

**Pleasant Grove City Council Work Session Meeting Minutes**  
**April 30, 2013**  
**6:00 p.m.**

PRESENT:

Mayor Pro Tem:

Lee G. Jensen

Council Members:

Cindy Boyd  
Jay Meacham  
Cyd LeMone  
Kim Robinson

Excused:

Bruce W. Call, Mayor

Staff Present:

Scott Darrington, City Administrator  
Dean Lundell, Finance Director  
Degen Lewis, City Engineer  
Tina Petersen, City Attorney  
April Harrison, Arts and Culture Director  
David Larson, Assistant to the City Admin  
Deon Giles, Leisure Services Director  
Kathy Kresser, City Recorder  
Marc Sanderson, Fire Chief  
Ken Young, Community Development Director  
Lynn Walker, Public Works Director  
Clint Warnick, Recreation Manager

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

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1) **CALL TO ORDER.**

In the absence of Mayor Call, Mayor Pro Tem, Lee Jensen, called the meeting to order and noted that Council Members Boyd, Meacham, and LeMone were present and that Council Member Robinson would arrive late.

2) **PLEDGE OF ALLEGIANCE.**

The Pledge of Allegiance was led by Leisure Services Director, Deon Giles.

3) **OPENING REMARKS.**

Opening Remarks were given by Assistant David Larson.

City Administrator, Scott Darrington, stated that there was an issue regarding the trip to Boulder, Colorado, scheduled to leave the following morning. The trip is part of a grant to review the trail system in Boulder in an effort to adapt a similar system in Pleasant Grove. Administrator Darrington reported that the forecast indicates snow all day in Boulder during their trip. He stated that if they cancel the trip the City will lose \$2,000 to \$3,000 in airfare. He asked the Council if they would prefer to reschedule the trip, or travel despite the snow.

City Engineer, Degen Lewis, stated that there may be safety issues with driving conditions on the freeways, and was concerned if there was too much snow the attendees would not be productive in observing and riding the trail systems and thought it may be a waste of time and money. Many Council Members and staff were concerned about flights being delayed for their return trip.

Community Development Director, Ken Young, reported that the forecast indicated five to six inches of snow. Mayor Pro Tem Jensen considered the safety of the attendees as more important than the trip. Director Young agreed and would cancel the meeting and look into rescheduling in the next few weeks. Administrator Darrington excused Director Young to inform everyone planning on traveling that the trip had been cancelled.

4) **DISCUSSION ON AGENDA ITEMS FOR THE MAY 7, 2013 CITY COUNCIL MEETING.**

- a. **The Utah Mothers Association of the American Mothers, Inc. to recognize Jill Bigelow, Melissa Finch and 5<sup>th</sup> Grade Essay winner Ricky Fassbinder for their outstanding achievements. Presenter: Deanne Taylor, Utah Mothers Association Chair**

Mayor Pro Tem Jensen reported that the first item on the agenda is a presentation from the Utah Mothers Association of the American Mothers, Inc. Deanne Taylor was identified as the Chair of the organization and would address the Council.

- b. **Introduction of new employees.**

Administrator Darrington stated that in respect to item "B" there will be one new employee and two interns to introduce.

- c. **Continued Public Hearing to consider for adoption of the proposed Parks & Recreation Impact Fee Facilities Plans, Ordinance (3013-11) containing proposed revisions to Pleasant Grove City Code regarding Impact Fees, and updates to the affected impact fees charged by Pleasant Grove City; and providing for an effective date. (Continued from the April 16, 2013 meeting.) Presenter: Director Lundell**

Finance Director, Dean Lundell, stated that item "C" pertains to the Parks and Recreation Impact Fees Facilities Plan and will summarize the resolutions and continue the public hearing. Director Lundell will bring a summary of all items involved to the meeting.

- d. **Public Hearing to consider for adoption an Ordinance (2013-12) the request of Scott Bishop to rezone a portion of Lot 7 in the Canyon Brook Subdivision from an RR (Rural Residential) Zone to R1-20 (Single Family Residential) Zone located at approx. 359 West 2900 North (MANILA NEIGHBORHOOD) Presenter: Director Young**

Engineer Lewis stated that item “D” involves Canyon Brook Subdivision and is the subdivision immediately south of Creekside at Aspen Grove. On the far-east end of the subdivision there is a cul-de-sac where the developer originally intended to create three lots. The owner sold the extra ground to two other parties prior to the plat being recorded. He later realized that his surveyor made a mistake and left the third lot roughly 270 square feet short of the required half acre. The developer had been unable to acquire additional square footage and was unable to create a legal lot without rezoning the property R-1-20.

Engineer Lewis reported that this would be the first time they have zoned anything other than RR north of 2600 North. He stated that the request is consistent with the General Plan, and the low density is allowed for RR or R-1-20. The difference between an RR and an R-1-20 lot is roughly 1,700 square feet. Engineer Lewis indicated that the developer would prefer to keep the lot zoned RR and is trying to purchase another piece of land to combine with the lot, but has not yet succeeded.

