

**Pleasant Grove City
City Council Regular Meeting Minutes
March 10, 2015
6:00 p.m.**

PRESENT:

Mayor: Michael W. Daniels

Council Members: Dianna Andersen
Cindy Boyd
Cyd LeMone
Jay Meacham
Ben Stanley

Staff Present: Scott Darrington, City Administrator
David Larson, Assistant to the City Administrator
Deon Giles, Parks and Recreation Director
Dean Lundell, Finance Director
Mike Smith, Police Chief
Dave Thomas, Fire Chief
Ken Young, Community Development Director
Kathy Kresser, City Recorder
Tina Petersen, City Attorney
Lynn Walker, Public Works Director
Degan Lewis, City Engineer
Sheri Britsch, Library and Arts Director

Other: Marty Beaumont, J-U-B Engineers
Ken Clark, J-U-B Engineers

The City Council and staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

1) **CALL TO ORDER**

Mayor Daniels called the meeting to order and noted that Council Members Andersen, LeMone, Stanley, and Boyd were present. Council Member Meacham participated via Facetime.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Lisa Liddiard.

3) **OPENING REMARKS**

The opening remarks were given by Molly Andrew.

4) **APPROVAL OF AGENDA**

City Administrator, Scott Darrington, noted that the order of items 10A and 10B would be switched. City Recorder, Kathy Kresser, stated that approval of the minutes should be continued to next week.

ACTION: Council Member Stanley moved to approve the agenda with the aforementioned changes. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

5) **OPEN SESSION**

Mayor Daniels opened the open session.

Blaine Thatcher gave his address as 120 North 1400 East. With regard to the previous week's discussion regarding the Public Safety Building Committee, he felt that due to the nature of the committee it will take time to bring the two opposing sides together to rationally discuss issues and effectively communicate. He believed it would be beneficial to begin forming the committee in advance of the engineering work to allow time for the group to develop the ability to effectively communicate. If the committee has to begin the process after all of the engineering info comes back it could take additional time for the committee to function properly.

Mayor Daniels commented that the matter isn't currently on the agenda. Based on Council instructions following last week's discussion, the Mayor and staff met to develop a job description for the volunteers. Developing the job descriptions, advertising the positions, and recruiting volunteers will take time. Once the process is complete, a method for selecting committee members will be determined. The Council had not yet reached a conclusion on the process. The Council had not waited to move forward, which was evidenced by the fact that the RFP had been issued and was online.

There were no further comments. Mayor Daniels closed the open session.

6) **CONSENT ITEMS**

- a) **City Council and Work Session Minutes:
City Council Minutes for the February 10, 2015 Meeting.
Continued to March 17, 2015.*

There were no additional consent items to approve.

7) **PRESENTATIONS**

A) **PRESENTATION OF THE 2015 BUSINESS DEVELOPMENT EXTRA MILE AWARD TO ALL AMERICAN DEVELOPMENT FOR THE EXCELLENCE OF DESIGN AND CONSTRUCTION OF THE NEW CULINARY CRAFTS BUILDING AT 515 WEST STATE STREET. *Presenter: Director Young.***

Community Development Director, Ken Young, introduced Ryan Crafts of Culinary Crafts and presented him with the Extra Mile Award awarded to All American Development. The Extra Mile Award was to recognize excellence in the construction and design of the new Culinary Crafts Building. Mr. Crafts was invited to accept the award as there were no representatives from All American Development present. Culinary Crafts is the building tenant for whom the building was specifically built.

Director Young recognized Culinary Crafts for their contributions to the community. Mr. Crafts expressed his thanks and gave a brief background on the company. They were originally based in Orem, where they conducted business for 20 years. A few years earlier, they remodeled and repurposed a building in Salt Lake City. Mr. Crafts noted that the process in Salt Lake was very lengthy and drawn out and when they needed to move from Orem they were wary of doing more expansion in Salt Lake. Mr. Crafts stated that doing business in Pleasant Grove has gone very well. They were grateful and impressed with all American Development and Pleasant Grove City.

8) **ACTION ITEMS READY FOR VOTE:**

There were no action items ready for vote.

9) **ACTION ITEMS WITH PUBLIC DISCUSSION**

B) **PUBLIC HEARING TO CONSIDER A RESOLUTION (2015-07) AUTHORIZING THE MAYOR TO SIGN A QUIT CLAIM DEED CORRECTING AN EASEMENT THAT WAS INCORRECTLY DEEDED TO THE CITY AND DEEDING THE PROPERTY BACK TO NICK AND MARYANN MATLOCK. PROPERTY LOCATED AT APPROXIMATELY 1300 EAST CRYSTAL VIEW DRIVE; AND PROVIDING FOR AN EFFECTIVE DATE. GROVE CREEK NEIGHBORHOOD. *Presenter: Engineer Lewis.***

City Engineer, Degen Lewis, explained that the title company for the aforementioned property accidentally included the wrong legal description on the deed. The City was granted an easement and right-of-way, however, it needs to be deeded back to Nick and Maryann Matlock. Council Member Stanley asked if there will be a second action that will deed any additional property back to the City. Engineer Lewis replied that there currently isn't a deed in the City's name.

