

**Pleasant Grove City Council Work Session Minutes**  
**August 31, 2010**  
**6:00 p.m.**

**PRESENT:**

Mayor:

Bruce W. Call

City Council Members:

Cindy Boyd

Val Danklef

Lee Jensen

Kim Robinson

Jeffrey D. Wilson

Excused:

Tina Petersen, City Attorney

Colleen A. Mulvey, Deputy City Recorder

Others:

Scott Darrington, City Administrator

Dean Lundell, Finance Director

Richard Bradford, Ec. Dev. Director

Lynn Walker, Public Works Director

Tom Paul, Police Chief

Deon Giles, Leisure Service Director

Marc Sanderson, Fire Chief

Ken Young, Community Development Director

Degen Lewis, City Engineer

Kathy T. Kresser, City Recorder

Libby Flegal, NAB Chair

The City Council Members and staff met in the City Council Chambers, 86 East 100 South, Pleasant Grove, Utah 84062 at 6:00 p.m.

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**AGENDA**

**1. Call to Order**

Mayor Bruce W. Call called the meeting to order and indicated that Council Members Wilson, Jensen, Robinson, Danklef and Boyd were present.

**2. Pledge of Allegiance**

Leisure Services Director Deon Giles led the audience in the Pledge of Allegiance

**3. Opening Remarks**

Finance Director Dean Lundell gave the opening remarks.

**4. Discussion on Civic Center Plan with VCBO**

Mayor Call read this item and then turned the time over to Brent Tippets, VCBO Architect. Mr.

Tippets said that tonight he would like to discuss with the Council some of the findings and developments from the study and get the Council input on what has been discovered. He then said that they have come up with some pretty drastic concepts and ideas for the downtown area. After discussions with the Council he would like to take the ideas to the community to get their feedback on the impacts that the Civic Center would have on the City and the downtown area.

Mr. Tippets then said that currently there is strong vehicular circulation that goes along 100 East and that moves in the east/west direction along Center Street. With the intent of trying to preserve Main Street as a community/pedestrian area, our goal is to minimize the vehicular circulation path through Main Street and try to use some of the other corridors. There is also a great opportunity to enhance the pedestrian area by closing off 100 South and taking advantage of connecting the two blocks together. One of the weaknesses that have been discovered with Main Street is the fact that it only goes from 100 South to Center Street right now. Although there are some historic structures that can be built upon and enhanced, the fact that it isn't very long detracts from the opportunities that might be available as the downtown area grows and develops. He then said that he has a couple of different scenarios that he would like to show Council that expand Main Street and incorporate a couple other blocks in the area. The detriment with enlarging Main Street has to deal with the park; the park is a nice green space and we may have to shift the park to do some different things.

Mr. Tippets then showed four different scenarios that could be developed for the Civic Center. The first slide shown is what already exists in the downtown area. The next one "Option A" shows moving the park to the north side of Center Street and having City Hall as an extension of Main Street going south which will accommodate the parking needs for both blocks. This option also showed using the old recreation center as a community theater; there is a lot of potential to add a second floor to this building. This option keeps the library in the same location with expanding this building out to the east. The police station will also be in the same location and expanded to the south. He then explained to the Council that these scenarios do not show a fire station, the Council will have to determine where they would like the station to be relocated. Do you want it in the downtown area or moved to the north end of town or to the south end of town, which location would serve the community better? At this point Mr. Tippets reminded the Council that these scenarios are not for architecture purposes they are only for placement of the buildings. Administrator Darrington asked about phasing of the project. Mr. Tippets replied that there can be different phasing options and when we can focus in on a more favorable solution, and then we can develop the phasing plan and move one facility at a time.

Council Member Jensen questioned about moving the fire station and there being a more viable spot for the station with respect to the City. Have you given the police station the same consideration? Is it mandatory that the fire station be in this area? Mr. Tippets replied that it is not mandatory but where the police station is located is best for the cross connection with the court system. It seems that City Hall is the best location for expanding the police station to.

