

1 NORTH OGDEN CITY COUNCIL MINUTES

2
3 January 31, 2013

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5 The North Ogden City Council convened in an open meeting on January 31, 2013 at 8:00 am in the North
6 Ogden City Council Chambers at 505 East 2600 North. Notice of time, place and agenda of the meeting
7 was delivered to each member of the City Council, posted on the bulletin board at the municipal office
8 and posted to the Utah State Website on January 28, 2013. Notice of the annual meeting schedule was
9 published in the Standard-Examiner on January 30, 2013.

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11 PRESENT: Richard G. Harris Mayor
12 Kent Bailey Council Member
13 Wade Bigler Council Member
14 Justin Fawson Council Member
15 Cheryl Stoker Council Member
16 Brent Taylor Council Member

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18 STAFF PRESENT: Ron Chandler City Manager
19 Annette Spendlove HR Director/City Recorder
20 Bryan Steele Finance Director
21 Jon Call City Attorney
22 Craig Barker Community Development Director
23 Mel Blanchard Public Works Director
24 Tiffany Stahelie Community Services Director
25 Polo Afuvai Police Chief
26 Gary Kerr Building Official
27 Jennifer Thomas Deputy Recorder

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29 VISITORS: Dave Hulme Charles VanAusdal
30 Thayne Shaffer Ryan Burningham
31 Brock Mortensen
32 Brett Forsberg
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36 Mayor Harris welcomed those in attendance.

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38 Mayor Harris offered the invocation and Council Member Fawson led the audience in the Pledge of
39 Allegiance.
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42 **ACTIVE AGENDA**

43
44 **1. REPORT FROM EMPLOYEE COMPENSATION COMMITTEE:**

45
46 Thayne Shaffer stated he would report on the progress of the Employee Compensation Committee. He
47 asked that Neal Berube be excused from the meeting; he is on a trip he takes annually this time every
48 year. He then stated he appreciated being involved in this process and being associated with the other
49 members of the committee; he feels the Mayor and Council chose an outstanding group of people to
50 represent the citizens in doing this work and he has enjoyed being a part of it. He stated his purpose today
51 is to give the Council a progress report and some preliminary and general numbers. He stated that he

52 hoped to give the Council some information that will help set a direction in the preparation of the budget
53 for the upcoming fiscal year. He stated that the committee's goal is to provide a written report to the
54 Council for consideration at the February 26 Council meeting. He stated the report will contain a
55 description of the committee's methodologies, a list of all City employees, the recommended salary
56 ranges for those positions, and the position that the incumbents hold within those ranges. He stated that
57 he believed the interpretation of that report will raise some discussion among the Council and he will be
58 willing to provide information about how the committee prepared the data, where it came from, and how
59 it was validated as well as the methodology that was used to 'slot' positions. He stated he hoped it would
60 serve as a road map going forward so this can be a recurring effort if the Council, Mayor, and
61 administration so choose to do that. He stated that he would like to review the takeaways from the report
62 up front; there are three takeaways he feels the Council needs to know as they begin budget deliberations.
63 He stated the first is that it appears, based on some increased turnover numbers, that employment within
64 municipalities in the area is picking up and the economy is picking up some steam. He stated that as the
65 Council considers potential cost of living adjustments (COLAs) or merit increases, those may be slightly
66 higher than in the past couple of years when the economy has been down. He stated that the turnover is
67 not necessarily out of line too much in comparison to other cities, but it is actually quite high when taken
68 into context with the history of the City. He stated takeaway number two for the Council is that the
69 Committee, in general, does not see an overpayment problem. He stated that means that it is likely that
70 the Council should discuss having funds available to have a strategy to adjust positions that may be lower
71 than desired. He stated the committee does not have an overall concern that the employees are overpaid.
72 He stated that it appears that adjustments are warranted and should be discussed and prioritized. He
73 stated that as the Council considers funding for all areas of the City, it is likely that they will want to have
74 funds available to make adjustments at least in key positions. He stated that the report will include details
75 about which positions should be adjusted. He stated the third takeaway is that the City appears to be in a
76 good position relative to benefit packages. He stated that besides the normal inflationary increases, it
77 does not appear to the committee that there is a benefits problem that the City will need to fund. He
78 stated that all of these takeaways are subject to strategic discussions, but they can serve as guidelines for
79 further discussion. He stated that during the kick-off meeting that the committee held with the Council
80 there were some concerns expressed about the potential to need to lower the benefits package or the
81 overall compensation for employees. He stated that it is the committee's conclusion that they will not see
82 that as being a significant problem. He stated there may be one or two positions that need to be addressed
83 by management, but there does not seem to be a need to implement an overall reduction of the total
84 compensation for all City employees. He asked if there are any questions at this point.

85
86 Council Member Fawson asked if there will be an approximation of numbers for the first two takeaways
87 that Mr. Shaffer reported. He stated that it would be good for the Council to know what the COLA and
88 wage increases may look like. Mr. Shaffer stated that he does not have that today because there are some
89 strategic decisions and philosophical decisions that will need to be made regarding the management of the
90 City employees. He stated that the City will need to decide whether its strategy is to attract employees,
91 maintain employees, or control costs. He stated that is not necessarily a macro decision and it could be
92 made department by department or for each individual position in the City. He stated that not knowing
93 what the Council or administration is thinking on that issue it is tough for the committee to say how much
94 should be allocated for increases. He stated that the salaries for some positions are significantly below
95 average wages. He stated that the wages for some of the positions that he was personally assigned to
96 review are not necessarily significantly below average, but they are clearly below average. He stated that
97 he personally thinks that the COLA will need to be somewhere between two and three percent, but the
98 adjustments themselves will depend on the strategy the Council determines. He stated that if the strategy
99 is cost containment, those adjustments could be low to non-existent, but if the Council decides its strategy
100 is to not only retain good employees, but also attract new employees, those adjustments could be quite
101 large. He stated he thinks they warrant a strategy of implementation over time. He stated that if he were
102 responsible for implementation he would not be considering big, significant increases at one time, but

103 instead he would consider adjusting wages over time to bring the key employees in line with where they
104 should be and then the rest could follow. He apologized for not being more specific, but noted that the
105 committee has had quite a discussion among the committee regarding what the strategies should be. He
106 stated that part of what the Council will need to do once they receive the final report is to discuss their
107 philosophy about where they want the City to be. He stated discussion of philosophy raises the issue of
108 peer groups. He stated that one of the most discussed, if not debated conversation, among the committee
109 has been what peer group the City should be compared to. He stated that there were three schools of
110 thought; one was to base a peer group on populations since one could assume that a City with similar
111 population probably has positions with similar responsibilities. He stated that school of thought says an
112 employee that is doing something in North Ogden City may not be dealing with as complex issues as that
113 same employee in Salt Lake City would be dealing with. He stated that because of that additional
114 complexity the position may warrant higher pay in Salt Lake than in North Ogden. He stated that not
115 everyone agrees with that. He stated another school of thought discussed was proximity. He stated that
116 North Ogden is losing employees to cities that are closer in proximity than farther; the employees that are
117 leaving are going to cities within a certain geographic proximity and the question was whether to include
118 a peer group any City that an employee can go to within a geographic proximity. He stated the third
119 school of thought was to include every city in the state because that gives the best statistical reference, but
120 also has the drawbacks that he just discussed. He stated these are things that will need to be discussed
121 among the Council, Mayor, and administration. He stated that when the Council gets the report, it will
122 include three peer groups where appropriate. He stated that one is based on population; one is based on
123 proximity and the committee decided upon cities within 75 driving miles; and the third is private sector
124 where appropriate. He stated that it may be likely that the Council will want to have a follow-up meeting
125 with the committee so that the members that have been working on that data will have the opportunity to
126 express their views. He stated that the philosophical decisions made were the decisions that generated the
127 most spirited discussion among the committee members.
128

129 Council Member Bigler stated that he had read in print a short while ago that the committee had
130 completed the comparisons with other cities and they were then going to begin the private sector
131 comparison, which is a more difficult task. He asked if that was also thorough and if the Council will get
132 details as to what businesses the committee compared to. Mr. Shaffer stated that is a great question. He
133 stated one of the things the committee found was that collecting this type of information is a huge effort
134 and making it comparable and applicable to the City takes a lot of effort. He stated that when the
135 committee first started down the road of adding private sector information to the report, some of the
136 committee members have surveys in their profession that they use to compare these types of things. He
137 stated that in his case he looked at some of the administrative functions of the City and saw similarities
138 that would allow him to use some of the same resources he has available to him at work. He stated that
139 the reality is that surveys have restrictions and they are copy written; data is out there, but it is expensive.
140 He stated that the committee will give the Council numbers based on some fairly reputable surveys from
141 entities like the Hay Group, First West, and the Employer Council. He stated those are the surveys the
142 committee used to get a read on benefits and private sector wages. He added, however, that is not as
143 robust as the committee would like it to be because of the restrictions on how the data is accessed and
144 how much it costs to get. He stated that the committee is using the data that they were granted permission
145 to use for this project. He stated that the committee will provide the Council with the limitations on the
146 surveys. He stated that the lack of data is not a result of lack of effort and the effort will need to continue.
147 He stated that in his profession his employer does a survey like this every year and they buy information
148 on one third of the positions they have in their company, but they buy information on COLA data every
149 year. He stated he feels this will be a great start, but it will not be the end and he believes the City would
150 want to continue this practice on an ongoing basis in order for it to be as robust as the committee
151 envisioned it. He asked if that makes sense. Council Member Bigler stated that it does make sense and
152 he thanked Mr. Shaffer for his effort. He stated that he thinks that information is important. He stated
153 that someone working for a grocery store would not only be eligible for employment at other grocery