Mayor Daniels opened the public hearing. There were no public comments. Mayor Daniels closed the public hearing.

ACTION: Council Member LeMone moved that the Council approve Resolution (2015-07) authorizing the Mayor to sign a quit claim deed correcting an easement that was incorrectly deeded to the City, deed the property located at approximately 1300 East Crystal View Drive back to Nick and Maryann Matlock, and provide for an effective date. Council Member Meacham seconded the motion. A voice vote was taken, with Council Members Stanley, Meacham, LeMone, Boyd and Andersen voting "Aye". The motion carried.

10) ITEMS FOR DISCUSSION – NO ACTION TAKEN:

A) DISCUSSION OF 4000 NORTH SEWER.

Note: The above item was discussed after 10B.

Administrator Darrington explained that the City had been trying to get sewer on 4000 North and noted that there is a sewer line there that is owned by the City of Cedar Hills. In reviewing minutes from 1998, it was determined that this had been an ongoing issue between the two cities. Trying to reach a resolution that will enable Pleasant Grove residents to connect had been a 20-year old issue. A few years earlier there was discussion as a result of political changes taking place in Cedar Hills. Within the past couple of years, there had been conversations between various elected officials. As far as Cedar Hills is concerned, their Council had not reached a mutual consensus of whether to allow Pleasant Grove residents the ability to connect. One of their main stipulations was that Pleasant Grove residents who connect to the line must boundary adjust in Cedar Hills at the time of transfer of property ownership. The Pleasant Grove City Council considered this to be a deal breaker and did not want to put residents in that position.

At the retreat, Mayor Daniels advised staff to bring the issue to the attention of the Cedar Hills City Council so that it could be resolved once and for all. Staff conducted research to determine how the City had handled the issue in the past and how many sewer lines the City had installed over the years. Generally speaking, developers are responsible for constructing infrastructure along with new development, which is eventually deeded to the City. There is, however, a track record of the City putting in these services. Pleasant Grove Boulevard was a good example, which was completed around 2001 or 2002.

Furthermore, in the case of 180 West, residents approached the City and expressed a desire for a sewer line. As a result, the City created a special improvement district for those residents. In effect, the City fronted the money to install the sewer line and the residents paid the City back over time. This particular sewer line was installed in 2006 and the residents have nearly finished paying for it. Over the past 10 years, the residents have paid a small assessment fee with their utility bill, which shows that they are paying their portion of the sewer line. Administrator Darrington noted that 180 West is referred to as a service line rather than a trunk line. He explained that a trunk line is a major line for numerous businesses or residential neighborhoods, whereas a service line is in a road within a subdivision.

The trunk lines located at 900 West/2600 North/Wedgewood were completed by the City in 1999. Additionally, a service line was installed on Wedgewood and the City funded the entire project for \$475,362. Administrator Darrington explained that the 4000 North sewer was

originally part of this project. According to the minutes of November 4 1998, they did not have enough money to complete all of the project phases, so they split the project up and 4000 North was pushed to a later phase. The construction cost of the 4000 North sewer was estimated at \$60,000.

Administrator Darrington presented the current 4000 North sewer cost estimates and stated that the current total, which includes all of the engineering, is \$382,934.48. Of that amount, the construction cost is approximately \$290,101.88. Staff estimated there to be approximately 10 connections in the area. In looking at the properties, they could potentially be subdivided. According to what is allowed in the zoning, there could be an additional 24 connections. The primary question was how much the City would be willing to pay for the project.

A third document was presented entitled 4000 North Sewer SSA (Special Service Area). The purpose of a Special Service Area (SSA) is for the City to front the cost of the sewer line. The residents within the SSA would pay back 100% of the cost over a 10-year period at 3% interest. If the cost is divided by 10, the residents would pay \$369.76 per month for 10 years. If the properties are subdivided and more residents move in, the numbers would be modified. If the residents were to pay for 90% of the sewer line, the cost would be \$332.79 per month. The monthly payment would be lower if the City decides to pay a higher percentage of the overall project cost.

If the line goes in, the residents will still have to pay the lateral costs from their home to the main line. When the City did the 180 West project, the construction costs only covered the main line and the residents were responsible to pay the lateral costs. The lateral costs for the 4000 North sewer were estimated at \$7,000 to \$10,000; however, it will depend on where the sewer is physically situated. Staff proposed that the City pay both the lateral and construction expenses. Otherwise, an additional \$96.56 per month per household would be shouldered by residents in order to pay for the lateral expenses on top of the construction costs. Administrator Darrington summarized his presentation and noted that this item is not on the agenda for a decision tonight, but rather just for discussion.