The next slide that was shown is "Option B." This option maintains the park on Main Street and provides open space on both blocks. We move City Hall and the courts onto Center Street, which has a good presence there. This also shows the police in the same location with expanding into the entire building. The parking structure will be located on the north side of 100 South. In this option we converted the old rec center into a library with a community center on the corner of 100 South and 100 East. The old recreation center is probably one of the strongest values as part of esthetics and part of the history. The big open spans and the high volume of the ceilings can be converted into

a two story space; it would make a nice library.

Administrator Darrington commented that there is a business currently on Main Street that is new and we need to be sensitive to the new businesses that have moved onto Main Street recently.

Mayor Call asked how big the parking structure is going to be. Mr. Tippetts responded that that calculation has not been figured yet. We do have the historic footage needs established but we haven't worked on the parking stalls. Council Member Danklef asked if we were to move into the block to the north or to the east with the parking terrace or the fire station would that make sense in what you are trying to accomplish. Mr. Tippetts replied that the fire station would be a good move. What we would like to avoid is having pedestrians crossing a busy street like 100 East or Center for parking.

Mr. Tippetts went on to "Option C." In this scenario we have taken out the recreation building; removed the fire station along with the Community Development Department and relocated City Hall to the southern portion of the downtown. We have taken out all of the buildings in this area and added a new building for the library which is somewhat problematic. How do you provide services when rebuilding in the same spot? And add a new police station. With this option we have tried to increase the green space and increase pedestrian friendliness. Currently we don't want to eliminate cars on Main Street, but we want to slow the vehicles that come along there. Council Member Boyd wondered about the arts center. Mr. Tippetts replied that with this scenario we would have to locate the arts center somewhere else.

"Option D" shows commercial retail expanding down to the south on Main Street. The goal of this is to enhance Main Street and create historic structures that will maintain the character of the city. It will also maintain open space between City Hall and the commercial retail. This also shows the library, police station and parking structures located in the same place. The city park would be moved to the north side of Center Street and the location of the fire station and the community center would have to be somewhere else. Council Member Boyd asked about combining the arts and the library. Mr. Tippetts replied that they could share the same building but there would need to be a separation so they are not overlapping, but there could be a simple entrance that would separate the two. Council Member Jensen wondered why the property to the east between 100 East and 200 South has been left out of everything that has been done. Mr. Tippetts responded that city doesn't own that property. Those blocks are possibilities that we have not explored yet but the input for that would be very useful. He also said that one thing that they didn't want to create is the crossing of 100 East but the property north of Center Street would be a good spot for a city terminus.

Administrator Darrington suggested that the property to the east would be a good place for a fire station or an arts center. Council Member Danklef voiced his concern about 100 North being a very narrow street and locating the park on that side. Council Member Jensen asked if VCBO has thought about extending Main Street past 200 South. Mr. Tippetts replied that they had not. Council Member Boyd said that in her mind the things that would draw people to the downtown would be the library and the arts center. If we have to expand out and go to the block on the east, the police station or the fire station could possibly go there. She then said that city hall, courts, the arts and the library has to be on those two blocks. What we are trying to do is to get the people downtown to development and strengthen our economic in the downtown. The police station and the fire station doesn't bring that many people to the downtown area, we can move those a block, but the city hall, arts and library need to be downtown. Mr. Tippetts responded that they have come to that same conclusion and these

are the things that need to be looked at. The main reason that the police station needs to be on one of these blocks is because of the relationship with the courts. He also said that VCBO is still exploring and investigating but we wanted to get feedback about the impacts that the Civic Center will have on the downtown area. He then asked the Council if they were comfortable with going out to the community and presenting these options and get feedback from them. Mayor Call asked how you communicate with the community that it doesn't have to be one of these four options that there could be something better out there. Mr. Tippetts agreed and he thinks that there are other options that can be investigated and options that have been brought up at the meeting tonight you could have dozens of options, but what we are trying to do is to bring to the surface the major issues that we have talked about i.e. closing down 100 South, and moving the park.