154 stores; if they are in a management position they could go on elsewhere to be a manager. He then asked if
155 the committee checked on degrees and formal education. Mr. Shaffer answered yes. He stated that there
156 can be a lot of difficulties in comparing positions to those in the private sector. He stated it is difficult to
157 get private companies to disclose their benefits packages; in fact it is almost impossible. He stated the
158 information the committee will provide comes from some of the surveys, but it is not going to be specific.
159 He stated that they originally intended on using information from some of the larger employers in the area
160 – they had access to America First Credit Union, Weber State Credit Union, Intermountain Health Care,
161 and Associated Foods – but in the end, none of those companies wanted to disclose the details of the
162 benefits package; they were comfortable disclosing what benefits they provided, but not the cost. He
163 stated that was a road block the committee hit and they compensated by using some data from the
164 surveys, but in order to get the detail the City wants for retirement comparison, the City will need to
165 consider paying for that information. He stated asking companies to divulge that information was not
166 successful.

167
168 Council Member Bigler asked if the committee looked into formal degrees; sometimes that is not a ‘real
169 fair deal’, but that is the way the world works. Mr. Shaffer stated that the committee took it into account
170 when the degree was part of a job description. He stated effort went into trying to design a way to collect
171 all the information the committee needed. He stated there were a couple of false starts that turned out to
172 be dead end roads so the committee spent a lot of time trying to engage procedures that would produce
173 results. He stated that in the process of that two of the committee members came across a resource that is
174 commercially available that already had a database of all government levels in the state. He stated that
175 they researched that database and chose to utilize it for a couple of reasons; number one was that they did
176 not believe they would get superior results if they tried to reinvent that database and instead they would
177 probably end up with inferior results. He stated that the product is available online and many cities in the
178 state use it. He stated he spoke personally with someone from Farmington City that uses it. He stated
179 that it provides information on not only salaries, but on benefits and other perks as well. He stated that, in
180 the interest of full disclosure, the committee found out after the fact that it is a resource that North Ogden
181 has used in the past and had stopped using when they decided to engage the committee. He stated that the
182 resource was discovered independently by members of the committee and was not put forward by any
183 employee of the City. He stated that each position was compared in three ways to validate that the
184 committee was getting good data. He stated that the first thing the committee did was make sure it had an
185 up to date list of all positions and the associated job descriptions for those positions. He stated they then
186 compared those job descriptions to the descriptions included in the online database. He stated that in the
187 past the City had mapped their positions to the positions on the database and they were still there; they
188 used that as a starting point, but every position was scrutinized to make sure they matched up. He stated
189 that they used as a threshold a 70 to 75 percent match, which is a fairly common threshold in the human
190 resource world; if the job description matches by 70 to 75 percent, it is a good match. He stated that they
191 also calibrated that by taking job audits that have been done that were provided by City Recorder and
192 Human Resource Director Annette Spendlove. He stated the audits showed the percentage of time that
193 each employee spends on doing different duties in their job description. He stated that was also compared
194 to the job descriptions of other cities and by doing that they validated that each position the City has
195 being compared to a comparable position on the database, not just by title, but also by responsibility and
196 the amount of time spent on those responsibilities. He stated that education and experience were included
197 in those considerations.

198
199 Council Member Bigler asked if the City had data on how much time employees spend on different
200 duties. Mr. Shaffer stated that was not in the survey, but there was an audit for most positions that
201 showed the percentage of time that each employee was spending on the different aspects of their job.
202 Council Member Bigler asked if the audit was set forth. Mr. Shaffer stated it was historical information
203 that had been done by the City. Ms. Spendlove stated that audit was done starting at the end of 2010 and
204 lasted through the beginning of 2011. Council Member Bigler asked if the audit shows how much time

205 each employee spends on different aspects of their job. Ms. Spendlove answered yes and stated the
206 supervisors and employee had to sign off on the audits. Council Member Bigler stated it sounds like the
207 comparison to other cities was thorough. Mr. Shaffer stated the committee tried to be thorough and those
208 positions that did not match up with a position on the survey were 'slotted' and he used Ms. Spendlove's
209 position as an example. He stated that Ms. Spendlove is the Human Resources (HR) Director and the
210 City Recorder. He stated if she spends 50 percent of her time on each function, they would compare to
211 each position based on the weighting of her efforts.

212
213 Council Member Bigler stated that when the committee gets the detail he would hope that there would not
214 be anything else on the Council meeting agenda where the report is to be discussed. He stated that will
215 allow the Council to ask questions and really dig into the report while the committee is present. Mr.
216 Shaffer stated he would also suggest that the entire committee be present. Council Member Bigler
217 agreed.

218
219 Council Member Taylor asked if the committee compared North Ogden with other cities based on the
220 number of full-time employees (FTEs). Mr. Shaffer stated that the committee did not do an overall FTE
221 comparison and that may be an interesting thing to do. He stated that he is not sure that data was easily
222 available in the survey. He stated that the survey was intended to be used to compare position by position
223 and he would not feel comfortable saying that if all FTEs were pulled out of the survey for a given city
224 that they could guarantee they had everything. He stated, for example, the City Treasurer position in
225 North Ogden is a 'slotted' position, meaning that he has duties that span more than one job description.
226 He stated that when he 'slotted' that position, it was compared to more than one description so it was not
227 included in the survey for North Ogden City; therefore, if he ran a report based on FTEs for the City his
228 position would not be included and the report would be incomplete. He stated that the only way to
229 compare based on the number of FTEs would be to contact cities directly and find out how many FTEs
230 they have. He stated that if the Council would like for the committee to consider that, he will discuss it
231 with the other committee members. Council Member Taylor stated that he is not sure that the committee
232 needs to do that necessarily, but maybe the City could do that kind of comparison. He stated that he has
233 looked on a small scale by asking a department like the Police Department how they compared in size to
234 departments in other cities. He stated it is a different comparison than the salary, but it is still good
235 information strategically for them to know where they sit as far as the number of FTEs in given
236 departments compared to the same departments in other cities. Mr. Shaffer stated that as the committee
237 discussed the issues they discussed responsibilities within jobs and even though a city may have a similar
238 population, they may have a significantly different commercial base so the Council would want to make
239 sure to interpret the results in that context. He stated he felt the same would be true for a FTE
240 comparison. Council Member Bigler agreed. Mr. Shaffer then stated that he wanted to make sure to
241 express that the committee members had very little experience within the context of a management of a
242 municipality, so there was a learning curve for them. He stated that he would like to acknowledge the
243 help that the committee received from Mr. Steele and Ms. Spendlove; they helped the committee
244 understand the answers to a lot of questions they have had as they have gone through the process. He
245 stated that one of the committee's guiding efforts has been to make sure they can report to the Council
246 and the Mayor that they have tried to maintain their independence and not just recycle old information or
247 old attitudes. He stated that through the entire process their methods have included validating the data
248 they plan to present and they have, in no case, taken something at face value and passed it along to the
249 Council. He stated they wanted to make sure the Council understood that was one of their utmost
250 concerns and was part of how they conducted their business. He stated that concluded his presentation
251 and asked if the Council had any questions for him.

252
253 Mayor Harris thanked Mr. Shaffer and the other members of the committee that were in attendance. He
254 stated that it is very impressive and very much appreciated. Council Member Bigler stated it is much
255 appreciated.

256
257 Ms. Spendlove stated that this process has been a real eye opener to her; the committee brought some
258 issues to light that she wants to consider further in her position. She stated she was very impressed with
259 the group and they were very easy to work with. Mr. Steele agreed and stated they were great to work
260 with and the way they reached their end result was impressive.

261
262 Council Member Bigler stated that he appreciates the summary Mr. Shaffer gave today; it is very helpful.
263 He stated the Council did not give a direction to the committee to lower wages or increase wages. He
264 stated that all along the Council just wanted the data to be updated by an independent group rather than
265 being done in-house. He stated that the Council needs to know when they budget that they are being fair
266 to employees and residents and he appreciated everything that had been said today. He stated he is
267 looking forward to seeing the detailed information.