Council Member Stanley asked if there had been discussions with the residents in terms of what they would be willing to pay for. He assumed that if residents were presented with the option of paying an additional \$400 a month for a new sewer line, they would prefer not to proceed with the project. Council Member Boyd pointed out that the City has faced challenges when increasing bills by only \$8 per month. A proposal to raise bills by \$369.76 could prove difficult and not something the residents in the area will be happy about. She explained that the City has a responsibility to the citizens considering that the dilemma has been ongoing for 20 years.

Council Member Boyd asked about the annexation policy. She recalled that there may be a requirement that the City provide the infrastructure in areas where annexation has occurred. She also recalled that the intention at the time the annexation took place was to bring the sewer to those residents. Council Member Boyd asked if the City had tried to purchase the sewer line in question from Cedar Hills.

City Attorney, Tina Petersen, explained that the State Statute indicates that cities are obligated to provide services for residents who live in an area that is annexed. It does not, however, specify which party is responsible to pay for such services. In other words, the City has to be ready, willing, and able to make those provisions. Council Member Boyd preferred that as minimal an expense as possible be incurred to the residents. She did not want to pay for the sewer line and then not have anyone connect to it because they can't afford it. She stressed that the staff and elected officials need to determine the City's overall financial obligation, including covering the lateral expenses.

Administrator Darrington confirmed that 180 West was developed as a County plat and confirmed that the City offered to buy the 4000 North sewer from Cedar Hills. He stated that the City's most recent letter to Cedar Hills was sent last fall. Council Member Stanley explained that certain conditions are associated with the purchase. For example, Cedar Hills City wants Pleasant Grove City to boundary adjust homes at the transfer of property ownership. Administrator Darrington stated that Cedar Hills had not officially responded to the most recent letter. While there has been communication between the staff and elected officials, Cedar Hills' current position on the matter was uncertain. When Administrator Darrington spoke with their City Manager, he indicated that the Cedar Hills City Council was not united in a decision.

Mayor Daniels summarized the discussion and stated that there are Pleasant Grove residents who live on 4000 North, which is a City road; however, they do not have access to sewer. The logical solution would be to strike an agreement with the owners of the sewer; however, thus far the City had been unable to establish such a relationship. As a result, staff researched the estimated cost of installing a new City-owned sewer on that road. History showed that a precedent had been set in other situations where the City has installed and paid for sewer lines.

Administrator Darrington emphasized that if the City chooses to pay for all or a portion of the project costs, the circumstances need to be well articulated. He noted that there are other areas of the City where citizens do not have sewer and they could approach the City with the same issue in their neighborhood. He explained that the situation with 4000 North is unusual since the sewer line was on the original master plan but was phased out during construction because of financial restraints.

With respect to 1000 South, Administrator Darrington mentioned that Pleasant Grove has an agreement with Lindon City for shared uses in that area. He reported that there were no issues with sharing services with Lindon and noted that staff has made a similar proposal to Cedar Hills. Furthermore, he explained that Pleasant Grove has shared services with Manila Water, which was its own entity up until three years ago when it was dissolved. Currently, a few residents are connected to a Cedar Hills' water line and vice versa. The dissolution of Manila Water included an agreement allowing Pleasant Grove residents to connect to a Cedar Hills' water line but then make payment to Pleasant Grove and vice versa. Therefore, a precedent had been set for working with Cedar Hills amicably.

Council Member LeMone mentioned that some Cedar Hills Council Members will soon be up for reelection. Council Member Boyd did not want to wait for another Council and commented that this has been an ongoing issue for 20 years. Administrator Darrington stressed the

importance of addressing the Cedar Hills City Council. Council Member Stanley commented that the City has put many bright minds on the issue for a long time and there has to be a solution. There was further deliberation on the matter.

Administrator Darrington reported that staff would take a closer look at numbers and present more information to the Council in April. Mayor Daniels requested that staff look at the circumstances and make sure they are unique enough that they will not trigger widespread construction of sewer lines throughout the City. Council Member Meacham asked Administrator Darrington about the previous design of a City project on 4000 North. Administrator Darrington noted that JUB Engineers completed it. Council Member Meacham asked why the City was putting sewer in the street when this typically doesn't occur. Administrator Darrington explained that the minutes do not fully explain why. The majority of the project included a trunk line, which is something the City has installed in the past. The City generally does not put in utilities that only serve a particular street in a residential subdivision. In the case of 900 West/2600 North/Wedgewood, however, the City installed a service line and paid for it.

Council Member Boyd explained that the Manila area was annexed in two different sections: 2600 North to the canal, and the canal north up to Cedar Hills Drive. At the time 2600 North up to the canal was first annexed, the City began installing sewer in the main roads as part of their commitment to the residents in that area. The residents were responsible for the lateral expenses. Furthermore, each resident north of 2600 North paid the sewer hook-up about 20 years ago in good faith that the sewer would be put in.