Council Member Jensen asked if there are any examples in Utah County where there has been an investment from the City that would revitalize an area of the city. He said that he couldn't see the City paying a lot of money with the hopes that Main Street will get revitalized. The goal is to expand the necessary city facilities in a way that they are available for a community that continues to grow and reach the population that requires better city facilities and Main Street will benefit from this. What Main Street in Utah County have they been able to revitalize and turn into a viable economic center? Mr. Tippetts replied that he couldn't give an example of that. He then stated that he is looking at this a little bit different. He looks at it as how do we grow and provide the functions that we need and while we are at it is there a way to enhance the downtown area? Council Member Jensen then asked what Mr. Tippetts means by the word "enhance?" Mr. Tippetts responded that it takes less effort to enhance than revitalize. We want to bring the people downtown which will help revitalize the downtown by shopping and participate in community activities like maybe a farmers market or an arts festival. We are creating spaces that will encourage this kind of participation. Council Member Jensen interjected that that is a noble and realistic goal but would like to see somewhere in Utah County that has made this work.

Administrator Darrington said that the idea of having the commercial as shown in "Option D" is to sell the property to commercial developers and then purchase property somewhere else to put the park. He then said that he didn't think that the purpose of this is to revitalize downtown, the focus is getting the proper facilities for the next fifty years, but if there is a way that as we do this that helps the downtown, then we need to explore those options.

Mr. Tippetts asked Council Member Jensen if he felt that "Option D" is not a viable option. Council Member Jensen agreed. Mr. Tippetts then asked the Council if they do not want to present this option to the public. Director Young interjected that there are a lot of positives and negatives to any of these options, but wanted to point out that this option is really our best opportunity for growing and developing economically downtown between Center Street and State Street. Going north of Center Street is not the best economic opportunity for commercial ventures. Are we always going to have one block of Main Street or are we going to envision that it can grow and be a more active Main Street between Center Street and State Street and have it all connect as a pedestrian corridor. The park breaks that up so we don't have the pedestrian corridor down to State Street, whether we do commercial up front or a City Hall we are extending the corridor, we are building downtown, if we do anything else we are going to keep Main Street small.

Director Bradford agreed with Director Young. He said that a one block long downtown is going to struggle, but in the last thirty three months we have had fourteen new businesses come in down there. We are seeing a revitalization of the downtown and an extension of Main Street to allow more

space for the boutiques that are coming in is worth it. He then said the he would like to leave “Option D” in. He also mentioned that the eastside of Main Street has been rented out except for one building and that is under contract.

Council Member Boyd also agreed to extend Main Street but we do need the arts center and the library within those two blocks.

Council Member Danklef voiced his concern about relocating the park to the north. He didn’t think that would be a good idea because of the historic buildings that are already there.

Council Member Robinson said that she liked that idea of having a gathering place at the end of Main Street and slowing the traffic down which makes it more pedestrian friendly.

Director Giles voiced his concern about using the old recreation center for a new library or community center. He didn’t think that the building would be big enough for either use. Director Young replied that using the recreation center would be nice but it wouldn’t be sufficient, we would need to use that space for parking for the arts center or library.

Council Member Boyd asked what the square footage would be if the library was extended to the east. Mr. Tippetts said he wasn’t sure, but if they also went vertically then it could possibly be thirty thousand square feet.

Director Young said that he has been taking notes and there are so many confusing options and was just wondering how are we going to hone these down? He then suggested that a mini survey be created as to what Council and Staff think are the important elements of downtown, would that involve maintaining the old rec center, extending Main Street, library and arts on the central block, preserving the park location, open space and plaza. Then rate them all and that should help us to decide where we want the buildings put. We need to figure out what is important to us. Mayor Call suggested that Director Young create the survey and present it to the directors and Council via email and that can serve as a base for discussion. Director Giles suggested adding the location of a fire station and the arts center, if we have options to the east or to the north. They would like to know where they may be housed.

Mr. Tippetts thanked the Council for their input and said “this is what they needed for tonight’s meeting”. He also said that he liked the idea of the survey which will be a tremendous help in locating the buildings. Administrator Darrington agreed, when the survey is complete then we can get it back to VCBO and that will give them some idea as to what direction the City would like to move.

Mayor Call asked the Council if there were any objections in proceeding with the survey, there weren’t any. Mayor Call directed Director Young to proceed with the survey.