268
269 Council Member Bailey thanked Mr. Shaffer and stated that he thinks that one of the most valuable things
270 the committee will provide through the process is a framework and platform for the City to move forward
271 from into the future so this can be an ongoing process. He stated this will allow the City to stay where it
272 needs to be without needing to reinvent the wheel. Mr. Shaffer stated that he thinks that is probably one
273 of the key messages; this is something that should be recurring periodically, if not yearly. He stated that
274 one thing that Council Member Bailey's comments reminded him of was a concern that he had expressed
275 about self-inflating numbers. He stated that was discussed as the committee decided what peer groups
276 and data to use. He stated that he believed the committee has used a substantial enough population of
277 data that any effect of that would be minimized. He stated he cannot say it would be completely
278 eliminated, but he thinks the committee used the practices that most industries use when they look at that
279 kind of information. He stated he does not think there is a great threat of that within the data set they will
280 provide. Council Member Bailey stated that in his experience over the years when dealing with
281 compensation surveys he has had a major concern that there is always upward pressure as a result of
282 everyone always looking to see what everyone else is doing. He stated that no one wants to be average
283 and a given city may have the sense that they have better employees so they should be paid better than
284 average. He stated that is silly; average is average. He stated that is always a concern and the process
285 itself becomes an upward spiral. Mr. Shaffer stated there is a danger in that and that is why the Council
286 needs to have a philosophical discussion about its intent. He stated the average could be considered the
287 market wage and if someone is being paid more than average they are being paid higher than market
288 value and there must be a reason. He stated that if there is an employee that warrants a premium and that
289 can be articulated, that is important. He stated that if someone is being paid lower than average there may
290 also be reasons for that; they may be new in their job or may not have all the qualifications or experience
291 they need yet. He stated those things are very subjective and that is something that comes with the
292 relationship of the people managing the employees. He stated he wanted to express that the committee
293 did not ignore Council Member Bailey's concern and that was part of their deliberations, but there must
294 be a comparison and the only way to minimize those issues is to make the comparison as well done and as
295 applicable as possible.

296
297 Brett Forsberg stated that he wanted to add that he found that as he reviewed the data, the problem he had
298 was that when things are aggregated they can be clouded considerably. He stated that position by
299 position, it is easy to review education requirements or how many years of experience an employee has,
300 what their tasks are, and if they are in a key position. He stated that making the statement that everyone
301 deserves a two percent raise can really cloud the issue. He stated that some people may deserve a 10
302 percent raise and it really depends position by position. He stated that it is difficult to lump everyone
303 together especially when there are so many employees that wear multiple hats. He stated some of the
304 employees are key to the way the City operates and they have a knowledge base that the City would not
305 want to lose if it could possibly help it. He stated that others are interchangeable and that needs to be
306 considered as the Council is reviewing the report. Council Member Bigler stated that is what he has been

307 saying. Mr. Shaffer added that he thinks the Council will find that there is enough detail in the report to
308 have those discussions. He stated that the committee actually debated how detailed to get because there is
309 a point of diminishing returns. He stated that he hoped they hit the 'sweet spot' and if the Council
310 decides they want more, there is more to be had. He stated that the committee will first try to summarize
311 all data in a usable format.

312
313 Mayor Harris thanked the committee members again for their attendance.

314
315

316 **2. FINANCIAL TRENDS.**

317
318 City Manager Chandler provided background regarding the retreat and what he and Mr. Steele have been
319 working on. He thanked the Council for holding the retreat and noted he finds this kind of meeting to be
320 extremely helpful as he works with the Mayor in putting together the budget. He stated that they talked
321 about doing this differently than it has been done in the past; it is his understanding that in the past the
322 Council was presented with a tentative budget prior to the retreat and they then went through the budget
323 and made changes to be included in the final budget. He stated that he and Mr. Steele proposed starting
324 this discussion a little earlier and not presenting a budget, but presenting topics in order to try to ascertain
325 the goals of the elected officials, so that when staff comes back with a budget it will hopefully represent
326 the goals and desires of elected officials. He stated staff can be informed of what types of things the
327 Council is absolutely not willing to consider and the things that are important in moving forward. He
328 stated that over the years throughout his career he has used these types of trends to follow where the City
329 is and where it has been; it often confirms what his intuition is telling him and he is also often surprised
330 by things that he did not anticipate. He welcomed questions throughout his presentation. He stated that
331 he provided the Council with a handout of the slides that he would be reviewing; the slides show the trend
332 plus a little explanation of the graph on each slide. He stated all figures have been adjusted for inflation
333 and they are either done on a per capita basis or percentage basis so that it can be measured year to year
334 and things that could skew the trend can be removed. He stated that this is called a financial trend
335 monitoring system and he came across it in 1985; it is done through the International City Managers
336 Association (ICMA) and it includes 43 different measuring trends and he has used half of those for the
337 City. He stated that to him what is important is not necessarily the individual point in time, but it is the
338 trend that is important. He started with the slide regarding revenues per capita and noted it measured how
339 much the City is receiving per person over time. He stated that the trend has been on the way down as a
340 result of the recession. He stated that the City's peak was just under \$200 per person in 2007 and it has
341 been on the decline over the last two years. He stated that data is interesting, but not interesting enough
342 because it leads to more questions than answers. He stated that he wanted to point out that it does not
343 give any solutions because solutions are policy questions that he hopes will come out of this discussion.
344 He stated that Mr. Steele is projecting that the amount the City is receiving per person in the coming fiscal
345 year will be at the same level or a little higher. He then referred to slide four. He stated that a question he
346 has had in his mind is why the City has been so susceptible to the economic downturn and this slide gives
347 the answers. He stated that elastic revenues are revenues that are highly responsive to economic change;
348 they are things like sales tax and utility tax and as people have more money to spend those revenues go
349 up. He stated they are very highly susceptible to economic changes. He stated that he did not put a
350 warning trend on this slide and he noted that the total revenues that were dependent on elastic revenues
351 could be a good thing or a bad thing. He stated that in 2003, 43 percent of the City's total revenues were
352 made up by elastic revenues; by 2012, that was up to 48 percent. He stated that in 2003 property taxes
353 and sales taxes were roughly equal about \$1.2 million; utility revenue was \$470,000. He stated that by
354 2012 the property tax had dropped by about 10 percent or \$134,000, sales tax had increased by 40
355 percent, and the utility tax more than doubled. He stated that means that the 2012 audit statement shows
356 property taxes coming in at \$1.1 million, sales tax coming in at \$1.7 million, and utility tax at \$1 million.

357 He stated that the finding is that as the City's dependency on elastic revenue grows, so will the effect of
358 the economy on the City.
359

360 Council Member Bailey asked if those numbers are factored in to the trend data. Mr. Chandler answered
361 yes and noted all background documents are pulled from the audit or the final financial statement from
362 the City. He stated he would be happy to send that detailed information to the Council if necessary. He
363 then referred to page six and stated this is the tax revenue the City is receiving that has been adjusted for
364 inflation; this is an indicator of the dependency the City has on elastic revenues and how the market will
365 affect the City's income. He stated it includes all tax revenue the City receives. He then referred to page
366 seven and noted another key component the City has as a revenue source are user charges; they are meant
367 to pay for operations and debt service if possible. He used the aquatic center fees as an example and
368 noted there are many other user charges the City has. He stated that in 2012 the revenues are 23 percent
369 less than the revenues in 2003. He stated that is mainly a result of the reduction in revenues in the
370 Planning Department due to the decrease in the building permits and other permitting fees.
371

372 Council Member Bailey asked if that chart includes impact fees. Mr. Chandler replied, no and stated
373 impact fees are non-operational.
374

375 Mayor Harris asked if the user charges include charges in the enterprise funds as well. Mr. Chandler
376 answered no; all of the slides he has reviewed so far are for the general fund and special revenue funds,
377 such as the RDA, the MBA, and CDBG housing. He stated he has other slides further in the presentation
378 that will pertain to the enterprise funds. He stated that building in the City peaked in 2006 and the
379 revenues generated by building are 129 percent less than they were in that year. He stated that it is
380 interesting to compare revenues to expenditures; user fees go up or come down gradually based upon one
381 person's payment of a fee. He stated that the expenditures associated with those fees go out in chunks.
382 He stated the City's biggest expenditure is salaries and those expenditures do not go up and down as
383 gradually as fees can.
384

385 Council Member Bigler asked about the spike in 2010. Mr. Chandler stated he is not sure the answer to
386 that question and he will get back to the Council with that information. He then referred to page eight and
387 stated that it highlights expenditures per capita. He stated that as revenues decrease, so too do the
388 expenditures. He referred to page nine and stated the next six slides look at expenditure by function or by
389 Department as a percentage of the operating expenditures. He stated that he is not looking at how much
390 they spend, but the percentage that is dedicated to each Department. He stated that in the Departments
391 that are very heavy in personnel there have actually been some increases; he referred to the Police
392 Department and stated the trend is generally up and that is a reflection of how heavily the City relies on
393 personnel costs. He stated the biggest trend he worries about is in the Streets Department; the general
394 trend of the percentage of total operation expenditures that is being spent on Streets has been declining
395 since 2003. He stated the Police has gone up, administration has remained relatively the same, but there
396 has been a big drop in the Fire Department. He stated that the money that had been spent on Fire got
397 absorbed. He stated the Planning Department remained very relatively the same. He stated the aquatic
398 center has remained flat as have Recreation and Community Services. He stated that Parks has gone up;
399 the two biggest changes are in the Parks and Police Departments, but when those numbers are reviewed in
400 a "per capita" frame of mind, it is evident that Streets have been on the decline. He stated that tells him
401 that the City has been funding the recession with a reduction in goods and services and improvements.
402 He stated that is fine in the short term, but a 10-year period is not a short term and this is something that
403 deserves more discussion and attention because ultimately the roads will catch up.
404

405 Council Member Taylor stated that the slide shows Streets start at 45 percent, but the slide the Council
406 has says 20 percent and he asked which is correct. Mr. Chandler stated he has measured it in two

407 different ways; the first was as a total percentage of the operating expenses and the second measurement
408 was per capita.

