had been created earmarking the funds to be used only for road maintenance. Administrator Darrington stated that consequently, the Transportation Utility Fee remains part of the Fee Schedule and can be put back on the utility bill without the need for further public action.

Council Member Jensen asked what fee amounts are generated. Administrator Darrington stated that the City collects just over \$1,000,000 per year from that fee. Other fees include Class C Road fees, which generate roughly \$1,000,000 per year. That amount, however, has remained stagnant because of the increased use of electric vehicles. In addition, the City receives 1/4th cent tax from the County as approved by the Legislature. It amounts to \$500,000 or \$600,000 per year and is earmarked for roads and trails. In total, the revenue for roads is about \$3,000,000 per year. A study that was conducted several years ago concluded that the City would need \$3,800,000 per year for 20 years to get ahead of the road situation. That total does not account for inflation or other price variables and is considered a City goal.

Administrator Darrington reported that currently, the road funding picture is good. The City borrowed \$6,000,000 last year against part of the Class C Road money to complete projects in a timely fashion. He also noted that when a new road is constructed, the practice is to update any infrastructure below the road, which increases costs. The City, however, still has the \$2,000,000 which was collected three years ago in addition to the Class C and General Fund monies that can now be used. He estimated that they will likely spend over \$10,000,000 in the next few years on roads.

Administrator Darrington advised the City Council of various options. For example, the Council can approve the fee as currently set. It was noted that the current Transportation Utility Fee Schedule may need to be evaluated before being implemented. Points to consider included the fact that because new residents and businesses have been added since the fees were set, the money generated will be higher than originally anticipated and could be as high as \$1,500,000. Such an outcome could impact the current discussion on property taxes and utility rate increases. Moreover, the primary point of contention identified with the fees is that the Tier 2 fee appears high (at \$236/month) particularly to convenience stores, when compared with the other fees. It was noted that there was pushback from businesses when the fee was last implemented. Any fee reduction, however, cannot be arbitrary, and the City's actions need to remain justified within the parameters of the traffic study to remain compliant with the court's ruling. The original study was done in response to public complaints about the state of the roads in Pleasant Grove.

There was discussion regarding how the fee schedule could be modified and justified and whether changes would need to cover all of the tiers. Administrator Darrington stated that if the suggestions for change were outcome-based, the effects of the change would need to be evaluated. If a fee change is suggested, the City could reduce the fees. The suggestion was made to drop the fees by 20% overall, which would not affect the tier structure but give some relief to the higher amount for Tier 2. It was determined that staff would provide the revised fee calculations for the review of the City Council at the next meeting scheduled for May 16.

Administrator Darrington reported that the City currently has enough money for the immediate future road projects because of the bonding and the \$2,000,000. In addition, even with a 20%

reduction, the fee revenue will likely still exceed \$1,000,000. When it is time to address this issue as part of next year's budget discussions they will have evaluation data available and can modify the amounts taking inflation into account. The issue can also be included in part of the discussion about Property Tax and utility rate increases.

d. Staff Business.

Recreation Director, Megan Zollinger, reported on the following:

- An event to see the pool was scheduled for May 15. The pool remains scheduled to open on time and summer pool sales began the previous day.
- The department is preparing for Strawberry Days and the summer sports schedules.
- The pool leveling project is scheduled for next year as they are still waiting for the official bid.

Library and Arts Director, Sheri Britsch, reported on the following:

- The previous day a Farewell Luncheon was held for Carolyn Corry who was employed by the City for 32 years.
- Interviews to fill the position vacated by Ms. Corry were to be conducted the following day.
- Star Wars events were scheduled for Saturday with the Utah screen stars present.
- Other upcoming events included a Timpanogos Bell Ringers Concert at the Library, an Open Mic Night put on by the Arts Council, and the PG Players' performance of Shakespeare.