Council Member Boyd was concerned about making this type of change for one lot. Engineer Lewis reported that in the surrounding properties there is currently one neighbor with a few small farm animals, but otherwise no one else is using their RR status.

Administrator Darrington stated that if the Council is not comfortable with making changes, they will not have to do so. Engineer Lewis declared that with the current zoning, the developer would not be allowed the same number of animals as his neighbors. Attorney Petersen said that the lot has to be a legally approved lot before the owner can apply for non-conforming status. It would be difficult to ask the Board of Adjustment for a variance in this instance because this is a self-imposed hardship by the lot owner. If the City makes a mistake, it is easier to ask for a variance. Engineer Lewis reported that recently a staff imposed error went to the Board of Adjustment, and while they approved the variance, it was a split vote and only passed with a very narrow margin. He did not think this particular situation would be granted a variance.

Mayor Pro Tem Jensen asked what other options were possible than to change the zoning. Engineer Lewis responded that the lot could be marked as one that could not be resold. If the zone change is denied, the owner will be stuck with a lot that is 270 square feet short of one-half acre and will not be allowed to build on it. Mayor Pro Tem Jensen asked that staff review all possible options so that when the matter comes before the Council they will know all of the options.

- e. **To consider the request of Three S LLC for a 4-lot final plat called Walker Landing located at approx. 140 South 600 East in an R1-7 (Single Family Residential) Zone. (OLD FORT NEIGHBORHOOD) Presenter: Director Young**

Engineer Lewis stated that agenda item “E” pertains to a request to divide an existing single lot into four. There is a current home on the property and the lot is large enough to meet the zone requirements in the R-1-7 Zone and divided into four lots.

- f. **To consider for adoption a Resolution (2013-013) authorizing the Mayor to sign a ground lease agreement with Barnard PG, LLC, providing for a five year lease of five acres of real property owned by Pleasant Grove City and providing for an effective date. Presenter: Administrator Darrington**

Administrator Darrington stated that item “F” pertains to the pipe plant purchase. He reported that the pipe plant company has a number of items they would like to store on the property and would like to lease five acres of the land from the City. The City agreed to \$300 per acre per month, totaling \$18,000 per year for up to five years. The City does not have any immediate use planned for the property, and the rent funds will go back into the Storm Drain Fund and help offset any costs that the City is incurring.

Council Member Meacham asked if there was anything in the agreement requiring the company to maintain the property in a certain way. Attorney Petersen stated that the agreement requires the property be left in the condition it is currently in. The tenants are also subject to all of the normal zoning laws. Director Giles reported that the majority of what will be stored is equipment. There will be a small amount of materials, but no dirt or gravel.

Engineer Lewis stated that five acres is more than the company is currently using and they will likely decide to rent less than the allowed five acres. He commented that there is a fenced area in the southeast corner of the property where most of their items are currently stored. There is a driveway off of 400 North into the fenced area that allows access to the property.

- g. **To consider for adoption a Resolution (2013-014) authorizing the Mayor to sign an amendment to the site lease agreement with T-Mobile West LLC, to extend the option period for the lease of real property to construct a wireless communication tower and providing for an effective date. Presenter: Attorney Petersen**

Attorney Petersen stated that item “G” pertains to an option signed with T-Mobile several years ago. T-Mobile never constructed their tower and their option expires on May 12, 2013. They would like to renew the option. She reported that T-Mobile will pay another option fee of roughly \$1,000, which is good for 12 months. The tower will be located near the cemetery.

- h. **To consider for adoption an Ordinance (2013-13) amending Title 1 Chapter 7A Subsection 3B “Filing for Elective Office and Filing Fees” of the Pleasant Grove Municipal Code to provide for amended filing dates pursuant to recent changes in the election laws of the State of Utah and providing for an effective date. Presenter: Attorney Petersen**

Attorney Petersen reported that this will bring the City’s code into compliance with the new State statute that changed the dates for candidate filling. The new dates are from June 1 to June 7. If the 1<sup>st</sup> falls on the weekend then the filling date will begin the following Monday.

- i. **To consider for adoption a Resolution (2013-012) tentatively adopting the Pleasant Grove City budget for the fiscal year beginning July 1, 2013 and ending June 30, 2014, which includes the Pleasant Grove Redevelopment Agency tentative Budget; and providing for an effective date. Presenter: Finance Director Dean Lundell**

Agenda item "I" pertains to a resolution to tentatively adopt Pleasant Grove's budget for the fiscal year July 1, 2013, to June 30, 2014.

- j. **To consider for adoption a Resolution (2013-015) authorizing the Pleasant Grove City Parks and Recreation Department Director to submit application for the 2013 Utah County Commission Municipal Recreation Grant for improvements to be made to recreational facilities throughout the City; and providing for an effective date. Presenter: Director Giles**

Director Giles stated that item "J" is a resolution allowing the City to apply for a grant that would help the City put in new playground equipment at a few parks, new benches and tables at the Community Center, and several other updates.