409
410 Council Member Bailey stated he is wondering how much of the expenditures for streets is a function of
411 what the City has the discretionary power to do and how much is based on Class C road funds. He asked
412 if that is factored in. Mr. Chandler stated that the slides he is reviewing are only considering the
413 expenditures. Council Member Bailey stated he wondered how much of the decline is based on decisions
414 made by the Council and how much is based on the availability of Class C funds. Mr. Blanchard stated
415 that Class C funds have decreased over the years; the amount the City receives fluctuates. Mr. Chandler
416 stated that in the past the City has used Class C road funds for maintenance, but there has been pressure
417 over the last couple of years to use those funds for operations. He stated that less of the money has
418 actually gone to road maintenance. He stated that another factor to consider is that the number of roads in
419 the City has increased at the same time that the amount being dedicated to roads has decreased.

420
421 Council Member Bigler asked if any of these changes are a result of the staff coming up with more
422 efficient ways to do things. Mr. Chandler answered no; he has not found anything in the last 10 years that
423 is drastically different. Council Member Bigler stated that last year the City talked about buying a
424 machine for sidewalks rather than hiring a company to do sidewalks. Mr. Blanchard replied that the
425 machine was not purchased. He stated that he does not know whether the staff can do those types of
426 things cheaper than a contractor can do it.

427
428 Mr. Chandler then reiterated that the City's largest expense is for employees. He stated that one of the
429 things he has heard throughout his career are questions about why the number of City employees
430 continues to increase. He stated that employee numbers increase as residents increase. He stated his next
431 slide measures the number of employees per capita and over the last 10 years the number of full time
432 employees has remained relatively the same. He added, however, that the number of part time employees
433 has jumped. He stated the big jump came in 2007 and the trend is upward. Council Member Bigler asked
434 why. Mr. Chandler stated that the jump in the number of part time employees was a result of the addition
435 of the aquatic center. He stated that part time employment positions were increased to meet the needs of
436 the City rather than hiring full time employees in order to save money on benefits. He then referred to
437 page 16 and stated that this slide looks at salaries as a percentage of the operating expenses. He stated
438 that this shows a trend upwards. He stated that in 2004 there was a big spike and salaries constituted
439 about 37 percent of total operating expenditures and in 2012 that number was up to 45 percent. He stated
440 that he wondered if that is because expenditures have gone down or salaries have gone up and the answer
441 is that it is a little bit of both. He stated that a bigger chunk of money is going to salaries while operating
442 expenses are dependent on revenue. He stated that without a change in revenue the City turns to finance
443 things through not purchasing commodities.

444
445 Council Member Bailey inquired as to the reason for the big jump in 2003. Mr. Chandler stated that there
446 was a big change in 2003 related to the MBA; there were a lot of economic development expenses in that
447 time frame that have virtually disappeared since then. Council Member Bailey asked if that includes
448 benefits. Mr. Chandler stated that it only includes salaries and he would review benefits next. He stated
449 slide 17 calculates benefits as a percentage of salaries and wages. He stated that this confirms that
450 benefits, in particular health insurance, is on an unsustainable path. He stated that in 2003, for every
451 dollar the City spent on salaries they were spending about \$.35 on benefits. He stated in 2012 that has
452 increased to \$.52. He stated that if that trend continues, the number will be \$.75 in ten years. He stated
453 that is not a sustainable path. He stated that he will talk to the Council later in the meeting about health
454 insurance. He stated he has talked to the Department Heads about this issue and he has told them that it
455 would not matter if the City were flush with money; this is something that needs to be addressed and
456 people need to understand that it is a nationwide problem. He stated that everyone is feeling the effects of
457 continuous increases in health insurance costs. He then stated the next slide combines salaries and

458 benefits and calculates its percentage of net operating expenditures. He stated that it is at 70 percent of
459 the total expenditures.

460
461 Council Member Taylor asked if that is 70 percent of the general fund or all funds. Mr. Chandler stated it
462 is just the general fund. He then referred to page 20 and stated it highlights the operating income for the
463 enterprise funds before depreciation and adjusted for inflation. He stated that the operating income before
464 depreciation adjusted for inflation has been decreasing. He stated that Mr. Steele may be able to tell the
465 Council the appropriate amount of operating income for the City, but he wanted to point out the trend is
466 that it is decreasing. He then referred to slide 21 and stated that this data highlights what happens to the
467 funds after depreciation. He stated that since 2008 there has been a loss in the water fund, storm water
468 fund, sewer fund, and solid waste fund. He stated this shows that the City is not funding depreciation and
469 in time when equipment or infrastructure fails the City will need to go into debt to fix the problems
470 because depreciation has not been funded.

471
472 Mayor Harris stated that same thing is true relative to streets. Mr. Chandler agreed.

473
474 Council Member Bailey stated that he assumes that has been a Council decision because depreciation is a
475 paper expense rather than a real expense. He stated it is a way Council's have dealt with the recession
476 because it was a way of ignoring something that should be in the budget in an attempt to balance the rest
477 of the budget. Mr. Chandler stated that the trend is concerning to him. He stated the Council may be
478 making decisions about not increasing revenues with the knowledge that expenditures are increasing.
479 Mayor Harris stated he does not think deprecation is just a paper expense because eventually the City will
480 need money to do real things like replace a sewer or water line and that will not be possible unless the
481 infrastructure is depreciated right now. Council Member Bailey stated he would clarify his comments;
482 the fact that the funds are enterprise funds that have revenue and expense components he can understand
483 depreciation, but it is in the general fund where depreciation has been ignored and not adequately funded.
484 He stated that if depreciation were adequately funded, the reserve would continue to build much higher.
485 He stated the depreciation in the general fund can be ignored for short periods of time in order to pay
486 attention to other areas. He stated it looks like expenses are being cut, but that is not actually the case.
487 Mr. Chandler stated both comments are right and he stated that in the audit, depreciation is a paper
488 expense because there is no cash going out and nothing is being purchased. He stated, however, that it is
489 an expense that will hit the City down the road when it is necessary to spend the money. He stated that if
490 depreciation is not funded it may be necessary to bond to do necessary projects or purchase equipment.
491 He stated it is important to point out that the City is not unusual. He added that he has only pointed out
492 trends that are concerning to him. He stated it is important to point out that the City is in great shape
493 when considering debt levels. He stated the City has just under \$3 million in debt with a debt capacity of
494 \$52 million. He stated he has only focused on the trends that have caused him to raise an eyebrow and
495 that he feels should be discussed by the Council.

496
497 Council Member Bigler asked what the \$3 million debt is for. Mr. Chandler stated it is debt associated
498 with the pool; there are a couple of capital leases in the general fund and the storm water fund, but the
499 biggest debt is the pool at approximately \$2.8 million. He stated that the Council will see that many of
500 the other trends included in his report are very good trends and he has only focused on those trends that he
501 feels need some discussion and attention. He stated there are policy decisions to be made and regardless
502 of the decision there will be impacts down the road. He stated that if the Council has any questions about
503 any of the data in his presentation he would be happy to answer them or provide any supporting data.

504
505

506 **3. FISCAL YEAR 2012-2013 CONDITIONS AND PROJECTIONS.**

507
508

The Council recessed at 9:39 a.m. and reconvened at 9:50 a.m.