Council Member Stanley remarked that it would be beneficial between now and April for each of the Council Members to make one last concerted effort to connect with members of the Cedar Hills City Council to determine what their road blocks have been. Administrator Darrington agreed that this would be a good idea. However, based on the track record, he felt that as a City they should not stall the plans to build a new sewer line instead. The Council Members agreed.

B) DISCUSSION ON ROADS.

Note: The above item was discussed before 10A.

Administrator Darrington stated that the discussion on roads began at the budget retreat. JUB Engineers was asked to provide an outlook on the roads situation and determine the estimated costs needed on an annual basis to get to a point where the roads aren't continually declining but are instead, gradually improving. The initial study only calculated costs out 10 years. At the retreat, the Mayor and Council advised JUB Engineers to extend their study to 20 years and address issues for residents who currently have roads that are in poor condition in front of their homes. As part of the original study, some citizens would have bad roads in front of their homes for a very long time, while the City focused on roads that were already in decent shape. The Council did not like that approach and staff was asked to recalculate. In doing so, they met with Ken Clark and Marty Beaumont from JUB Engineers.

Mr. Beaumont considered roads to be a very pertinent issue to the City. He first explained that the Pavement Condition Index (PCI) is key to the discussion and is a numerical rating of

pavement condition. It ranks roads from 0 to 100, with 0 being the worst possible condition and 100 being the best. As part of the initial study, JUB performed an inspection of City roads. Mr. Beaumont presented a bar graph representing miles of roads with different pavement conditions. He noted that 41% of the City's roads are in Fair/Poor condition, which are quickly falling into a Very Poor/Failed state. A great deal of cost can be incurred if the roads aren't properly maintained before they are in bad condition. In other words, it is less costly to repair moderately damaged roads.

Mr. Beaumont described the various types of treatments the City uses including reconstructing entire pavement sections, replacing asphalt, replacing yielding sub-base, mill and overlay with necessary patching, thin overlay with necessary patching, crack sealing and micro-surface, crack sealing, and HDMB. He displayed several photos. The first showed a nine-year old road in "Excellent" condition located at 1200 West 1320 North with a PCI of 87 (anything over 85 is excellent). Mr. Beaumont noted that the road had never been resurfaced.

Additional pictures were displayed. The next example was of road in "Very Good" condition, located in Tuscany Circle with a PCI of 74. Mr. Beaumont explained that there are several factors in determining road quality. The first is whether it is sealed and the quality of the base underneath. The quality of a road also depends on whether there is significant water penetration into the base.

The next photo showed an example of a road in "Good" condition located at 110 East 1100 North with a PCI of 67. It shows signs of distress with potholes and cracking. Over time, the issues will increase. Next, a photo of a road in "Fair/Poor" condition was shown located at 70 East 100 North with a PCI of 38. Trenching occurred from pressure from the irrigation or where another utility was installed. Additionally, there are visible major distresses. At this point, it is challenging to deal with because it is difficult to seal all of the cracks. Mr. Beaumont presented a photo of a "Very Poor/Failed" road located on East Navajo Drive with a PCI of 22. The road is not comfortable to drive on, has a lot of potholes, and has been difficult to maintain. At this point, the only solution is complete reconstruction.

Council Member Boyd asked about the gas line being installed and the requirements for new utilities. She felt it was important to discuss the City's expectations for putting the road back together. Engineer Lewis explained that there is a permitting process. If a utility, such as Questar, wants to install a line, they are required to obtain a permit from the Public Works Department. The City has franchise agreements with major utility companies such as Questar, which means that they have a universal right to be within a right-of-way. They in turn agree to reconstruct the road to the City's standard. Engineer Lewis noted that Questar is an example of a large company that does a good job of putting roads back together. They leave things better than they found them.

Engineer Lewis explained that the City has two standards for trenching. First, for roads that are at least five years old, the requirement is to patch back the trench in the area that was disturbed in addition to one foot on either side. Cuts into newer roads are discouraged. In some cases, extensive patchwork is required, but in both cases the intent is to restore the road to its previous

condition. Engineer Lewis explained that frequently there is a visible material color difference from what existed previously.

Council Member Boyd remarked that sometimes this is perceived as patchwork when in actuality utilities have cut into the City's roads. She asked why the City doesn't simply reconstruct the entire road in those situations. Mr. Beaumont explained that cities establish standards, which vary. For example, in Springville, if the trench isn't directly down the road, utility companies are required to do a cross section and go to the edge of the road if it is less than three feet.