2. **Presentation of the proposed Pleasant Grove Parks and Recreation Master Plan. Presenter: Director Young**

Director Young will present item "K" which is Pleasant Grove's Parks and Recreation Master Plan. Administrator Darrington stated that cancelling the trip to Boulder will not affect the Master Plan.

- 5) **PRESENTATION FOR THE VISION OF THE RECREATION CENTER. Presenter: Recreation Manager, Clint Warnick.**

Administrator Darrington reported that Recreation Manager, Clint Warnick, was asked to evaluate the City's Rec Center. The department as a whole was asked to determine how it could be improved. There are items in the presentation that the City will be working on immediately and others that are visionary in nature and worked on over the long term.

Manager Warnick stated that his vision for the Recreation Programs is to be the best Rec Center, with the best Recreation Department in the best run City in the State. He remarked that they are already in a good situation due to the beautiful facilities already in existence.

Manager Warnick suggested creating a more inviting entrance. There will be benches and tables added as well as bark along each side of the sidewalk. Pavers will be added to help direct traffic and preserve landscaping. Manager Warnick reported they will install strips to help keep the bark contained. They will also have front desk staff keep bark maintenance on their to-do list. Administrator Darrington stated that this would be a great volunteer project and with a large group the front entrance improvements could be completed in a few hours. He hoped to have it completed by the end of the summer. Council Member Boyd reported that she had seen in other states that some recreation centers have tables with activities for and games for minors at the entrance. Manager Warnick replied that he would look into adding games.

Manager Warnick hoped to also improve customer service. The front desk was to be moved to the front of the office allowing for more face-to-face interaction as customers come in the door. Manager Warnick reported that they will move the café tables and chairs behind the new front desk area, which will create room for air hockey, ping pong, or foosball tables. He also suggested adding turn styles and a handicap access gate to help control the flow of traffic on a day-to-day basis as well as during events. Manager Warnick hoped to install blinds on the east side windows, create a job/community board, and install a TV behind the front desk that shows program information, upcoming events, and local advertising. He considered improving customer service to be imperative. He noted that there are many centers in the Valley, which gives residents numerous options. The City wants to keep their current members and add many more.

Manager Warnick wanted to create new member kits to include a small gift and current program information. He reported that they have already started Happy Birthday Treats. Members receive a card and a granola bar, or other small treat, which members have responded positively to. Manager Warnick stated that each guest will be greeted with eye contact and a smile even if front desk employees are on the phone. Wi-Fi will be added to certain areas of the center, and self-guided tour pamphlets will be available if employees are not free to give a short tour. Sirius music will be added throughout the building and a heating curtain will be installed in the breezeway. Manager Warnick was considering adding a gym bag vending machine that would include frequently forgotten items such as shampoo and toothbrushes.

Manager Warnick informed the Council that they are trying to limit all employees part time with no one working more than 29 hours. He stated that all open positions will be posted online and first reviewed by him. Administrator Darrington reported that in the past they have hired friends or family members of employees, however, they will now do regular recruiting in order to hire the highest quality staff members. Some positions were being reorganized to avoid employees reporting to their family members. Manager Warnick would eventually like to hire an Assistant Director. He stated they are working toward changing the culture for those who work at the Rec Center. An Employee of the Quarter award was to begin shortly as well as staff meetings.

Council Member Meacham asked how often other departments do employee awards. Administrator Darrington reported that each department does it differently. He stated that the Police Department does it quarterly, but some do it monthly. Mayor Pro Tem Jensen asked how many current employees are employed at the Rec Center. Manager Warnick stated that over the summer there are roughly 300 employees, but only three are full-time. Mayor Pro Tem Jensen suggested doing a monthly award. Manager Warnick stated that there will be employee healthy living challenges for all City employees. He stated that there will also be a reward for employees who exercise regularly.

Administrator Darrington stated that Verdian Walker will be leaving soon, which will allow for staff to be reorganized and how employees are managed. The new Assistant Director position would be full-time and include the pool among many other responsibilities. The Assistant Director would hopefully be able to transition into the role of Director, if necessary. He stated that the City would incur some cost to pay this salary and when the position is confirmed there will be an amendment to the City budget.

Council Member LeMone stated that a facility as large as the Rec Center would benefit from another full-time employee. She stated that in order to improve and grow this is likely a critical

addition. Council Member Boyd was concerned about adding a new employee that was not previously accounted for in the budget. Administrator Darrington stated that the City will be able to use Mr. Walker's salary for the new Assistant Director position. The position could potentially begin as part-time and later move to full-time. Another option was for the City to use the funds elsewhere. He reported that they will be coming to the Council with different proposals in two to three months.

Manager Warnick said that he would like to make some changes to the weight room. He would like to move the central wall to the North side of the building. He stated that the room where classes are held could be moved to another room in the building order to expand the size of the weight room, creating space for more benches, free weights, padding, cross training and other equipment. He reported that he would like to replace the chain link fence Plexiglas.