509
510 Mr. Steele showed the Council a brief video. He then stated that he wanted to talk about the current
511 conditions and the projections for the future. He stated that the general fund balance at the beginning of
512 the year will be at 18 percent, which translates to \$946,500. He stated at the beginning of the year the
513 balance in the capital projects fund was \$715,283 and the RDA fund has a cash balance of \$777,221. He
514 stated there are also a couple of payables to the general fund from the water and sewer funds; when the
515 RDA fund was originally set up it borrowed money from those funds to do some infrastructure
516 improvements and it is in a cash position where it is possible to pay those back, which will add to the cash
517 balance in the general fund and the water and sewer funds. He stated that the enterprise funds have cash
518 balances of \$2.7 million in water, \$1.9 million in sewer, \$1.6 million in storm water, and just over \$1
519 million in the solid waste fund. He reviewed the financial outlook for the rest of the year; he explained
520 that the revenues are increasing slightly or are remaining steady. He noted the sales tax revenue is up
521 about six percent from where it was this time last year. He stated the building fees are coming in higher
522 than expected at about 25 percent more than where they were last year at this time. He reviewed a graph
523 that showed the trend of sales tax revenue over time. He stated that the levels of sales tax revenue are
524 finally getting close to where they were before the recession hit. He reviewed a similar graph for building
525 permit fee revenue. He stated that due to conservative budgeting he expects it will be possible to add
526 more money to the fund balance and the capital projects funds. He stated that with the transfer from the
527 general fund to the capital projects fund, he expects the balance in the capital projects fund to be about
528 \$1.3 million. He then asked what the City can expect next year. He read a quote from an article in USA
529 Today from early January 2013 entitled “State and Local Finances Brighten”. He stated that a
530 representative from the Rockefeller Institute of Government said the worse of the recession related
531 problems are behind us and there will not be much difference over 2012. He also read some quotes from
532 the economic report to the Governor that indicated the economy is growing to pre-recession levels and
533 Utah is leading the way for the rest of the nation. He stated housing and construction will play a leading
534 role in strengthening the recovery and spending will drive retail expansion. He asked what this means for
535 the City. He stated he will budget conservatively for sales tax revenues because he does not know exactly
536 what will happen yet. He stated that he expects it to be about the same as last year. He stated the same
537 will be true for property tax revenues and other revenues will be budgeted conservatively as well. He
538 stated that expenditures must be budgeted to meet the revenue projections. He stated that revenues in the
539 general fund in the current fiscal year are around \$5.7 million and he expects to maintain that level.

540
541 Mr. Chandler stated that part of what the staff wanted to do today with the City Council is determine how
542 the policy discussion will proceed when talking about different expenditures. He stated that he wants the
543 Council’s general feelings pertaining to revenues such as fees and taxes and how they want the staff to
544 approach those things.

545
546 Mr. Steele then stated there have been discussions about sequestration; decreasing defense spending could
547 decrease funding for Hill Air Force Base and that could affect the local economy as well. He then
548 distributed attachment B, which is the City’s fee schedule. Mr. Chandler stated that he would like to get
549 some recommendations on fee changes. He stated that he is not expecting to get into detailed discussion
550 about specific fees unless the Council has some fees they would like to address. He reiterated he does
551 want to get the general feeling of the Council regarding changing fees. He stated that one thing he does
552 want to discuss is resident and non-resident fees, particularly at the aquatic center. He stated those fees
553 cause public relations problems for the City. He stated there are a large number of non-residents that
554 come to the City to use the pool and they are not happy with being charged a non-resident fee. He stated
555 that Ms. Staheli has started using a different term – resident discount – to make it a more positive
556 experience. He stated Ms. Stahelie implemented that last year and the fee schedule document will be
557 change to include that term.
558

559 Council Member Bailey stated he is having a hard time adding up the numbers that Mr. Steele referenced.
560 He stated that Mr. Steele said that most revenues are trending up but that the fund balance in the general
561 fund will remain the same. He asked how that works. Mr. Steele stated he is just being conservative in
562 his budgeting; most revenues are projected to increase, but he would rather have the revenues be higher
563 than projected at the end of the year and that surplus can be used for capital projects.
564

565 Mr. Chandler then stated that he would be willing to entertain any direction from the Council regarding
566 how to begin the process.
567

568 Council Member Taylor asked for an email of the slides in Mr. Steele's presentation. Mr. Steele stated
569 that there is a link on the agenda that will take him to the presentation.
570

571 Council Member Bigler asked if the senior center rental fee is included in the fee schedule. Mr. Chandler
572 stated it is on page five. Council Member Bigler stated that the fee was increased substantially two years
573 ago and he had concerns about no one renting the building. He stated he asked for a quarterly report as to
574 how many rentals there were. He stated that was not provided and then last year the staff reported that the
575 fee was too high and it was lowered again. He stated the Council has no way of knowing how many
576 rentals there have been. He asked if there is any way to provide a quarterly report to the Council about
577 how many rentals there have been so the Council can determine if the fee is appropriate. He asked how
578 many rentals there have been over the last year. Ms. Staheli stated the average is about two rentals per
579 month and that there are almost no non-resident rentals because of the cost difference. Council Member
580 Bigler asked if most of the rentals are for weddings. Ms. Staheli stated there are weddings and family
581 reunions. Council Member Bigler asked if there is a way to allow people renting the facility for a
582 wedding to get into the building the night before. He stated the Council had talked about that, but he
583 knew someone that had a wedding at the facility last year and they were not allowed to get into the
584 building until the day of the wedding. He stated that most weddings are in the morning and there is a
585 luncheon that follows and it is hard for families to decorate a facility on the day of a wedding. Ms.
586 Staheli stated it is hard to make those accommodations because the seniors have activities on Saturday
587 mornings. She stated those are held every other Saturday. Council Member Bigler asked if residents
588 could gain more accessibility to the building on the weekends that the facility is not being used by the
589 seniors. Ms. Staheli answered yes. Council Member Bigler thanked Ms. Staheli for that clarification.
590

591 Council Member Fawson asked about the non-resident fees at the aquatic center covering a portion, if not
592 the entire increase, that was given to the lifeguards this year. He asked if there has been a big enough
593 increase in non-resident fees to cover that. Ms. Staheli stated she believed so and the fees went over
594 much better than expected because of the new terminology that she was using for the fee.
595

596

597

598 **4. FISCAL YEAR 2013-2014 PROJECTIONS**

599

600 Mr. Steele stated he would now review some of the major expenditure changes he knows of. He stated
601 that the total dollar increase for some employee changes is approximately \$24,000. He stated that
602 \$19,000 will come from the general fund and \$5,000 from the enterprise funds. He stated that the Central
603 Weber County Sewer District rates are increasing by five percent, which translates to a \$47,000 increase.
604 He stated the City's rates will need to be increased by about \$.70 to cover that increase.

605 Council Member Bigler asked if that increase happened at the beginning of the year. Mayor Harris stated
606 the rates were increased by 25 percent over the past four years to pay for the construction of the new
607 plant, but the most recent increase is to cover operations. He stated residents will be paying for the
608 construction of the plant for the next 20 years, but this is a five percent increase over and above that.
609

610 Council Member Bailey stated he would assume there is a Board at the District that makes those decisions
611 and he asked the justification for the five percent increase. Mayor Harris stated the District's operating
612 expenses increase just like everyone else's, but part of the increase is necessary to keep their bond rating
613 up. He stated they borrowed \$130 million to build their plant and there will be some new additions that
614 are necessary. He stated the worst case scenario is that they will need to double the size of the plant, but
615 that has not come to pass yet. He stated that in order to operate and to keep their bond rating at a good
616 level, they need to have a fund balance and a good part of the revenue from the five percent increase will
617 be used to maintain the fund balance.

618
619 Mr. Steele then stated there will be some proposed changes in the health insurance options; the staff is
620 looking at some changes to offset the rising costs of benefits. He noted there will be a municipal election
621 in 2013 and there are costs associated with that. He stated some of those costs will be shared with the
622 Fire District because they will have an election this year as well. He stated there is an increase in the
623 safety signage. Mr. Chandler stated that is a result of the request from the PTA to install signage. He
624 stated that Mr. Blanchard did a good job of finding funds to cover the lights that will be installed around
625 the school. He stated they would like to add \$10,000 to pay for three or four lights and if the requests
626 come in the funds will be available, but if the requests do not come in the money will not be spent. He
627 stated it is similar to the process the City uses for safety sidewalks; requests are considered as they are
628 made. Council Member Bigler asked if those are flashing school zone lights. Mr. Chandler answered
629 yes. Mayor Harris referenced the flashing lights on 3100 North and noted that they can be seen from
630 quite a distance.

631
632 Mr. Steele stated there is a need to increase Information Technologies (IT) support hours. He stated that
633 currently the City pays for 24 hours of support per month and staff would like to increase that to 36 hours
634 per month, which translates to a monthly increase of \$1,000 per month. Council Member Bigler inquired
635 as to the justification for that. Mr. Steele stated a lot more work needs to be done than is being done.

636
637 Mr. Steele then stated that there are some registers on water meters that are failing and the City needs to
638 buy new replacement registers, which will cost about \$27,000. Mr. Chandler asked if there is money the
639 City will receive because of the failure to offset some of those costs. Mr. Blanchard stated that the
640 registers only have a life of five years, but the City has managed to get 13-15 years out of them. Mr.
641 Chandler asked if the City is losing money because the meter is not working anymore. Mr. Blanchard
642 answered no.