## **5. Discussion on proposed Center Street alignment and zoning**

Mayor Call read this item and then turned the time over to Director Young. Director Young proceeded to say that a few months ago the Community Development Staff had meet with some citizens in the Center Street/600 West area because the citizens have had concerns about what they can do with their property, the zoning and the possible realignment of Center Street. There are

unanswered questions and unfinished plans that it is putting “a cog in their wheel” for development. At that time we were working on the Transportation Master Plan and now that it is complete, it is time to take the next step for this area. He then showed the Council a slide of the possible realignment of Center Street. He explained that what is currently there is not a good situation to get from State Street to Center Street to 600 West. The traffic backs up during the heavy traffic times of the day where they are trying to turn north on to 600 West. The proposed alignment would cause some rearrangement of facilities which might cause the city to assist in purchasing of some property or even relocation of buildings. Administrator Darrington questioned about the proposal of this street alignment, wasn't it proposed quite a few years ago? City Engineer Lewis said that what he knows of the history is Frank Mills, former City Administrator, went to UDOT and asked how can do we get off the tracks. There were a couple of plans drawn up but they never went forward. Engineer Lewis thought a better place for a crossing would be to move it west to 1000 West which will help that land to develop in that area. He then commented that when he came to the City to work he knew that there was talk about this intersection so he started to layout different scenarios for that intersection. After the Transportation Master Plan was completed it was determined that Center Street does not have to be a five lane road so what we could do is what is called a “road diet” and shrink Center Street back down to three lanes which will allow a greater flexibility to do something in that area. The Transportation Master Plan also showed that the traffic demand coming off of State Street is more for 600 West than Center Street, so tying 600 West directly into State Street and the boulevard makes more sense.

Council Member Jensen asked if this solution would reduce traffic on Center Street. Engineer Lewis replied that it might a little bit but the people that are going east on Center Street that is the way they would be going anyway. There are also a lot of east/west roads that could bring the people into the downtown area.

Engineer Lewis then stated that there are really some challenging issues, we have the railroad crossing, you need to have six or seven hundred feet between the intersections to allow to turn at the light. There is also Garden Drive that needs to be pulled away from State Street and the tracks; ideally you would want to see something like what Costco has in American Fork where it is an internal drive that is away from the tracks. He also said that this plan is very preliminary but Staff wanted to present it to Council so we can give the citizens on the west end of Center Street some direction as to what they could possibly do with their property.

Director Young commented that he would like to identify some of the concerns that were brought up from the property owners. He also wanted to mention that there are several property owners from that area here tonight and he did let them know that the Council was going to review this item but we made it clear that this is not a public hearing but they were welcome to come. He then said that the concerns for this area include the proposed alignment that could cause development problems; another is the timing for the road. Most of them have mentioned that this alignment needs to be done, there needs to be a plan or we don't do it at all. There is a lot of potential for development if the zoning is looked at along with the zoning requirements, there are several lots that are quite small but if we change the roadway then we could change the frontage and access. We could also create an overlay for the MD zone. The MD zone covers most of the area and perhaps there is a way to allow flexibility in zoning and development. Another concern and the biggest problem is money. Does the City have the money to do the road at this time or anytime in the near future?

Council Member Jensen asked if there has been a study done on the road to see what the cost would be to the City if put in. Director Young replied that that would be our first objective here is to do an environmental study so we know what exactly we are looking at, beyond that we will need to look at the construction costs. None of this has been done because we haven't had a forward motion yet from the Council to see if this is something that you want to pursue. Council Member Jensen retorted that the study needs to be done before Council gives the go ahead. Director Young responded that that is why we are here tonight. Finalizing the exact alignment would be very helpful in determining what we want to do with the zoning and the zoning requirements. He then said that there are probably more concerns or objectives, but what he had hoped to accomplish tonight is to get some kind of direction from City Council, is this something that the City is interested in pursuing?

Mayor Call asked how much would an environmental study cost? Engineer Lewis answered that it could cost up to two hundred fifty thousand dollars for the study, but we could look into getting federal money that would help pay for it. The total cost for the study and construction could be up to a million dollars with the land acquisition and dealing with the railroad crossing. Administrator Darrington said that we could look into getting MAG money and the City match is six point seven percent. Engineer Lewis commented that MAG is regional funding and it would be hard to justify this as being a regional improvement.