Mr. Beaumont discussed the maintenance approach and explained that there are three different approaches to maintenance. First, the City can wait until maintenance is overdue and then reconstruct it entirely. The next is the overlay approach and the third is preservation-based management. Preservation-based management focuses on keeping newer roads in good condition rather than wait for them to deteriorate before taking action. This strategy entails applying a treatment after years one and two and reapplication of a treatment around years 7, 14, 20, etc. The treatments would be applied to try and preserve the life of the roads. At around year 29, an overlay would be done to the road, which would maintain its integrity. The cost of preservation-based management is seven to 10 times less than the cost of doing an initial overlay. A line chart detailing PCI values, costs, life of roads, and timelines for certain procedures was presented.

A bar graph detailing treatment cost distribution was presented. Mr. Beaumont explained that JUB Engineers adjusted the model for the treatments because it didn't include the entire value of a treatment. If a treatment is done, they want to make sure the entire life of the treatment is used prior to the next treatment. Otherwise they will have lost the value of the first treatment. This is a change that has been made since the budget retreat discussion. In talking with Streets Superintendent, John Goodman, they discussed processes and time frames for when mill and overlays are to be completed.

Council Member Meacham referenced to Mr. Beaumont's statement about reapplying treatment after seven years. He asked how accurate the time frame is since everything is based on conditions, which could vary between five and nine years. Mr. Beaumont explained that the model is based on averages. Also, they are the time frames for reapplication that have been observed with micro surface or with high density mineral bond treatments.

Mr. Beaumont stated that since the Budget Retreat, they have included all of the City's roads in the study. Previously they were only looking at roads from the end of 2013. Since they have gone through the condition of the roads for 2014 as well. In 2013, the average PCI was 62.1. Approximately three miles of good roads have been added, which bumped the average PCI up to 65. Additionally, JUB was initially only looking at the current value, which was not realistic when looking into the future 20 years and not factoring in inflation. They have since included inflation in all of the numbers so that the City can look at realistic budgets.

It was mentioned at the retreat that the City has several roads that are good. However, the real focus is on the roads that are in fair/poor or worse condition. These roads that are in poor condition still need to be preserved. The main question was how to deal with them within a 10 to 20-year timeframe. A Poor Roads Improvement Timeline graph was presented and showed that

in year 13, less than 1% of the roads will be in the fair/poor roads category, meaning that they have improved to good/better road categories. The statistics reflected a budget of \$4 million per year for 20 years. At that level, 20% of roads would still be failing and in very poor condition. Looking at a longer period of time the peak of poor/fair roads will come at year 11.

Mayor Daniels asked if the roads that remain in either condition are the same that are currently in this same condition. Mr. Beaumont stated that this is not necessarily the case. The City will be able to address some of the current roads with \$4 million per year. However, a budget of \$4 million will not guarantee that no one will ever have a failed road in front of their home again. Mayor Daniels clarified that although some roads might fall into the poor/failing category during the 11-year period, some these roads will move into better categories.

Administrator Darrington added that the intention would be to tackle the failing/poor roads first. After year 20, the roads that currently have a PCI of 55 will be in the 4.2% of failing/poor roads after year 20. Essentially, the worst roads will be the first to get attention. Mr. Beaumont explained that there needs to be a process in place to address roads that are receiving less expensive treatment, versus those that are getting more expensive treatments. The City should address how to fix the roads that are failing today. While they may not be able to address all of the roads in one year, they will at least have a starting point and can then work outward based on the budget allocated to each section.

Council Member Meacham referred to the peak years mentioned by Mr. Beaumont. He asked if the estimated peak years would change if the budget increases. Mr. Beaumont confirmed that they would. He then presented a budget comparison timeline that outlined a similar concept with a budget of \$6 million per year rather than \$4 million. The bigger budget would achieve 0% of poor/failed roads at year 10. After the City reaches this point, they will not need to continue having an annual budget of \$6 million. Once the roads have been addressed, the City will drop to only the maintenance budget per year. Essentially, the City will be caught up to a point where the road system is manageable.

Mr. Beaumont explained that with \$7 million per year, the City could take care of the road system in seven years. \$5 million would address the roads in 14 years. A budget of \$4 million per year would address most, but not all, of the City's roads in about 23 years. JUB Engineers did not project at what point the City would reach a peak with an annual budget of \$3 million. Finally, with budgets of less than \$2 million a year, the roads will never get repaired and the City will not be able to get ahead of the curve. It was noted that the maintenance budget for roads that the City currently has should be more than \$2 million per year since the City has 108 miles of road.

Council Member Meacham concluded that anything less than \$3 million per year would mean that the City is going backwards. Mr. Beaumont agreed that with less than \$3 million, JUB won't know when the City will actually be able take care of all the bad roads, because there would be more than they could manage. Mayor Daniels remarked that the City has been going backward for a while. Council Member Boyd asked about the current budget. Administrator Darrington explained that between Class C Road monies and general funding, the City has about

\$1.2 million for roads. Additionally, there is a bond for roads that doesn't expire until 2018. It was noted that currently the City spends less than \$500,000 annually on road maintenance.