643
644 Mr. Steele stated staff would also like to add back the funding for the motor pool fund which is
645 approximately a \$450,000 increase in the general fund. He then explained the aquatic center bond was
646 taken out in 2004 and the interest rates for that bond were much higher than they are now and the City
647 would like to refinance that bond. He stated the bonds are not 'callable' until late in 2014, so he would
648 like to delay the refinance as much as possible to eliminate some of the costs associated with that process.
649 Mr. Chandler stated there was news yesterday about the federal government is keeping the interest rates
650 low so the longer the process can be delayed, the fewer penalties the City will need to pay. He stated that
651 if it looks like the rates will start to increase again, the staff can begin the refinance process. Council
652 Member Bigler asked what the penalty would be. Mr. Steele stated that it would be about \$70,000. Mr.
653 Chandler clarified that the City cannot pay off the bonds, but what is currently being paid in interest is so
654 much greater than it could be. He stated there would be a benefit to doing the refinance now, but the
655 benefit would be greater if it is possible wait as long as possible while still being able to secure a lower
656 interest rate. He stated that the closer the bond gets to the call date, the lower the penalty will be.

657
658 Council Member Bigler inquired as to the rate on the bond. Mr. Steele stated it is between four and five
659 percent, but he thinks the rate can be lowered to approximately 2.5 percent through refinance. Council
660 Member Bigler inquired as to the balance of the bond. Mr. Chandler stated it is approximately \$2.89

661 million and it will be totally paid off in 2024. He stated that when the bond is refinanced the payoff date
662 will not be changed.

663
664 Mr. Steele then stated that he misquoted the actual IT hours. He stated the City is currently getting 16
665 hours per month and staff wants to increase that to 24 hour per month.

666
667 Council Member Fawson asked if it is possible to reduce the rate on the bond while expediting the
668 prepayment of the bond instead of keeping the payoff date the same. Mr. Chandler stated that has not
669 been discussed, but that is certainly possible. Council Member Fawson stated he would like to have that
670 discussion because his preference would be to pay the bond off earlier.

671
672 Mr. Steele stated that concludes his report regarding operating expenditures and he noted that capital
673 expenditure requests will be reviewed later in the day.

674
675
676 **5. SALARIES AND BENEFITS.**

677
678 Mr. Steele stated that during the presentation made by the employee compensation committee earlier in
679 the meeting they mentioned it may be good to give a COLA increase of two or three percent. He stated
680 that for every percent wages are increased that will translate to about \$35,000 per year: \$30,000 from the
681 general fund and five percent from enterprise funds.

682
683 Mr. Chandler then stated that he would review the benefits section of the proposal. He stated that this is
684 something the Council should be familiar with this issue; it is something the staff could not wait to begin
685 working on because employees need to start making decisions based on what will be proposed. He stated
686 they specifically had to make decisions on their FLEX benefits plans by the last day of December or
687 2012. He stated that what he is planning to propose will affect the FLEX spending plan. He stated he has
688 told many employees that he would let them know what he was going to propose at the same time he let
689 the Council know. He stated the Council should have received an email he sent last week about this
690 issue. He stated the City currently offers one choice of insurance plan for its employees. He stated that it
691 is a traditional plan and the employees pay a co-pay for certain doctor visits and they then pay a
692 percentage of the total cost after their deductible of \$500 for a single participant or \$1,000 for a family
693 has been met. He stated that the costs have been increasing and this is a bigger problem than just North
694 Ogden. He stated he attended a conference in Minneapolis a few years ago and he attended a session
695 about health insurance solutions for small cities. He stated he was very excited about the session; there
696 was an attorney, an insurance broker, and a doctor in the presentation and the doctor blamed the insurance
697 broker and the insurance broker blamed the attorney and they all blamed the patrons for the problems in
698 the system. He stated he left the meeting with little hope. He stated one of the plans that has been made
699 available and approved through the federal government is a high deductible health plan; the purpose of
700 the plan is to put some market forces into insurance and it becomes the employee's money. He stated he
701 is proposing to offer the employees two plans to choose from; the traditional plan and the high deductible
702 health plan. He stated there will be an incentive to try to get the employees to move to the high
703 deductible plan. He stated he has met with all the employees; they are understandably nervous and some
704 have said they will not go to that type of plan no matter what. He stated that others have come with
705 legitimate concerns that have been reviewed. He stated that most people that he knows that have moved
706 to the high deductible plan end up liking the plan, even though it is a big change. He stated the incentive
707 he is proposing is that if an employee chooses to stay on the traditional plan, the City will pay for 85
708 percent of their health insurance and the employee will pay 15 percent. He stated that based on figures
709 from last year would mean an employee with a family would go from paying \$120 per month to \$175 per
710 month for their plan. He stated that the second part of the incentive is that they would avoid the five
711 percent increase, but they would also see a decrease because the rate for the 10 percent they would be

712 paying for the high deductible plan would go down. Council Member Fawson clarified that the City's
713 current plan is that the City pays 90 percent and the employee pays 10 percent. Mr. Chandler stated that
714 is correct. He then stated that employees that switch to the high deductible plan will still enjoy the 90/10
715 split. He stated the third part of the incentive is that the City would take some of the savings that it
716 realizes and contribute it to the health savings account (HSA) for the employee. He stated all high
717 deductible plans have a HSA and it becomes the employee's money regardless of who contributes to the
718 plan. He stated they can use it on whatever they want as long as it is a qualifying health care expense. He
719 stated the high deductible health plan was enacted as part of the 2003 medical modernization act and it
720 lowers the monthly premium by increasing the deductible that plan members pay and it includes a HSA or
721 a health reimbursable account. He stated the difference is that the HSA is the employee's money and if
722 they leave employment with the City the money goes with them. He stated it is similar to a bank account
723 in that it earns interest and users have a debit card to use to pay for expenses. He stated the same is not
724 true for a health reimbursable account. He stated that there are a certain group of people that are not
725 eligible for HSA and they are required to use the health reimbursement account instead. He stated that
726 the biggest HSA provider in Utah is called Health Equity; it works just like a bank that will send a
727 monthly statement and provide online access to the account. He stated that another advantage of the HSA
728 is that any contribution an employee makes to the account is pretax so it reduces the income tax liability;
729 it also covers deductibles, copays, co-insurance payments, and qualified health expenses. He stated it also
730 covers COBRA payments if an employee finds themselves unemployed.

731
732 Council Member Bailey added that there are certain limits on the amount that can be contributed pretax.
733 Mr. Chandler agreed and stated that limit is \$6,200. He then compared the two plans and noted the
734 figures come from the proposal from Regence last year. He stated there are some significant differences
735 that are important to understand. He stated that right now the deductible is \$500 for a single person and
736 \$1,000 for a family. He stated that the proposal is to increase those amounts to \$1,500 and \$3,000
737 respectively. He stated that the current out of pocket maximum expense is \$2,000 for single and \$4,000
738 for family and that would increase to \$3,000 and \$6,000 respectively. He stated in the traditional health
739 plan the deductible is not included in the out of pocket maximum expenses; an employee would have to
740 reach the \$1,000 deductible before they start contributing to their maximum out of pocket expense. He
741 stated that means the maximum out of pocket expense is actually \$5,000. He stated that in a high
742 deductible health plan the deductible is included in the out of pocket maximum. He stated the other
743 difference is that in a traditional plan the out of pocket maximum is \$4,000 per family member, but under
744 the high deductible health plan the \$6,000 is the maximum out of pocket that will be paid for the whole
745 family. He stated that is a huge difference. He then noted the other big difference is that the employee
746 will pay a different amount for office visits; on the traditional plan the employee pays \$25 for an office
747 visit, but with the high deductible plan the employee will pay the full amount until the deductible is met
748 and then 20 percent of the actual cost after that. He stated the idea behind this is to make people put more
749 thought into how they will spend the money in their HSA.

750
751 Council Member Bailey stated he has had this type of plan for a couple of years and the full price the
752 employee pays is not the full price; there is a price the doctor bills the insurance company and the
753 insurance company then determines the allowable cost for that. He stated he typically pays about \$100
754 for an office visit.

755
756 Mr. Chandler stated there is a big focus on medicine. He stated that people on a traditional plan typically
757 do not know how much they are spending on medicine. He stated his experience has been that the
758 amounts that hit people the hardest are the medicine costs rather than the doctor visit costs. He stated that
759 patients will pay full price for all medicine until they reach their deductible. He stated that the City asked
760 Regence if there is something that can be done to create an incentive to move to the high deductible plan
761 and they have included a waiver for certain types of medications. He stated he has sent that list to the
762 employees and asked them to consult with their doctors; if their medicines are on the list their expenses

763 for medications would basically not change. He then stated that the proposal that he is making relative to
764 the HSA is actually a declining one over the next three years; the purpose is to try to help employees
765 initially build up their HSA in hopes that everyone will contribute to it and they will have a sufficient
766 amount of money after a couple of years. He stated that for a single employee he would propose
767 contributing \$400 in year one and that would decrease to \$200 by year three. He stated that for a family
768 plan the contribution would start at \$1,000 decreasing to \$500 by year three.

769
770 Council Member Bigler asked for a definition of employee and children. Mr. Chandler stated that is an
771 employee with no spouse and only children on the plan.