Council Member Danklef stated that if we build this then we will still have problems with crossing over UTA lines. Engineer Lewis replied that that is correct.

Mayor Call asked what direction Director Young would like from the Council. At this time we do not have the money and we don't know when, if at all, we would have the money. Director Young answered that he is not sure how to handle this; he wanted to bring it before Council to get some kind of direction. We just need to let the property owners know what the possibilities are so they can try and determine what they would like to do with their property.

Council Member Boyd said that in the economic meetings we have been talking about someone coming in and doing a study of certain areas in the city, could this area be included in that study as to what their opinions would be. Administrator Darrington commented that as he is looking at this, we need engineering cost estimates on this. If it is ten million dollars that is a large number, we also need to look at potential funding sources. The property owners in this area will need to have some sort of buy in to help pay for a portion of this road if it is going to enhance the value of their property. If there were developers out there with projects that would be coming in so there would be money coming back to the City then it might be possible, but financially this doesn't make sense for the City.

Engineer Lewis suggested that maybe a smaller study could be done that would cost twenty to thirty thousand dollar which might answer some of your questions.

The Mayor said that he feels that until we have an estimated cost and what the City obligation is going to be and what are some potential funding sources, the City Council cannot give any direction. Administrator Darrington said that we are not expecting a decision tonight, we just wanted to say here is our issue, we have been sitting on it for a while, we have property owners that would like to know what the City intends to do.

Vic Orvis, Center Street, commented that the benefit to the people of the east side of that move is a

net loss, but the benefit to the commercial on the west side of 600 West there is an enormous benefit. He also said that if doesn't make sense to him that the property owners would be willing to give up property and pay for a road that will destroy their property value. He also mentioned that the property owners in that area have not been held up for three years, but for over ten years waiting for some rezone work or change of location work by the City and its inability to make its mind up.

Mayor Call asked if Staff has the direction as to what to do next. Administrator Darrington replied that they do. Council Member Boyd asked if as a Council do we feel that we will change our opinion after we have an estimate of what it is going to cost. The Mayor asked if Staff could have this information at the next work session.

Dave Told said that his property would make a great place for a fire station and city park.

## **6. Discussion on utility rate study**

The Mayor turned the time over to Administrator Darrington for this item. Administrator Darrington said that a while ago the City commissioned a rate study on the utilities and we have the results of the study and that is what we are going to share with you tonight. There are three things that came up that are pretty important as to how the numbers will come out. The most important one is that the City is required that when we have debt, particularly speaking of our secondary water debt, that we have a debt service payment and we have to have one hundred twenty five percent of revenue set aside in order to meet the bond payment. If we don't have enough money to pay that debt then we are told that we need to raise our rates to cover that ratio. The rate for the secondary water will be significant because we have a debt service coverage ratio that we need to meet right now in order to stay good with the bond holders. When a rate study is done we look at not only the operations and maintenance that is a yearly cost but the idea is also to have some money set aside each year so you can do your capital projects. We do know that we do have a couple of projects that needs to be funded within the year; one of them is the Lindon Hollow ditch which is a storm drain project in conjunction with Lindon City and Orem City. There is property that has been purchased so that the portion of our storm water that runs down to the Lindon Hollow ditch will continue to have somewhere to go. Then the ditch will be built as such that it will take the storm drain water down to Utah Lake and the City will have to pay their portion of the cost of that new pipeline. This project has been going for a couple of years and everyone involved has paid their portion except for Pleasant Grove. The second issue on the storm drain is the Battle Creek and Grove Creek storm water runoff with the canal being enclosed where is the water going to go. That is roughly a three million dollar project but we are working on finding sources to help with funding for this project. We know that these projects are coming up but the storm drain fund is spent, there is no money to do projects of this size. The third one is the Timpanogos Special Service District (TSSD) sewer rate. It has been raised thirty seven percent for the treatment and those costs have already been passed on to the City and we have started paying that for the months of July and August and we have not raised the City sewer rates to cover that. At this time Administrator Darrington turned the time over to Jason Burningham and Matt Millis with Lewis, Young, Robertson and Burningham. Mr. Burningham commented that their firm has been working on the rate study for a long time and one of the things that has caused the time delay is the capital facility aspect and looking at what types of needs each utility has. He also said that another significant part of the review process is recognizing that at one point the City was issuing a fair amount of building permits so there was revenue coming from the impact fees. As growth has decreased so has the one time revenues and when the City has gone out a issued bonds specifically to the enterprise funds, the pledge to the bond holders is a net resident