Mr. Beaumont presented a budget comparison summary and explained that the maintenance budget for roads that are in good condition should be about \$2.7 million. This would allow proper treatments of overlays and preservations and no reconstructions would be needed because all of the roads would be in good condition. Inflation is also a factor that needs to be considered. If the City budgets \$5 million a year, all roads that are in poor condition could be taken care of after 14 or 15 years. At that point the City would drop to a different budget. He reiterated that at \$4 million per year, the City will still have around 4.2% of roads in poor condition at the end of a 20-year period. The City wouldn't be able to drop to a maintenance budget until year 23 and at that point the maintenance budget would need to be increased.

If the City wanted to bring all of the roads to a point that they could maintain them in a good or better condition immediately, they could bond for \$33 million and put the money toward roads and complete the work over a two or three-year period. This would get the road repairs completely out of the way and allow the City to simply have a maintenance budget for the remaining 20-year life. This info was outlined on the Budget Comparison Summary slide. A maintenance budget would still need to be maintained with the additional bond amount.

Mr. Beaumont noted that in 20 years, with a budget of \$1 million per year, 60% of Pleasant Grove's roads would be in a poor/failing condition. He reiterated the points made earlier and explained that whether they bond or not, the City will spend the same amount of money over the 20-year period. It was a matter of how fast they would like to get to the point that they are only managing a maintenance budget and aren't dealing with poor roads any longer. He noted that the project bond amount includes all of the debt service, interest, start-up fees, and a maintenance budget after the third year.

Mayor Daniels asked about cash flow. For example, at \$4 million per year the City hits an accumulative \$80 million over a 20-year period. With \$5 million per year the City hits an accumulative \$97 million over a 20-year period. Mayor Daniels asked if the cash flow has been calculated for each scenario. Furthermore, he asked if there would be a peak in the first few years followed by a decline. Mr. Clark explained that for the \$33 million bond over a 10-year period, it would cost the City about \$7 million per year.

Tim Gamble gave his address as 1534 North 340 East and asked if any funding was available from Utah County. His understanding was that that the County received a large amount of funding for roads with much of it going toward UTA projects in Provo and Orem, which doesn't benefit Pleasant Grove at all. Mayor Daniels explained that there is a bill in the house (HB 362) that seems to be the solution.

Engineer Lewis explained that when the City pays registration fees each year, a portion of the money goes directly to the County. This funding is combined with federal fund that MAG receives as well as what COG votes on every year. The vast majority of that money is spent on roads. He noted that the project on North County Boulevard was all built with County funds.

Mayor Daniels remarked that the big question was how to influence the State Legislature to pass the bill that will be the most productive for local roads.

Council Member LeMone emphasized that tonight's presentation outlines options. Administrator Darrington added that this is not an action item and there is still a lot of work that needs to be done, especially in terms of funding. Gary Yeates asked if the presentation could be made available on the City's website. In response to a question, Mr. Beaumont explained that if there is a scenario where the Council would like to bond for a lower amount and subsidize the rest of the project from an alternative source, JUB Engineers could enter those numbers directly into the model.

Mr. Beaumont stated that JUB Engineers will do their best to utilize the funding in the best way possible. He hoped that the presentation brought to light the fact that Pleasant Grove has 108 miles of roads and the value of those roads, if they were all reconstructed today, would be around \$160 million. He stated that if the City has a \$160 million liability, they need to be putting money toward it every year in order to maintain it over time.

In response to a question raised by Council Member LeMone, Mr. Beaumont indicated that JUB Engineers is working with neighboring cities that are experiencing similar issues. Currently, they are also working with Highland City and Lindon City. Not all municipalities are approaching the issue the same way. Mr. Beaumont stressed that the more they wait, the further behind that they will get. Funding availability varies in each city and it is a matter of coming up with a reasonable amount to resolve the problem. He encouraged the Council to be cautious when comparing their budget and road system to other cities. The problem was that Pleasant Grove is where they are today because of actions taken in the past. He reiterated that 40% of the City's roads are already in poor condition.

Road deterioration issues were discussed. Mr. Beaumont stated that the proper preservation of asphalt pavement involves applying treatment as a primary factor. Over time, oxidation makes a road brittle as does water, weather, and cold weather. Freezing and thawing causes more issues. Therefore, a different preservation approach should be taken.

Council Member Meacham pointed that Pleasant Grove is an older community. Therefore, the roads are older and the base was likely constructed differently. Engineer Lewis added that there is a higher road standard today for new roads than there was 10 years ago. Council Member Meacham stated that judging from existing roads, the base is lacking as is the thickness of asphalt.