Council Member Robinson asked if there was any way to add additional sound boards or padding to reduce the noise volume in the Center. Manager Warnick replied that he would look into different sound options. Council Member LeMone asked about the possibility of getting magnetized key cards that would be required to get into the weight room. She stated that requiring a key would keep youngsters off the equipment which would protect both the children and the equipment. Manager Warnick agreed to get a bid for this type of project.

Manager Warnick stated that they will add ceiling fans to the cardio room. Three of the current televisions will be moved to the side or middle of the room and the other will be moved to the main floor entrance to display program information. Three larger TVs will be added to the cardio room. He stated that there are several walls that will be painted to a lighter and brighter color. The Center will purchase updated cardio equipment and replace coat hooks with cubbies under the large clock.

Manager Warnick reported that in the dance and multi-purpose rooms four cycling bikes will be replaced and a cooling system will be installed. He stated that these rooms currently have a permanent sound system that is borrowed from the high school. A portable system in the multi-purpose room will allow the system to be moved to the gym when needed. More ceiling fans will be added to these rooms.

Manager Warnick stated that additional activities such as a daddy/daughter dance or mother/son sports day will be added in an effort to increase programming. He would also like to add Cross Fit classes, pickle ball, and family night at the park with arts and crafts for the family. He reported that he contacted Silver Sneakers, but as not heard back from them. Council Member Robinson stated that she would contact them in an effort to expedite the application process.

Manager Warnick stated that janitorial services are very important to focus on. If bathrooms and equipment are not clean and in good repair, members will not continue to come to the Center. He reported that the Center needs several new cleaning supplies such as an aisle scrubber, seat covers, and air fresheners. Manager Warnick wanted to increase pay in an effort to encourage employees to stay with the Center longer. He would also like to increase coverage times to allow for a cleaner and better kept facility. Mayor Pro Tem Jensen asked if it is more cost effective to have employees maintain the facility, or hire an outside company do it. Manager Warnick stated that there are pros and cons to both options and agreed to look at actual cost comparisons. Administrator Darrington stated that by increase employees' pay they will be able to attract higher quality employees.

Council Member Boyd asked if the pool and locker rooms have a separate janitorial staff than the rest of the Center. Manager Warnick replied that there is a pool maintenance crew that does a portion of the cleaning. Some other tasks are done after hours. Council Member Robinson stated that American Fork's Rec Center used to be dirty and dingy but recently has become very clean and beautiful. She suggested giving the Director of the facility a call to see what changes they made. Council Member LeMone stressed the importance of cleanliness in a health facility.

Manager Warnick stated that one of the first priorities is to bring the pool into ADA compliance. There are new ADA regulations and the pool currently does not meet them. The new regulations include having two entrance points into the pools with handrails and there must be an automated lift. They are currently working on a plan to make the changes. He stated that the next time the pool is resurfaced they will install a hot tub and the automated lift.

The torn carpet will be replaced with a longer lasting surface. Manager Warnick reported that there are two sections that are carpeted and those sections are being replaced every three to four years. The diving boards will be replaced with a bouldering wall that will run roughly the length of the pool where the water is deep enough. He stated that this type of structure allows for more people to use it at once and reduces liability. Council Meacham asked if the boards are used for anything. Manager Warnick replied that some may be disappointed to lose the diving boards, but they are not used for any programs. Council Member LeMone likes the idea of the bouldering wall, but would like to keep the diving boards as well because they are very popular in the summer and not many other Centers have them. Administrator Darrington said that any proposed changes will come before the Council for a vote.

Manager Warnick stated that if the Rec Center can ever build an indoor pool they would like to have lap lanes and bleachers for meets. Occasionally high schools will contribute funds to help build the indoor pool because they will use the pool for their meets. He stated that they would like to have an area for aquatic classes as well as a play strip and lazy river. Members requested a sauna or steam room. He stated that these are ideas that could separate Pleasant Grove from other cities if they ever build an indoor pool.

Manager Warnick suggested a beverage contract as a possible way to increase revenue. He had already met with Pepsi and was waiting to hear from Coke. Council Member Robinson did not think the Center should sell soda. Manager Warnick replied that the Council could discuss that issue, but the Center currently is selling soda and he would like to find a way to increase revenue if they plan to continue. Another option was to look into selling only Gatorade or protein drinks. Manager Warnick reported that other options for increasing revenue include advertisements on the TV monitors and locker rentals.

Manager Warnick wanted to improve locker room security. Security cameras are not allowed in the locker rooms, but he would like to have cameras in the hallway with signs in the locker room informing members that there are cameras in the facility. He reported that there is currently no security in the Center. Mayor Pro Tem Jensen suggested security cameras be located on the exterior of the building as well. Administrator Darrington stated that they have been pricing out all of the different things they would like to implement and that they would have another meeting in the future to establish a budget and prioritize the list of needs and wants.

Council Member Robinson suggested giving staff training on how to handle emergency situations. Manager Warnick replied that they are discussing with the Fire Department the possibility of having staff be CPR certified. Director Giles stated that once all of his managers are in place they will create a training program that includes CPR and first aid training that will be available to all City employees. Fire Chief, Marc Sanderson, suggested all City employees be certified. He noted that the certification is good for two years.