pledge, so the City is pledging all of the system revenue which includes impact fees, user fees, interest income, any revenue that are derived from that utility. Mr. Burningham commented that what they wanted to review with the Council tonight is to look at each of the utilities, specifically storm water, sewer and then culinary water and secondary water. We have looked at each of these utilities separately but from a bond holder's perspective they combine the utilities for a security pledge primarily where a couple of large secondary water bonds that were issued to fund the pressurized irrigation. The intent of the utility fund is to not only cover its operational costs but its capital costs as well as setting aside some stabilization money for repair and replacement that comes up in the future. While looking at each utility many of the issues with them would be just repair and replacement by taking care of the infrastructure that needs to be updated or upgraded. The third thing that has been looked at is the future capital projects as to what are the needs and when do they come. An important factor to your bond rates is the ability to have certain amount of cash available through tax reserves.

Mr. Burningham then went through his presentation and explained the rate increases. He suggested that the City will have to raise the rates a significant amount or do a little rate increase and also use bonding to as a mechanism to put the costs in place and then spread it out over a much longer time period. He then said that the model that they have created looks at the issues that have been mentioned. The first discussion was on the storm water rate increase. This utility requires an immediate capital investment and bond financing. The City has not been collecting the monies for the system in order to take care of the needs. We will have to bring the rates up to take care of the needs now and then maintain the rate to take care of future needs. Mr. Burningham indicated that the rate increases that are being showed could change if the building takes off again and we start collecting more impact fees. The rate increase for the storm water would work out to be about \$6.75 per month.

The next utility that was discussed was the sewer rate. The sewer has a strong cash fund but rates must be increased to accommodate Timpanogos Special Service District (TSSD) treatment expense when they increased their rates twenty seven percent. The rate increase will be about \$7.87 per month to help absorb the cost from TSSD.

Council Member Jensen asked if the \$31.46 amount for the current rate is actually what the rate will be after the sewer rate increase. Administrator Darrington that this amount was determined on consumption level, the actual dollar increase will be close to the same regardless of how much you use.

The culinary water rate average is \$21.75. This is the strongest of the four and maintains adequate Debt Service Coverage Ratio (DSCR) so the culinary water system may only need a small increase. There is almost eight million dollars of capital there. Mr. Burningham said that with the culinary water rate we are looking at about a \$1.52 increase which will take care of the capital needs to 2018 for bonding and make the debt service payment.

Mr. Burningham said that the secondary water is the biggest concern. The rate for the secondary water is \$16.20 per month for a ½ acre or smaller lot. We will need to raise about one point four million dollars just to cover our debt service coverage. There isn't a lot of capital project going forward, less than one million dollars over the next five or six years so there won't be a need to bond it can be handled through pay as you go, but the rate increase will be very significant. He then said that the rate increase for the secondary water will be about \$18.79 per month. Mr. Burningham told

the Council that the reason for such a large increase in the secondary water is because the City has incurred debt to construct the water system. In 2008 the City did a rate increase on the culinary and secondary water system but combined the net revenues for both systems which would have been sufficient at the same time that the rate increase was adopted but there a couple of components that happened. One is in the Grove area or the south part of the City where there wasn't a secondary water system available, there was a decision made to allow those citizens to be on commercial rates. What that did is the commercial rate really benefitted the resident's because of the outdoor potential of irrigation and consumption which actually brought revenues down. The other factor was the Manila Water Company, the rate increase was supposed to be passed onto them as well but that didn't happen. There was a concession made there and there wasn't a full rate recovery for the secondary water. The combination of the two and the additional costs associated with it, the City had to go out and borrow additional money to finish the system. So if there isn't a rate increase for the secondary water it will not become self sufficient.