Council Member Stanley recalled that in previous discussions, even at \$3 million a year, the City could eventually get ahead of the curve. Mr. Beaumont referred to a slide showing an average PCI value to achieve within 10 years. The very next slide showed the distribution of good roads and bad roads, and the amount was split. Furthermore, JUB is now looking at a 20-year plan rather than a 10-year plan. Mr. Beaumont reiterated that \$4 million per year is the minimum that needs to be budgeted each year to start adequately address the concern.

Administrator Darrington explained that the City currently receives Class C Road Funds, otherwise known as the gas tax. Basically, whenever someone fills up their car, they pay 24.5 cents per gallon, which goes back to the State. Of that 24.5 cents, 70% remains with the State for road projects and 30% comes back to cities and counties based on road miles and population. Currently, Pleasant Grove gets just under \$1 million per year from the gas tax. Two or three years ago, the City Council wanted to put more into roads and earmarked an additional \$200,000 from the General Fund and specifically designated it for roads. The City also bonded in 2008, and completed several road projects. The City was still paying on that bond, which expires in 2018. Therefore, for the next three years, the City will not have the full \$1.2 million to go toward road maintenance because there is a debt payment of \$750,000. It was noted that the bond in 2008 was for \$4.2 million.

In assessing ways to generate more revenue for roads, staff closely monitored the discussions taking place in the State Legislature. He agreed with a previous comment made by Council Member LeMone that this is the biggest item of concern for most cities around the State. As such, a great deal of effort has been made to work with the State Legislature because as a City they don't control gas or sales taxes and don't have the ability to increase revenue outside of property taxes. Currently, the Senate has proposed a bill that will increase the gas tax by five cents right away, and one cent per year for the next four or five years, to eventually get to an additional ten cents. Administrator Darrington explained that the issue with the gas tax is that citizens who drive vehicles that get better gas mileage, or electric and natural gas vehicles, are not paying any gas tax. They are using the roads but are not funding their maintenance. From staff's perspective, this proposal will get them as far as they want to go. In addition, there isn't any inflationary measure included in the plan. If gas prices and the number of gallons used both decrease there will be less revenue to the City.

The Utah League of Cities and Towns (ULCT) initially put together a proposal that included a sales tax component. Money spent anywhere in the state or the City result in a one-quarter of one cent sales tax that would specifically be earmarked for transportation. This was something the cities supported because once it is included in sales taxes, there is an inflationary adjustment. As prices increase, consumers will pay a little more in sales tax and the City will get more revenue for roads to cover inflation.

Under this one-quarter of one cent addition, the initial proposal from ULCT was for the municipalities to get all of the revenue. In going through the process, both the County and UTA have since indicated that they also want a portion. Therefore, the proposed one-quarter of one cent increase would be split between the cities, counties, and transit. This was not ideal and not what Pleasant Grove City wanted; however, this was the bill currently in place. The ULCT encouraged municipalities to support it, rather than fight the issue and risk losing the bill altogether. The one-quarter of one cent sales tax would be implemented County-wide and be a vote of the people. The State would not impose the sales tax increase and would simply give the County the right to put it on the ballot. Staff did not know how much revenue would come to the City from either proposal. Administrator Darrington agreed to provide additional updates as they are relayed to him.

Presently, the City has \$1.2 million and whatever the State Legislature determines for the upcoming year. The Council needs to discuss what the gap will be and how much they are willing to budget toward roads each year. The City could impose a property tax or road fee. Provo City established a road fee that is included on utility bills and is based on the number of trips from the residence or business and the related impact. The road fee would cost residents an additional \$3.00 to \$5.00 per month, and go directly to roads. If Pleasant Grove decides to follow this model, businesses with higher traffic will pay a higher fee based on use. It would take time and money to calculate the figures and develop the formula. Should the City pursue the road fee option, they would need to incorporate a study. There is already some information available, which relates to the Traffic Impact Fee. The City would engage a consultant to calculate more accurate figures, which in turn would be presented to the Council for review.

Council Member Stanley asked Administrator Darrington how increasing the budget by an additional \$2 million would affect residents. Administrator Darrington explained that they would not know until a study had been incorporated. Provo's starting figure was around \$2.50 for their road fee. This amount was determined because they had a bond expiring and that was the amount residents were already used to paying as part of the bond. Pleasant Grove would likely take a different tact and determine a certain revenue mark.

Mayor Daniels encouraged all to remain informed and stated that more information will be forthcoming from the Legislative Session. The ULCT accounting team will project the new revenues from the law that is passed.

11) DISCUSSION ITEMS FOR THE MARCH 17, 2015 MEETING

The following week John Schiess from Horrock's Engineers would be making a presentation on the expected 2015 water supply. The Council would then adopt a Water Management and Conservation Plan, as well as a Sewer System Management Plan. Action items with public discussion would include a public hearing for adoption of an ordinance to amend Title 8 "Utilities" Chapter 4 "Sewer System" Article A "Sewer System Regulations" to require conformance of design and construction standards with Utah Administrative Code. Last, the Council would discuss removal of the Battle Creek Tank PRV Capital Project and replace it with an upgrade to the Water Meter System Capital Project.