Council Member Robinson suggested having an automatic external defibrillator on site at all times and make sure that employees are aware of it. Director Giles stated that there is a defibrillator at the Rec Center and the pool. Public Works Director, Lynn Walker, stated that there should be a defibrillator in every City building. Council Member Meacham stated that all Council Members and staff should be CPR certified.

**6) DISCUSSION ON THE 2013/2014 BUDGET.**

Director Lundell stated that adoption of the tentative budget is on the agenda for next week. There are a number of items that need to be decided before the budget can be prepared for the meeting. Director Lundell reported that he does not think sales or property tax revenues will be more than what was budgeted. There are a few items that have not been factored into the budget such as the new Walmart and doTERRA and building permit fees. Administrator Darrington stated that they treat those types of increases as one-time revenues.

Director Lundell was hesitant to put one-time revenue items in the budget because they can go away quickly. He said the budget has to use \$248,000 of fund balance next year. He does not anticipate using the fund balance, but thinks there may be an increase of nearly \$250,000.

Director Lundell stated that the two main decisions that need to be made immediately are pay increases for employees, health insurance, and benefits. One option for pay increases was to implement up to a 2% pay raise. In order to keep the budget balanced there are no 401K contributions. Council Member LeMone asked if the pay increase can be a sliding scale differing between departments based on employee performance. Administrator Darrington stated that the raise can be the same for all employees, or based on performance with the department head making the decision on how much of a raise each employee would get up to 2%. It could also be a combination of both.

Council Member LeMone asked if a sliding scale would be something department heads would appreciate or create bad morale. Chief Sanderson preferred having a sliding scale which would allow him to reward employees who go above and beyond. He did not think all employees deserve an equal raise. Director Giles was working on an evaluation form to use as back up for the sliding scale. Director Young stated that each person should receive a Cost of Living Allowance (COLA) and there can be a sliding scale on top of that.

Administrator Darrington explained that a percentage increase on a sliding scale would eliminate the step system. City Attorney, Tina Petersen, stated that one step is 2.5%. If the City caps raises at 2%, the step plan already will not work. Chief Sanderson stated that he if was given a certain amount of money he would like to determine how to divide it among his employees. Director

Lundell replied that the step system has been in place for a long time and the Council needs to be sure this is what they want before making this type of change.

Attorney Petersen stated that the budget currently only allows for a 2% total raise per employee. This would leave each employee with a 1% COLA, which would result in 1% for department heads to determine how much should go to each employee based on merit. Mayor Pro Tem Jensen stated that the way to show employees that they are valued is through their pay check and anything less than a 3% COLA is inadequate. He remarked that if Pleasant Grove's employees do not reach a certain level of pay they will go to work for another City. Administrator Darrington stated that they are in the process of conducting market research that will be completed by mid summer. Once the analysis is complete, some employees will receive a pay raise outside of merit and COLA, just in an effort to be competitive and retain employees. He reported that if they decide to bump the COLA up to 3% and add another 2% for merit, doing so would add roughly \$150,000 to the budget. Administrator Darrington stated that the raises that will come from the market research are not included in the budget numbers. He did not like that the step system does not allow for any flexibility to reward employees based on merit. Once the market ranges are determined he would like to move away from the step system and work within the market range for each individual. The COLA changes the pay range over time and the merit raise would encourage employees to go above and beyond.

Council Member Robinson recommended doing a 1% COLA and 2% merit raise. Mayor Pro Tem Jensen was in favor of a 3% COLA raise and a merit raise on top of that. Director Lundell stated that for every 1% it adds \$52,000 to the budget. Council Member LeMone supported giving a 5 to 6 percent raise to employees who are performing well. She also recognized that funds are needed in other areas of the City as well. She asked what they will have to give up in order to offer a large raise.

Administrator Darrington reported that his recommendation was based on where the budget is today and involves a 2% total raise based on the budgeted use of fund balance. If they go to 3% the built in amount of \$248,906 will increase by \$52,000. Council Member LeMone stated that it is important to be cognizant of what the City has coming up. If the staff experts recommend 2% she believed that was the number they should stick with.

Mayor Pro Tem Jensen stated that numbers change and nothing is ever set in stone. He wanted staff to find the money to offer a minimum 3% raise. Council Member Robinson said that the 401K is also gone, and with increasing health care costs, raises may not translate into additional income. Director Young stated that employees will notice and not be happy if their raise has to go directly to health care costs.

Director Lundell reported that the Select Med family rate is what most employees have and the rate is \$1,179.60 per month. The employees are currently contributing \$34.10. He stated that the original rate renewal came back at 18%. By tweaking a few benefits they were able to get the rate increase down to 12%. Council Member Boyd asked if an employee makes \$50,000 and gets a 3% raise, after taking health care costs out of their income what would the employee be taking home. Administrator Darrington replied that someone making \$50,000 would take home an additional \$125 per month with a 3% raise. Health care costs will go from \$34.10 to \$38.00, making the actual raise roughly \$90 a month. Administrator Darrington stated that the City is picking up the

vast majority of the cost. He explained that as the Select Med plan becomes less affordable, employees will move to the HSA, which is a higher deductible plan in which the City covers the full premium and contributes money into their plan. He noted that the future of health care will be HSA plans only.