Council Member Boyd commented that she didn't remember exactly what took place in the Grove area on commercial. Did we allow all of the Grove area to have commercial rates? Mr. Burningham answered that that is what it looks like from their research. Director Walker said that that was the case through the whole City; if someone didn't have secondary water then they were on the commercial rate.

Council Member Jensen wondered if we should look at how we are going to charge individuals per half acre and take it down to smaller lot sizes. We have people out there that use a cup and a half of secondary water during the course of the month to take care of their yard and they are being charged the same fee as someone who is on a half acre that uses fifty thousand gallons a month. If we are going to raise the rate this high we need to rethink what we are charging for the water rates. Administrator Darrington agreed that there will be a fairness issue that we will need to look at.

Mr. Burningham then summarized by saying that as they have calculated it the total average monthly increase in rates we be \$72.41 per month. He said that they have looked at a couple of affordability guidelines from the EPA and they suggest that affordability is in the two percent range and this increase comes out to be one point six seven percent based on an average household income of \$77,000.00 with the annual average utilities being \$1,288.00.

Council Member Jensen said we need to look at fairness. Someone could be using fifty thousand gallons of water and someone could be using ten thousand gallons of water and both paying the same rate. Administrator Darrington said that the secondary water is not metered like the other utilities that you pay for what you use. The secondary water is a tough one because the equality issue is all over the map. Even if we had the guidelines on how big the lots are it still doesn't determine the actual use of the water and until we meter the secondary then we can determine rate and usage better, but that will be a big financial burden on the City. Mr. Burningham commented that any city that has the secondary system does base the rate on the lot size and then there are some caveats that go with the lot size. Council Member Boyd asked if we need to look at every lot size. Mr. Burningham answered no, they just go by the zones and an average and then they say that "x" amount of the property is impervious for driveways and then figure the rest of the acreage.

Council Member Jensen then commented that we need to take a long look at the numbers as to what someone in the R1-8 would be paying as compared to someone in the R1-15 zone. Mr. Millis said that they have already been looking at that with other communities collating the pervious area and

using GIS of the lot sizes and coming up with a really nice curve that changes a lot from six thousand square feet at two thousand square foot increments and graduate the lot size that way. He also said that as far as time on that, he and Director Lundell have been working with Casselle to get the rate fair and equitable for all the utilities and the individual users. Mr. Burningham then turned the time back over to City Administrator Darrington.

Director Lundell handed out a couple of rate changes that he and Administrator Darrington have been working on. He then said that what he has done is taken his water bill and started with that to give the Council a sample of what they have been working on with the percentage increases that were presented by Mr. Burningham. While working on this he realized that we have not been bringing in as much water revenues and that is a major issue that the City needed to address. Our intent is to put this before the Council and then go back and take what Council has suggested and rework the information. He then explained that rate structure to the Council.

Mayor Call asked what is the risk of smoothing the rate increase to the figures that you have shown us? Director Lundell answered that it might delay the capital projects that are coming up within the next four years. So down the road if there is a major system failure that could have been addressed by raising the rates now verses two years then there wouldn't be enough money to fix it. Administrator Darrington said that we can adopt the rate increase with the four year plan or if you want to bite it all off in one chunk then we do a one year rate increase and then go back to what Mr. Burningham has proposed.

Council Member Jensen asked if it was possible to take the total amount of money over the next five years and further smooth out the increase or would that put us too far behind. He then said that the thing that we have to look at as Council is that the citizens need to be able to budget the increases and if it isn't consistent then it will make it harder to prepare a budget. Mr. Burningham said that we could model that but his concern is with the timing of the capital project needs and the debt service coverage payment. Director Lundell also said that the sewer increase has already happened so that part we can't really smooth out. Mayor Call stated that we know that we have a target that we want to hit but we need to have it more uniform each year for the increases.

Director Sanderson questioned what will happen financially when we have that system failure to the City and the tax payers because we had to put off a project. Director Lundell responded that that is why we wanted to get input from the Council and get information as to what we want to do on the rate structure. Now we can work with Director Walker and say "if we do it this way, then the projects that are due in 2012 will be put off until 2015 and then we will all be on the same page." Administrator Darrington suggested that the Council look at what we are proposing for 2011 and then ramp it down from there, there shouldn't be too many problems. His concern is that if we lower the rates from 2011 and then ramp it down from there and take a few more years, then we are going to be in trouble. He then reminded Council that these are average rates, so everyone's amount will be different.