Fire Chief, Drew Engemann, reported on the following:

- A successful Bike Safety Fair took place a few weeks ago where several hundred helmets and water bottles were distributed.
- Emergency Medical Technician ("EMT") Jack Pixler passed his test the previous week and was prepared to go online.
- Curtis Hutchinson has been in Hell Week with Special Weapons and Tactics ("SWAT") Medics and graduates tonight.
- All of their Medics have passed Hell Week so far. Eric Nish heads up their Medic SWAT Team and the County is grateful for his work.
- The fire engine is in the shop after an accident that occurred last summer.
- The department is fully staffed.
- The Fire Department has been working with American Fork on a couple of fires.

Public Works Director, Neal Winterton, reported on the following:

- They are in the middle of Spring Clean-up, which ends this Saturday. They are happy to help with the process, which is viewed very positively by the residents.

- The Kindness Park design is going forward and the Contractor selection paperwork was being finalized.
- Bids have been received and awards will be made shortly for both the secondary meter installation and the boxes.
- There was a work issue with the 100 East Project that will be corrected in time for Strawberry Days.
- A Pre-Bid Meeting for 2600 North was held and likely bids will be accepted in May. The issue may require a Special City Council Meeting to address timing constraints.
- With regard to water issues, he noted that there have been some start-up and pressure issues but the pipes are full and they continue to check the system. The water supply is good.
- The status of filling the detention storage areas and the water flow systems was described.
- No overflow issues were expected with Grove Creek and Battle Creek but his crew is working to keep those areas in good condition and are keeping watch.
- The 100 East area was expected to be paved in about three weeks.

Police Chief, Keldon Brown, reported on the following:

- The recent Active Shooter Training at doTERRA was a good experience.
- There was also SWAT Training at the high school.
- The department is taking a calculated response on three issues including a camper near 300 East, a continuing dog issue at 100 East, and an issue at Battle Creek. Such responses are used with issues involving mental health issues.
- A newly hired police officer was to begin work on May 24, 2023.

Community Development Director, Daniel Cardenas, reported on the following:

- Code Enforcement is part of the Community Development Department and they are aware of the issues identified by Chief Brown. Code Enforcement works closely with the police and the legal teams to address these issues.
- Typically 95 out of 100 cases settle. The unsettled cases involve a multitude of issues, including a mental health component.
- With regard to the Building Section, there are a couple of new restaurants coming but their names were not provided as it is premature.

Finance Director, Denise Roy, continued to work on the budget.

City Recorder, Kathy Kresser, reported that plats and birthday cards need to be signed.

Administrator Darrington acknowledged the absence of the City Attorney and the difficulty of her job. He stated that there are currently two developments identified as the McKay Christensen Project and St. John Properties that present complex issues. He will be submitting an email to each Council Member setting forth options to consider. He will follow up with a phone call.

The following calendar items were identified:

- May 4, 2023: St. John Property tour of luxury apartments.

- May 9, 2023: Groundbreaking on St. John Property's next phase at 11:30 a.m.
- May 9, 2023: Open Enrollment Information Meeting for employee benefits.
- May 11, 2023: Open Enrollment Information Meeting for employee benefits.
- May 15, 2023: Recreation Department tour of remodeled areas at 2:00 p.m.
- May 16, 2023: City Council Meeting.
- May 22, 2023: Open House for the secondary meters in the Community Room at 6:00 p.m.
- June 5, 2023: Celebration for Pool opening.

Administrator Darrington reported on the following:

- The Volunteer Appreciation Night was held a few weeks earlier. Council Member Williams served as the Keynote Speaker. Laurel Cunningham was named Volunteer of the Year for her significant volunteer contributions, which was well-deserved.
- The previous week there was an Employee Service Project at Discovery Park with 60 employees responding. A lot of good work was done at the park, which helps the City meet its goal of contributing to the community in a meaningful way.

ADJOURNMENT

MOTION: At 5:29 p.m. Council Member Bullock to ADJOURN the Work Session. Council Member LeMone seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

Kathy T. Kresser

Kathy T. Kresser, MMC
City Recorder

(Exhibits are in the Recorder's office.)