Council Member LeMone asked how the City is encouraging employees to move to the HSA. Administrator Darrington responded that the main incentive is the financial benefit. He reported that they have conducted many employee trainings with testimonials in an effort to educate employees. Engineer Lewis asked if the City has asked the insurance companies to try and match up the fiscal year with the plan year in order to avoid a double deductible. He responded that they would need a one-time 18-month blend. Administrator Darrington replied that the insurance companies are reluctant to offer the one-time 18-month blend.

Council Member Robinson reported that open enrollment for the new Accountable Care Act will start October 1, 2013, and go through March with effective dates following applications. One year later everything will shift to the first of January. The effective date will be January 1 for everyone. It was noted that changing the budget year to meet that could be useful.

Chief Sanderson asked when the City might make the HSA plan mandatory for City employees. Administrator Darrington replied that it could be as soon as next year. He explained that many cities are moving away from traditional plans. Engineer Lewis stated that one way to encourage the HSA is to raise the financial stakes for those who are not on the HSA by not covering as much of the increase. Mayor Pro Tem Jensen asked if the HSA appeals mainly to younger people. Administrator Darrington said that it is better for people who are generally healthier, but the out-of-pocket maximum is the same for both plans. Engineer Lewis stated that the HSA helps cover items that are not covered by the plan such as vision and dental care.

Administrator Darrington stated that the City is not going to ask everyone to switch from the traditional plan. He recommended that employees who stay with the traditional plan will pick up 3% of the cost of the plan, and the City will pick up the other 9%. Employees will pay an extra \$38 a month for traditional health insurance. He said that the City's HSA has the lowest high deductible available. He added that someone making roughly \$30,000 at a 2% raise would get roughly an extra \$50 a month. If that person is on a traditional health insurance plan they will be paying \$38 per month, which will be almost the entire amount of the raise.

Council Member Boyd felt the raise should be 3% to cover the cost of the insurance premium. Engineer Lewis stated that employees will actually be getting more than a 3% raise because the City is covering the majority of the health insurance cost increase. Mayor Pro Tem Jensen said that the cost of everything is increasing, not just health insurance. In order to keep employees and do the right thing they need to find the additional money and do a minimum of a 3% COLA. Administrator Darrington replied that the City could take the additional 1% from the reserve fund.

Mayor Pro Tem Jensen said that he would like a 3% COLA and a 2% merit raise in addition to the potential raises after the market research is completed. Council Member Meacham stated that the City may not be able to be that aggressive. The City has not offered salary increases in the last two years because the market and revenues have not been strong enough. Administrator Darrington replied that the majority of cities reported that they will issue 2% to 3% raises. Council Member

Robinson indicated that employee retention requires investment. Mayor Pro Tem Jensen stated that they can make the additional 1% COLA raise happen even if they have to take it from somewhere else in the budget.

Council Member LeMone stated that 5% seems like too much of a raise and suggested they stay at 3%. She commented that a 1% COLA and 2% merit raise will encourage better performance as well as encourage employees to switch to the HSA plan. Administrator Darrington stated that Directors will have full discretion to use the merit percentage as they see fit. If they do not want to offer the raise on July 1, they can hold it for a few months until their employees have enhanced their performance. Chief Sanderson said that the expectation has not been that there would be a paid performance this year. There will be employees who will be surprised that their raises are based on performance, but he thinks that is still the best direction to move as a City. He wanted as much for his employees possible, but also had no problem informing employees why some raises will be more than others.

Arts and Culture Director, April Harrison, stated that it will not be that big of a change for her department because they have been goal-oriented for a long time. Engineer Lewis suggested doing the COLA on July 1 and telling the employees that need time to work on performance that the merit raise will happen on January 1. Council Member LeMone stated that it should be left to the discretion of the Directors. Director Giles said that they could have the new evaluation forms ready by January. Mayor Pro Tem Jensen thought it was not appropriate to change the way employees are evaluated and give raises without notice.

Administrator Darrington clarified that each employee will have a total potential increase of 3%. Each person will receive a 1% COLA increase and the other 2% will be at the discretion of the department heads. Chief Sanderson stated that this change will allow each department to raise the bar and improve performance. The City Council agreed to add the extra 1% into the budget allowing for a 1% COLA and a 2% merit increase.