772
773 Councilmember Taylor asked if this same plan would apply to new employees as well. Mr. Chandler
774 answered yes and stated that they would be on the same three year plan. He then stated there is a savings
775 based on the numbers that the City received from Regence last year. He stated that if 100 percent of the
776 employees chose to go on the high deductible health plan, the total savings to the City would be \$66,800
777 and of that savings \$11,300 would be contributed to the employees' HSAs. He stated that the savings
778 would increase in years two and three as the HSA contributions decrease. He stated that is assuming the
779 monthly premiums would stay the same. He stated that if 50 percent of the employees chose the high
780 deductible health plan, the City would realize a total savings of \$32,500 and employees would be paying
781 more because they would be paying the extra five percent for their insurance.

782
783 Council Member Bigler asked if the employees on the traditional plan will be paying more and the plan
784 will also cost the City more money. Mr. Chandler stated the employees will be paying more and the
785 savings realized by the City will be less. He stated he would like 100 percent of the employees to
786 transition to the new plan, but there are legitimate reasons why someone would not move to a high
787 deductible plan.

788
789 Council Member Fawson asked how this information will impact the numbers provided to the Council
790 earlier regarding how much the City pays for insurance for every dollar paid in salary. Mr. Chandler
791 stated he has not done that projection yet.

792
793 Council Member Bigler asked if all the employees have been notified of these options. Mr. Chandler
794 answered yes. Council Member Bigler asked how they feel about it and the potential percentage of
795 employees that will transition to the new plan. Mr. Chandler stated he does not have a good feel for that
796 yet. He stated he has told the employees that they need to study the plans for themselves and talk to their
797 doctors about the medicines. He stated the best way to gauge how the employees feel about the potential
798 change would be to ask the Department Heads.

799
800 Mr. Blanchard stated that his employees are not sure about the plans. He stated that testimonials to the
801 employees regarding the pros and cons of the new type of plan would be most helpful. He stated it is a
802 scary situation for them, especially for the employees with young families.

803
804 Council Member Bailey stated the high deductible plan really changes the way users consume medical
805 benefits dramatically. He stated that everything is measured and there is a cost benefit analysis every
806 time someone in his family gets sick. He stated that when he first moved to this type of plan he would
807 ask his doctors how much their recommended course of treatment was going to cost and no one could
808 answer those questions. He stated that has changed over the last year and the information is getting better
809 and more available. He stated he would love to be on the old plan still, but those plans fuel the rapid
810 increase of health care costs and that is unsustainable. He stated that his family has become savvy
811 consumers and they even increased their deductible this year.

812

813 Council Member Fawson stated that he does not know of any employers in the private sector that have not
814 switched to this type of plan or at least made it available to their employees over the last couple of years.
815 He stated that he heard an analogy about implementing health care as part of benefits and if they had
816 provided coverage of food instead, the consumers would walk into the grocery stores without looking at
817 the price of food. He stated this brings people back to reality by putting prices on things. He stated he
818 thinks the biggest impact that employees have had to consider is pharmaceutical costs; the employees that
819 have higher pharmaceutical costs are hardest hit by this type of plan. Council Member Bigler stated that
820 is why the employees will have a choice and it may be a good decision for some employees to stay on the
821 traditional plan.

822
823 Ms. Staheli stated that one of the biggest concerns in her department is maternity; cases when an
824 employee is going to have a child and the initial contribution put into the HSA by the City and the
825 employee is very low when compared to hospital bills for having a child. She stated that there is also the
826 fact that employees on a high deductible health care plan cannot be double covered. She stated that on the
827 traditional plan double coverage is allowed. She stated she had a question about the amount of money the
828 City would contribute into the HSA. She stated the insurance company divides the deductible by single
829 and by family, but they do not specify what a family is. She stated that this presentation divides
830 employee, employee and spouse, and employee and family and puts different contributions into the
831 employees account based on their type of family. She stated she would like someone to explain it to her;
832 if the City is paying lower premiums on less people, like an employee and a spouse versus an employee
833 and their family, why would the City not contribute the same amount into the HSA when they pay the
834 same deductible and out of pocket maximum. Mr. Chandler stated there are four different rates and he
835 identified the four categories. He stated the cheapest category is about \$375 per month and the most
836 expensive is about \$1,200 per month. He stated that an employee and spouse is \$824 per month and an
837 employee plus children is \$787 per month. He stated that he does not have a good reason why those are
838 the numbers other than they seem to be something that is fair and still provide reasonable savings to the
839 City. Ms. Spendlove stated that in reality the single employee is getting \$400 while an employee and
840 spouse only get \$350 each. She stated that an employee plus children gets a certain amount and the
841 amount per person will depend on how many children there are. She stated that is how the insurance
842 industry figures the amount.

843
844 Council Member Bigler asked if Ms. Staheli is asking about the amount per employee. Ms. Staheli
845 answered yes. Council Member Bigler stated that an employee and a spouse will get less of a benefit
846 from the employer than someone with 10 children. Ms. Staheli stated that is correct and they still have to
847 meet the same deductible and same out of pocket maximum as an employee. Ms. Spendlove stated that
848 the premium on a single person is less than the premium on a family. Ms. Staheli stated she is not talking
849 about a single person; she is talking about an employee and spouse compared to an employee and
850 children.

851
852 Council Member Bailey stated that basically the savings are based on the premium and have nothing to do
853 with the deductible. Mr. Chandler stated that is an accurate representation. Council Member Bigler
854 asked if an employee with a family is paying a higher premium each month compared to an employee
855 with a spouse. Mr. Chandler answered yes; an employee with a family would pay \$116 per month while
856 an employee with children would pay \$78 per month. He stated this is only for the health insurance and
857 does not include dental benefits. He stated that an employee plus spouse is paying \$82 per month and a
858 single employee pays \$37 per month. Ms. Staheli stated she understands the employee pays a lower
859 premium for them and their spouse or children versus a family, but she asked if the City is also paying
860 less for those plans. Ms. Spendlove answered yes. Mr. Chandler stated the City pays \$338 per month for
861 a single employee, \$742 for an employee plus spouse, \$708 for an employee plus children, and \$1,049 for
862 a family. Ms. Staheli stated that each of the employees in those different categories must meet the same
863 deductible and same out of pocket maximum. Mr. Chandler stated that is true based on the information

864 provided by Regence. He added that they do not make a distinction in the number of members in a
865 family. He stated the \$6,000 applies to all categories other than the single person category. Ms. Staheli
866 stated this is simply a concern that was raised in her department; it seems as if the plan is biased based on
867 the type of family an employee chooses to have. Ms. Spendlove stated that Ms. Staheli is talking about
868 the amount the City is contributing on the employee's behalf. Council Member Bigler agreed and stated
869 that it could be interpreted that some employees are making more money based on the size of family they
870 have. Ms. Spendlove stated that the same thing could also be said for employees that do not take the
871 City's insurance. Ms. Staheli stated that is true, but that is a choice those employees make. Ms.
872 Spendlove stated everyone makes their choices.

873
874 Council Member Bailey asked how the benefit schedule is different for a high deductible plan that for a
875 traditional plan. Ms. Spendlove stated it is not different. Council Member Bailey stated that it seems
876 there is a tiered schedule. Ms. Staheli agreed, but stated that the tiers separates what is being paid for a
877 single employee versus an employee with a family, but all different families must meet the same
878 deductible while the City is putting forward different amounts for those employees. She stated that is her
879 concern. Council Member Bailey stated that it seems the amounts the City is proposing to contributed to
880 a HSA is just a ratio of the premium being paid. Mr. Chandler stated that is correct. Council Member
881 Bailey stated it seems to him that the City is impacted mathematically at the same point. Ms. Staheli
882 stated that her argument is that there are different types of families. Ms. Spendlove stated that she
883 understands what Ms. Staheli is saying, but the deductibles will never be changed because they are
884 dictated by the insurance company. She stated that Ms. Staheli feels the amount the City is contributing
885 is not fair because a single employee is one person while a family is at least three people including a
886 husband, wife, and child. Council Member Bigler stated he understood Ms. Staheli to be saying that each
887 employee should be getting the same dollar amount from the City for their benefits. Ms. Staheli stated
888 that is correct, regardless of their family status.

889
890 Council Member Bigler then referred to the dollar amounts that Mr. Chandler reviewed in his presentation
891 and stated he wanted to note that the amounts the employees are paying are a great deal; he could only
892 dream of paying that amount for insurance. He stated he pays 50 percent for most medical services and
893 70 percent for hospital stays. He added that he pays more than double the amount an employee is paying
894 for their insurance. Council Member Fawson stated that the employee compensation committee has
895 confirmed that the City's benefits are good.