Mr. Burningham suggested that the two things that Council will need to really look at is the capital project plan and the fairness in the rate increases. Administrator Darrington agreed and said that the issue with the capital projects are we are behind but there are ways to get to where we need to be that will get us really close. He then said that we will have the proposal ready for the September 14<sup>th</sup> work session and then have the public hearing for this on the September 21<sup>st</sup>

city council meeting and adopt the rates.

Mayor Call asked if there were any further discussion. There wasn't any, he then instructed Staff to go ahead with rate structures that smooth out the increases.

## **7. Discussion on Items for the September 7, 2010 City Council Meeting**

Administrator Darrington quickly went over the agenda for the September 7<sup>th</sup> meeting. Mayor Call suggested that if there are any questions or concern to contact Director Young or Planner Allen.

## **8. Mayor, City Council and Staff Business**

- Engineer Lewis commented that today he noticed a truck on 100 East and State Street and when he stopped he realized that it was Cash Valley Electric installing the foundation for a traffic signal at that corner. He did tell them that he would have liked advanced notice that this was going in. This signal is going to be a single pole with a single arm and that way that 100 East comes into State Street it should work and it will be a nice improvement.
- Administrator Darrington reported that the City received its sales tax receipts and the State sales taxes were up about twelve percent and that is three straight months of an increase. He also reported that the first employee meeting was held and he laid out what the concerns are for the budget and they will take it back to their departments and get feedback and bring it back to the next meeting which will be held in about three weeks. Administrator Darrington then updated the Council on the things that he has been working on. He then handed out the employee directory that Cory Fralick had been working on. This will be helpful to the Council to recognize the employees.
- Council Member Jensen asked if there has been a vendor for the turbines. Administrator Darrington replied that there isn't we will need to do an RFP for that.
- Administrator Darrington reminded that Council and Staff about the tour at the pipe plant. Some of us are meeting at City Hall and going from there or you can just meet at the pipe plant and the address for that is 600 West 400 North.
- Director Young reported that the mugs on the table are for the Council and Staff to take home. Every year the Community Development Department likes to give a gift to the volunteers for their service and to the developers that we work with and this is what they gave out this year.
- Director Bradford said that the old Smith Market building has been sold and it is proposed to be a candle shop and a day spa.
- Council Member Boyd mentioned that the Heritage Festival is just a short time away and she does have more posters if anyone would like to hand them out. She also said that she and Council Member Danklef went on a tour of the white church and the renovation is coming along. What is incredible in the old chapel is they have taken down where the stage was and ripped out where it used to be and the alcove that is there is still what it used to be. Administrator Darrington asked what happened to the materials that were in the library. Council Member Boyd answered that it is still there and the owners are still willing to meet with the historic committee come and see if there is anything in there that they would like to keep. They have found some hymn books and the Foundation Group is looking into selling those along with the brick from the old school that was across the street to raise money.

- Council Member Danklef reported that the lawn at the white church is coming back from the gray water that was put in and it is looking nice.
- Council Member Jensen asked about the Quail Run Charter School. When is the opening and is it ready to open. Fire Chief Sanderson replied that Fire Marshall Steve Brandt has been out there all day making sure everything is ready because they would like to open for school tomorrow. The State Fire Marshall has also been working with them and if they are not quite ready he has granted them limited students for the opening tomorrow.

Mayor Call asked if there were any further discussion on any item, there wasn't, he then called for a motion to adjourn.

**ACTION:** Council Member Wilson moved to adjourn. Council Member Jensen seconded and the motion passed unanimously with Council Members Wilson, Jensen, Robinson, Danklef, and Boyd voting "Aye."

**ADJOURN**

Meeting adjourned at 8:49 p.m.

This certifies that the Work Session  
Minutes of August 31, 2010 are a true,  
full and correct copy as approved  
by the City Council on October 5, 2010

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Kathy T. Kresser, City Recorder