Administrator Darrington asked if the Council was satisfied with the City paying 9% and the employee paying 3% on traditional plan health insurance. The Council agreed and Council Member Robinson emphasized the importance of educating employees about the benefits of the HSA. Director Lundell indicated that the Council needs to decide what Capital Projects to complete. There was discussion about a new swimming pool liner, which will cost roughly \$300,000 instead of the estimated \$180,000. The Splash Pad would cost roughly \$30,000 when only \$15,000 was budgeted. The cost was higher than expected because the treatment and product have been improved. Director Lundell clarified that this is only a bid and likely higher than would actually be spent, but significantly more than they hoped it would be. Administrator Darrington remarked that the City cannot delay this project off further and noted that the rest of the funds will have to come from the General Fund.

Mayor Pro Tem Jensen asked if the City could increase the fee to use the pool in an effort to offset the cost of the pool cover. Director Giles said the City had not considered that, but it was too late to increase the rate for the summer. He stated, however, that they could potentially raise the rate for the winter. Administrator Darrington preferred not to raise the rate because so many other fee increases are going into effect in 2013 and 2014. Council Member Boyd reiterated that it would be

important to do the new liner and the required ADA updates at the same time. The Council agreed to move forward with the project.

Director Lundell said that another project to be budgeted for is the 1650 West road repair, which would cost roughly \$45,000.

The next project includes shutting off 100 South, adding additional parking, curb, gutter, and sidewalk, and landscaping along Canyon Road on 100 East.

Council Member Boyd stated that beautiful landscaping is important because it will set a standard for the City on what is required for landscaping. Engineer Lewis stated that the plan supports eventually closing the road and building a pedestrian connection between the new Public Safety Building and the existing public space. Council Member LeMone thought it was a lot of money to spend when the Public Safety Building is not actually built yet. Engineer Lewis replied that the concept was to have a pedestrian corridor for 100 South. He noted that the Council does not have to move forward with this portion of the project now.

Council Member Boyd stated that there are many businesses on 100 South that would be upset with the road closure. She added that the Council should think about how to best address this change before moving forward. Administrator Darrington stated that if the proposed Public Safety Building is not approved and funded the Council can revisit the option to close down 100 South. He stated that they would remove the item from the budget and should know in a few months if the building is approved.

Administrator Darrington stated that the City is taking \$200,000 out of current General Fund revenues to make the Pleasant Grove Boulevard payment. Road impact fees are increasing and will help free up some money to complete the 100 South Project.

Director Lundell stated that there was discussion regarding an increase in fees and funding the next round of the lease to purchase new equipment at the Rec Center. The lease will go up three times totaling \$65,000 for the new equipment. There had already been one of the three increases and this will be the second. Director Lundell noted that if there is room in the budget they may not have to increase it again.

Council Member LeMone asked if the FOB system for the pool will be happening. Administrator Darrington reported that they are working on providing internet access at the pool. Director Giles stated that the only thing holding up the system is getting the internet set up. He did not expect it to take much longer. Council Member Meacham stated that some cities have an annual increase in Rec Center fees, but it is not announced to the patrons until it has increased by a quarter. He explained that many cities set this increase at 1% or 2% per year. Administrator Darrington replied that this is not any different than Pleasant Grove raising the fees once every three years. Council Member Meacham asked if the public views the small annual increase more positively. Administrator Darrington stated that they evaluate these issues annually. The Rec Center rates will be driven by what amenities the City wants to add.

Council Member Meacham stated that he does not think Lehi's Rec Center rates go up across the board every year, but just certain passes each year. Administrator Darrington said the Council

could discuss how they want to execute rate increases. He said this is the first increase in six years and the City needs to put money back into the Center.

Council Member Boyd asked how the Rec Center and the Library determine the cost of the classes. She wondered if there was a way to calculate the cost of lights, maintenance, and other such items into the cost of classes. Director Giles reported that he does this already. They do not include overhead as far as lights and building maintenance, but they cover the cost of supplies and staffing. The City would have to decide if adding building maintenance into the cost of classes is a philosophy they would want to adopt. Council Member Boyd thought it would be worth looking into adding maintenance into the cost for patrons.

Council Member LeMone clarified that if the current fee increase was approved it would take effect July 1, 2013. They could approve this now and then look into an incremental increase for the future. Administrator Darrington stated that they have the rates proposed based on the need to generate an additional \$22,000 and have not raised the rate in five years. Council Member LeMone thought the 25 cent raise was appropriate, but going forward she would like the increases to be smaller and incremental.

Director Lundell stated that the fees are a function of the philosophy they have and how much cost they want to recover. Administrator Darrington stated that if they were going to do a 1% increase on an annual pass it would be a \$2.70 raise for a couple. They would look into the different options going forward. Director Giles wanted to include the swimming pool in the incremental increases. Council Member LeMone asked if the daily pass price for the pool could be increased now. Director Giles reported that the cost of the daily pass has already been advertised, so it would have to wait until next year.

Director Lundell stated that the City is looking to borrow money to purchase a vac truck. This would be purchased with the storm drain funds and would cost roughly \$45,000 a year. The City is getting \$50,000 a year for the next 10 years from North Utah County Water Conservancy. Administrator Darrington stated that once this is built into the budget the City can replace eight pieces of equipment each year. The City will also lease funds for computer equipment. Each department will benefit from the computer updates.

