

**Pleasant Grove City
City Council Meeting Minutes
Work Session
April 12, 2022
4:30 p.m.**

Mayor: Guy L. Fugal

Council Members: Dianna Andersen
Brent Bullock
Eric Jensen
Cyd LeMone

Staff Present: Scott Darrington, City Administrator
Daniel Cardenas, Community Development Director
Deon Giles, Parks Director
Mike Roberts, Police Chief
Neal Winterton, Public Works Director
Tyler Wilkins, Recreation Director
Denise Roy, Finance Director
Drew Engemann, Fire Chief
Tina Petersen, City Attorney
Kirsten Argall, Planning Tech
Kara Kresser, Planning Assistant
Sheri Britsch, Library and Arts Director

Excused: Todd Williams, Council Member
Kathy Kresser, City Recorder
Kyler Ludwig, Human Resources 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. Report from Lyndsy Eddington CERT.

City Emergency Manager, Lyndsy Eddington, provided an update on the status of the Community Emergency Response Team (“CERT”) Training programs. She reported that in-person training is scheduled to begin April 28, 2022. There will be a total of six classes offered, which still have openings. She would be meeting with the CERT Training Team on Thursday regarding the

schedule and curriculum. When asked if there was an age limit for training, she stated that anyone 18 years of age or older can participate. She reported that they are working on getting a teen CERT course. The classes are being advertised in a variety of locations, both public and private.

b. Review of the Q2 Financial Report.

Finance Director, Denise Roy, provided the Council with a 29-page document reflecting the information from the Second Quarter of the 2022 fiscal year. She noted that the Quarterly Reports will be available approximately 45 days following the end of the quarter so that all of the information can be included. Council members with questions were invited to contact her directly.

c. Discussion of the FY 2023 Budget.

City Administrator, Scott Darrington, reported that the Council was provided with a modified proposed budget based on discussions from the last meeting. Using a one-page document, entitled Revenues/Expenses, he reported that the revenue side of the proposed budget had not changed. With respect to the expenses regarding wages, Administrator Darrington reported that the City received responses from 35 cities to the salary information survey, which had been initiated to make sure the City is competitive. The majority of responses indicated they would be offering raises of seven and nine percent. A few cities planned to offer 10% raises and a few indicated that raises would be five to six percent. Discussion at the last Council Meeting included, in part, an eight percent raise across the board, which Administrator Darrington stated was in line with what most cities plan to offer. He noted that some cities were doing straight-up Cost of Living Adjustment (“COLA”) due to inflation but said the Council was free to consider other options, such as merit increases or combinations of both. His recommendation was an eight percent COLA across the board increase for all City employees.

The amount for part-time raises indicated that \$200,000 would be set aside and targeted with the assistance of each Department Head. Council Member Jensen asked to have the Detective pay section explained. Administrator Darrington reported that in the past when a patrol officer moved to detective status, his pay on the pay scale remained as a patrol officer. Because there was a change in how time calculations are done (workday versus shifts), some officers lost hours and received a pay cut instead of a raise that should have been provided for that promotion. The money set aside in that column covers that situation so that the officer receives the pay increase due. Administrator Darrington confirmed that the Council was okay with the eight percent COLA raise concept.

Administrator Darrington next addressed the Public Works Facility cost of \$328,036, most of which would need to come from the General Fund. He stated that the money initially set aside for the Public Works Facility would be transferred to the Building Fund. If the Public Works Facility was not built this year, that money would be available for use elsewhere. He reminded the Council that the \$328,036 figure was listed as \$370,000 at the last meeting, two weeks ago. In any event, that money was pulled out of both the revenue and expense sides and remains unspoken for. He pointed out that there was a gap of \$305,235 in unallocated funds, making the budget unbalanced.

The money set aside could be used for that purpose or other projects. This was to be worked out once the Council determines which projects are to be done.

With regard to the property tax rate, Administrator Darrington recommended increasing the current property tax rate, which would require the City to go through the Truth in Taxation Process. The additional funds would be used to hire two police officers and one firefighter. Council Member LeMone asked if there had been a discussion with the Consultant about the HR Generalist position, as requested by Council Member Williams. Administrator Darrington stated that he spoke with the Consultant who indicated that his focus was on job duties.

Administrator Darrington next addressed the document pertaining to Capital Funding. As discussed, the Ambulance funding was shifted to the sprinkler system for the Cemetery. He noted that the total cost estimate for the Cemetery work was \$668,517. He stated that it would be nice to get that done in one year rather than phase it over two years. He identified the various sections listed on the second page, including unfunded capital, operational (proposed and funded), and operational unfunded. Administrator Darrington reported that the items listed on page three were operational requests to be funded with this year's budget money. Mayor Fugal asked Library and Arts Director, Sheri Britsch about the purpose of the self-watering containers. Director Britsch indicated they were to be used to spruce up the outside.

Administrator Darrington referenced the Utility Rate Increase Table and stated that the discussion was for informational purposes only. No decisions would be made at this meeting. He reported that over the past 10 years the City Council has agreed to incremental raises in each category. He noted that prior to that, no raises were given. He explained that how the rates are addressed impacts the City's ability to borrow money or bond. When the City borrows money or bonds, the request goes through a rating agency that looks at the City's financials, including the presence of a 180-day reserve. The agency also determines whether the Council is willing to impose yearly utility increases in order to remain financially viable.