12) NEIGHBORHOOD AND STAFF BUSINESS

Director Young announced that staff is planning on having a discussion at the joint City Council and Planning Commission Work Session on March 24 on the history of accessory apartments in Pleasant Grove. They will present a packet that will include a summary and several attachments in relation to accessory apartments. Director Young presented a service award to James Malone, who has served both on the Board of Adjustment and Planning Commission. He had since resigned as Planning Commission Chair. Mr. Malone thanked those present and stated that it was a joy to serve the City.

Police Chief, Mike Smith, announced that the upcoming Citizens Academy has been announced on the City's Facebook page. The Citizens Academy will begin in April and will be held

Wednesday nights. Chief Smith highly recommended the class and noted that it gets great reviews and participants have fun. Applications were available online, and the class was filling up quickly. Class begins at 6:00 p.m. each night and runs for two hours. There was one Saturday commitment that is a range day. A background check would be completed as part of the application process, and the class was open to any resident.

Library and Arts Director, Sheri Britsch, announced that from March 7 through April 18, In-n-Out is sponsoring a program for the library. Children between the ages of 4 and 12 can register at the library for the program. For every five books they read or have read to them, they can receive an achievement award that entitles them to a hamburger or cheeseburger from In-n-Out, up to three times throughout the program. Director Britsch also reported that for many years checkouts have decreased. Over the past few months, however, checkout numbers at the library have been gradually improving.

Mayor Daniels reported that Finance Director, Dean Lundell, was written up as a case study for George K. Baum, for refinancing the bond, which saved the City \$1.2 million.

Administrator Darrington reported that he was adding the finishing touches to the Public Works Director job description. He would send the description to Mayor Daniels for approval the following day, and hoped to have it posted by Friday.

Engineer Lewis reported that Shannon Fields was progressing due to good weather. The contractor was preparing to pour concrete and the following day staff would meet with the contractor. Things Engineer Lewis reported that the bids for the Blue Energy Project had been opened. There were four bidders with one to be selected by the following week.

Note: Council Member Meacham went offline at 8:17 p.m.

13) MAYOR AND COUNCIL BUSINESS

Council Member Andersen explained that after last week's public comment time the previous week went she went home and thought about it and she discovered that she is in an abusive relationship with the public comment time. She has listened to more than 312 minutes of public comment dating back to January 6. She had heard some common complaints. She recounted a time while serving on the Planning Commission where she lost her composure during a public hearing for a conditional use permit. She recalled listening to about 100 people for two hours who all said the same thing. The applicant had every right to get what he was asking for. However, the citizens banded together beforehand and their complaint against the applicant was that they didn't want him to have what he was requesting because their children play in the street. After two hours of listening to citizens complain, Council Member Andersen, who at the time was a Member of the Planning Commission, abruptly told the citizens to keep their children out of the street. This upset the citizens and made the situation worse.

After listening to the audio of public comment, Council Member Andersen heard various complaints directed to the City Council. These included accusations of you, meaning the Council, aren't listening, I can't trust you; you are trying to be in control and there were personal

attacks against the Council as well. In the 312 minutes of public comment time, there were 90 total complaints, and only 15 suggestions made on how to solve a problem. Council Member Andersen encouraged the Council to take note of the common complaints, they have been stated and they have been written up in the minutes. She addressed the public by stating that their concerns have been heard and the Council is willing to listen and to be mindful when speaking that those complaints have been stated so try not to repeat them.

Council Member LeMone seconded Council Member Andersen's comments. She announced that the Miss Pleasant Grove Pageant was scheduled for the following Saturday and all were invited to attend. There were 10 contestants participating this year.

Council Member Boyd asked if the City could create a Green Waste Drop-Off for residential areas. Council Member LeMone remarked that the odor spreads quickly and that it would need to be a weekly service, which could be costly.

Mayor Daniels invited all present to his daughter's wedding the following weekend. He agreed with Council Member Andersen's comments and was not aware of cases where the Council had attacked each other. For him, it had been discouraging to read that the Council was somehow divided. He did not feel that was the case. He was under the impression that the Council has had healthy discussions, and that they are trying to resolve problems. Mayor Daniels welcomed input and had learned a lot from the comments made. He commented on the previous week's discussion.

14) SIGNING OF PLATS

There were no plats signed.

15) REVIEW CALENDAR

There were no further calendar items to review.

16) ADJOURN

ACTION: Council Member LeMone moved to adjourn. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at 8:27 p.m.

Minutes of March 10, 2015 were approved by the City Council on March 31, 2015.

Kathy T. Kresser, City Recorder

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