Director Lundell stated that the last budget item is that Republic Services has asked to extend the contract they have with the City for another five years. The contract is set to expire July 2014. Administrator Darrington reported he had informed Republic Services that five years was not possible. Republic Services agreed to waive the contractual cost of living increase of 2.7% for the first year. Administrator Darrington asked if the City wants to bid this in 2014, or are comfortable with the service they are receiving from Republic Service. He did a cost comparison with other cities and found that they are competitive. He asked if anyone had issues with the service provided by Republic.

Administrator Darrington stated that he would go back to Republic Services and negotiate the terms of the contract. If the contract is longer than three years they will have to reduce the 2.7%. Mayor Pro Tem Jensen said that if the City can stabilize the contract rate for three to five years they should because otherwise the rate will increase.

Administrator Darrington stated that Republic Services' rate for green waste is \$6.50 per can per month year round, and they require a minimum of 2,500 users. He reported that Republic Services does not do green waste in any other city. Administrator Darrington thought it would be difficult to get 2,500 users.

7) **MAYOR, CITY COUNCIL, PLANNING COMMISSION, AND STAFF BUSINESS.**

Director Harrison stated that Center Stage sold out and the Spanish Celebration; "A Day of the Child" had 150 children participate. She requested that each Council Member bring a chocolate treat to sell at the Fireman's breakfast on the 11<sup>th</sup> to go along with the silent auction to help raise money for the "future" new library.

Attorney Petersen reported that would be attending a conference the following Wednesday through Friday and will be out of the office.

Administrator Darrington stated that he sent an email about going to Springville the following Thursday at 3:00 p.m. Council Members LeMone and Meacham planned to attend. Administrator Darrington stated that they would tour Springville City Hall, which has the police, dispatch and courts in one building and the fire station on the same campus. They will also visit the library and drive past the Leisure Villas campus. He reported that most staff members will also attend.

Administrator Darrington stated that they need to make decisions about their building in early June. The public open house is scheduled for June 11 where the public will tour the police and fire station. The City would like to have the elevation and potential tax increase to homeowners available. Council Members interested in touring other facilities before June 11 were invited to set up tours. Administrator Darrington stated that they also need to make a trip to see the Hammons before June 15. He agreed to send date options to the Hammons and see what works for them.

Administrator Darrington reported that he and Attorney Petersen met with Brandon Fugal and developers working on the Farmington Station project. It is mixed-use facility with retail and offices. The developers looked at sites in Pleasant Grove to construct a similar facility, but a development was expected to be a ways off. He thought it would be significant for the City to have this type of facility. Brandon Fugal represents Dennis Baker with respect to the property. Someone else was interested in buying the property as well for office use. They advised Brandon not let Mr. Baker sell the property until they have gone through the process with Center Cal.

Director Young stated that Mr. Baker's property is zoned in a way that there does not need to be any retail in the area. It could currently be all office buildings. Council Member Boyd and Mayor Pro Tem Jensen were concerned that this space could potentially not include retail. Mayor Pro Tem Jensen stated that this area is the retail future of the City and they should consider enacting a temporary zoning ordinance to protect it.

Attorney Petersen stated that Farmington Station will be done by June and the project has been developed in phases. There is retail currently going in near the plaza with a fountain and restaurants. There is also an office building on the west side of the plaza that is ready to be leased and a hotel and movie theater in the plaza. Administrator Darrington stated that they are very excited that Pleasant Grove is on their radar for a similar project.

Director Young stated that the new interns have been a huge help with getting caught up on department work. The interns were to be introduced at the next meeting.

Director Giles reported that the Arbor Day project got off to a rocky start but they had a great day and planted 10 trees.

Director Walker reported that the City cleanup went well. He indicated that the City was not supposed to be watering yet and the tank was drained the previous night. He had never seen the tank fully drained, but the tank was to be filled again and ready for the City's official start date. He noted that they would do their best to police water usage.

Council Member LeMone asked if progress had been made on increasing fees for water usage violation. Administrator Darrington stated the FAQ is going out in the newsletter. They had not discussed fines yet but planned to soon. He indicated that a warning is issued for a first violation rather than a fine. That, however, could change. Administrator Darrington stated that they plan to talk to the schools and the churches about limiting water usage. Council Member LeMone stated that the seriousness of the water shortage, the City needs to be diligent in informing the public. Administrator Darrington stated that they will include the fee increase on the next agenda.

Director Walker reported that they purchased the additional water and as long as the City does not exceed the 2012 usage, they will have enough water. Engineer Lewis stated that the current fine is a warning first, \$50 on the first, and \$200 on the second disconnect.

Mayor Pro Tem Jensen asked if there were any further discussion, being none, he called for a motion to adjourn.

8) **ADJOURN.**

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

The City Council Meeting adjourned at 9:51 p.m.

This certifies that the City Council Minutes of April 30, 2013 are a true, full and correct copy as approved by the City Council on June 4, 2013.

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Kathy T. Kresser, CMC City Recorder

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