Administrator Darrington reported that the City has been able to answer that question in the positive, as shown by the Table. He commented that it made a difference in a water bond that went from an A rating to AA+, which was significant. Administrator Darrington's recommendations included a five percent increase in culinary water and a seven to eight percent increase in the Storm Drain Fund. There was no increase recommended in the Sewer Fund, as its infrastructure was in good condition. The Garbage Fee should increase by nine percent and recycling by 7.5 percent. It was noted that the City has been incurring extra costs, such as paying personnel costs and dumpster fees for Fall clean-up, and a shipping fee to transport public waste to North Point.

With regard to the previous item, Administrator Darrington stated that the City is trying to secure additional water for the secondary system to get through the year. He reported that last year, the City had 1,400-acre-feet of reserved water. At the time of shutdown on October 1, they had only one-half of the reserve remaining. They sent out notices to residents in July indicating that water needed to be conserved to avoid an early shutdown. The residents made the needed corrections. Because October was a very wet month, they were able to avoid an early shutdown. In 2015 and

2016, the City purchased water from Orem City to get and added monthly drought surcharges on the bill for 12 months. The cost of the water being purchased this year would be \$70,000. This would equate to \$0.80 being added to water bills to account for the additional cost of that water. Overall, staff's recommendation was to charge an additional \$7.05 per month on the utility bill for the average customer beginning in July.

There was discussion regarding issues pertaining to water usage including watering days, watering scheduling, and water storage availability. In response to a question regarding possible changes in recycling, Administrator Darrington stated that those costs had remained stable. He anticipated fuel surcharges to be added as gas costs increase.

Administrator Darrington addressed the project options provided to the Council and noted that a sixth option was added. During the recent meeting with the donor of the Public Works Facility property, the donor committed to pay \$7.5 million for the Public Works Facility property this year. The City will own the bond. The donor wanted the park costs, which were \$30 million, to be phased, or reduced, to be more manageable. Administrator Darrington noted that the Amphitheater Park might be part of Phase 2 for next year, however, items such as the splash-pad, playground, and other items higher on the Council's priority list would be done sooner. The details were being worked out.

Administrator Darrington reported that each proposed option included Projects 2 (the pipe to the lake) and 3 (purchase of the Public Works Facility Project). Both projects need to be done this year. He then described each separate option. Option 1 added Project 1 (the demo and road improvements at the Pipe Plant) to Projects 2 and 3. The bond would be slightly less than \$12 million. The General Fund amount would be \$130,000, and \$47,000 would be from the Cemetery Fund. Because of Project 2 (pipe to the lake), the Utility Fee would increase by \$0.89 per month. Option 2 added Project 5 (the Cemetery extension) to Projects 2 and 3. The bond would be \$13,775,000 with \$228,000 coming from the General Fund and \$75,000 from the Cemetery Fund. The Utility Fee would increase by \$0.89 per month.

Option 3 added Project 4 (the Storm Drain Retention Basin construction) to Projects 2 and 3. The bond would be \$17,378,000. The Utility Fee would increase by \$4.39 per month, for the Storm Drain Fee alone. Option 4 included Projects 2 through 5, with the cost of just under \$20 million. The average residential bill would be \$4.29 per month. Option 5 added Project 6 (construction of the Public Works Facility) to Projects 2 and 3. Here, \$410,000 would be required from the General Fund. Administrator Darrington stated that this amount would include the earlier set-aside money. The utility bill would be increased by \$2.94 per month, which would be beyond the \$7.05 utility bill increase already planned. Option 6 included Projects 1 through 4 with a bond of slightly less than \$20 million. The average residential bill would be an additional \$4.39 per month.

There was general discussion about the pros and cons of whether the road improvements need to be done at the same time or piecemealed. Administrator Darrington noted that planning for road improvements requires consideration of curb and gutter, but not necessarily sidewalks. The Council also explored the various options and discussed which projects could be done separately, which need to be coordinated with one another, and timeline constraints. Administrator Darrington

stated that with the requirements for engineering and surveying, it would take at least two years to complete the projects. Within the next three weeks, staff will need guidance from the Council regarding which projects can be started for the purpose of bonding.

Council Member Andersen was concerned with the construction timeline. Administrator Darrington stated that all of the projects can be done in the next two years. The funding could be initiated in a variety of ways and at different times. The issue of interest rate increases was raised. Administrator Darrington stated that the initial recommendation was to do all of the projects at a cost of \$40 million with available General Fund money and a \$10 per month increase in utility bills. The Council determined that because of the \$40 million cost they would rather phase the projects over time. There was general discussion regarding the impact of rising interest rates, cost increases, and the length of time needed to complete each of the projects.

Council Member Bullock advised the Council of the cost of each of the options and stated that after backing out the \$7.5 million provided by the donor would be \$4,492,000 to \$18,837,000. Administrator Darrington agreed that because some of the money came from other sources, the actual costs to the City were less than the total cost of the projects. That needed to be explained to the public. The Council discussed the various options including a request to add another option to add part of Project 1 (the demo) to Projects 2, 3, and 6.

d. Staff Business.

MOTION: Council Member Jensen moved to ADJOURN the Work Session at 5:30 p.m. Council Member Bullock seconded the motion. The motion carried unanimously with Council Members Andersen, Bullock, Jensen, and LeMone voting “Aye.”

The City Council minutes of April 12, 2022, were approved by the City Council on May 3, 2022.



Kathy T. Kresser, MMC
City Recorder

(Exhibits are in the City Council Minutes binders in the Recorder's office.)