896
897 Mr. Chandler stated that the Council can consider this information along with the report they will get in
898 February and move forward with a decision. He stated the City is facing some deadlines; the contract will
899 be submitted for bid at the end of March or first of April and a decision must be made by the end of April.
900 He stated that will give employees about six weeks to make a determination regarding whether they
901 would stay on the traditional plan or move to the high deductible plan. He stated that the plan will be
902 implemented July 1. Council Member Bailey asked if the dollar amounts associated with the plan could
903 change. Mr. Chandler answered yes and stated that the numbers were provided by Regence last year and
904 there is a possibility that they will be higher this year. Ms. Spendlove stated that staff talked about this
905 last July and the City asked Regence for the information because administration was thinking of possibly
906 starting the new plan in January. She stated that did not happen because it would be too big of an impact
907 on the employees and we wanted to give the employees more time to become familiar with the plan and
908 the situation.

909
910 Council Member Fawson asked if the City has typically renewed benefits in January. Ms. Spendlove
911 answered no and stated that benefits always renew in July in conjunction with the start of a new fiscal
912 year. She stated that Regence was willing to give the City the option to transition to a high deductible
913 plan January 1 this year.

914

915 Council Member Bailey stated that Ms. Staheli raised the point that employees cannot be double covered
916 on a high deductible plan. Ms. Spendlove stated that is correct. Council Member Bailey asked if that is a
917 federal law. Council Member Fawson asked if employees can have supplemental insurance, such as
918 Aflac. Mr. Chandler answered yes, but noted employees cannot have two HSAs. Ms. Spendlove stated
919 the affordable care act prohibits double coverage when an employee has an HSA. She stated that an
920 employee can have an HSA and be covered on their spouse's traditional plan, but one employee cannot be
921 double covered by two HSAs.

922
923 Mr. Chandler then stated the administration has considered a number of other things related to benefits,
924 but they are not recommending any of them at this point. He stated they have considered a wellness
925 program, but one reason he is not recommending it is that insurance companies have a threshold of 100
926 employees and insurance increases are based upon the experience of those 100 employees. He stated the
927 City does not have 100 employees, so they are combined in a pool and it is the experience of that entire
928 pool that dictates increases or decreases in costs. He stated he cannot find out who else is in the pool; the
929 insurance provider will not tell him. He stated that it is not just the City's employees that are considered
930 when the City is seeking prices for service. He stated he is somewhat frustrated by that. He noted
931 wellness programs are geared to get people to live healthier lifestyles, which would reduce usage, but if
932 the City is aggressive in pushing a wellness program while others in the pool are not, that type of program
933 may not have an impact on costs. He stated that if the City chose to do a wellness program it would be a
934 voluntary type of program. Ms. Spendlove stated the City had a wellness program a couple of years ago
935 and employees could earn incentives for participating in certain programs; that does help with claims
936 costs even though the City is part of a larger pool. Mr. Chandler stated he is talking about a wellness
937 program that is much more aggressive. He stated he is familiar with programs whereby employees would
938 have health assessments and if they are meeting certain goals or levels they are assigned a coach to help
939 them make lifestyle changes.

940
941 Council Member Bigler stated that it may be possible to use the money the City will save by moving to a
942 high deductible plan for salary increases for employees. He stated that would help offset the increases the
943 employees will experience. He stated that he chooses a higher deductible plan through his employment
944 and he takes the money he saves by doing that and puts it into a savings account. He stated that money is
945 available to use if it is needed for medical purposes, but if he does not use it he is comforted by knowing
946 that he did not give it to the insurance company. He stated that employees could do that same thing. He
947 stated there has been a discussion about the new plan, but there has not been a discussion about using the
948 savings generated by that plan to cover salary increases. He stated that it may be possible to benefit the
949 employees if the entire package is considered together.

950
951 Council Member Bailey stated that the other thing that needs to be factored in is that the City will not be
952 faced with a double digit increase for benefits cost moving forward. Council Member Bigler agreed; it is
953 possible to control salaries easier than medical costs because medical costs are always on the rise. Mr.
954 Chandler stated that he has found throughout his career that health insurance has been the most frustrating
955 issue to deal with and it is something he cannot control. He stated that one of the reasons he likes a high
956 deductible plan is that it puts the market back into the plan and puts more responsibility on the users of
957 the services.

958
959 Council Member Bigler stated that if current and future employees realize that their salary is being
960 increased to offset some of the costs associated with a high deductible plan so even if their benefit
961 package is the same they may end having more take home pay.

962
963 Chief Afuvai then stated the mood in his department is similar to those that have been mentioned by other
964 department heads this morning. He stated that most of his employees are young with young families and
965 they are concerned about their families. He stated that many of his employees have looked at South

966 Ogden that has a similar plan and the information they have gathered is negative because it is not working
967 for them and it is too much money. He stated his employees are concerned, not knowing where their
968 salaries are going to be, because they are not seeing the whole picture. He stated they are already seeing
969 expenses going up which will take away from the little salary they already have and they cannot see what
970 is going to happen in the long run as a result of the recommendations from the employee compensation
971 committee.

972
973 Council Member Bigler asked if South Ogden contributes to a HSA for their employees. Mr. Chandler
974 stated their contributions start at \$300 and he is not sure if they are contributing anything any longer.
975

976 Mr. Chandler then asked Ms. Spendlove if it is necessary to wait to submit a bid for the service until
977 April. Ms. Spendlove stated the bidding will begin at the end of March. Mr. Chandler stated the Council
978 will get final information from the employee compensation committee in and it would be nice to have
979 those bids as early as possible so the Council can consider all factors at the same time. Ms. Spendlove
980 stated she will try to see if that can happen earlier, but the vendors only guarantee their bids for a certain
981 amount of time which typically is 90 days, but she will ask and let them know.
982

983 Chief Afuvai asked if it is too late to have another meeting for Mr. Chandler to explain the proposal to all
984 employees. Mr. Chandler stated he will come to individual departments, but he will not put all the
985 employees together again.
986

987 Council Member Taylor stated that he feels there is a lot of wisdom in looking at the options and a lot of
988 other government agencies are transitioning to these types of plans. He stated that he thinks the proposal
989 is very balanced to try to make the new plan fair to employees. He stated the concerns he can see include
990 the initial penalty to the employees that do not switch to a new plan because they will see five percent
991 higher premiums, which would likely equate to two to three percent of their total salary. He stated that is
992 where compensation would need to be considered as well. He stated the other thing he would like to see
993 is the detailed breakdown of the savings for the City compared to the costs incurred by the City for the
994 traditional plan. He stated he would like to be able to compare individual numbers. Mr. Chandler asked
995 Council Member Taylor if he was asking for data based on individual employees or the total the City
996 pays. He stated he can give the total amount, but one difficulty with doing that is that the numbers will
997 change because the City will be getting new bids. Council Member Taylor stated he wants to see the cost
998 to the City and to an employee for an average employee on the high deductible plan. He stated he also
999 wants to see the same figures for an average employee on the traditional plan. Mr. Chandler stated that he
1000 has those numbers for medical insurance. He stated that under the City's current plan the total monthly
1001 premium for a single employee is \$375.60; the City pays \$338.40 and the employee pays \$37.56. He
1002 stated that for an employee and a spouse the total monthly premium is \$824.60; the City pays \$742.12
1003 and the employee pays \$82.46. He stated that for an employee and children the total monthly premium is
1004 \$787.50; the City pays \$708.75 and the employee pays \$78.75. He stated that for a family the total
1005 monthly premium is \$1,164.40; the City pays \$1,047.96 and the employee pays \$116.44. He stated that
1006 for the high deductible plan the total monthly premium for a single employee would be \$309.70; for an
1007 employee and spouse the total monthly premium would be \$679.90; for an employee and children the
1008 total monthly premium would be \$649.30; and for a family the total monthly premium would be \$960.
1009 He stated that if an employee with a family transitions to the high deductible plan, the employee would
1010 pay \$96 so they would see a \$20 monthly saving or \$240 annually. He stated that in addition to those
1011 savings, the City would contribute \$1,000 into the employees HSA so they will have \$1,240 more than in
1012 a year than they have now. He stated that an employee that stays with the traditional plan will see a five
1013 percent increase in the amount they are paying now; they will pay \$174.60 per month. He stated that will
1014 be an extra \$58.20 per month or \$698 extra per year. Ms. Spendlove stated these numbers are assuming
1015 that the rates will stay the same.
1016

1017 Council Member Bigler asked Mr. Chandler to provide the data he just reviewed to the Council in print.
1018 Mr. Chandler answered yes.

1019
1020 Mayor Harris stated that the employees will still have a decision to make; they will still have options. He
1021 stated he would assume that those employees with high pharmaceutical costs will likely opt to stay with
1022 the traditional program. Council Member Bigler stated that for someone to choose to stay with the
1023 traditional plan the deductible would need to be higher than the two numbers Mr. Chandler referenced
1024 combined. He stated someone would have to have serious chronic medical problems to agree to pay that
1025 difference.

1026
1027 Mr. Chandler stated that he implemented a high deductible plan in Cedar City and knowing what he
1028 knows now he would have done it differently. He stated that in Cedar City the employees did not have a
1029 choice to move to the high deductible plan; he likes giving the employees a choice and he likes that there
1030 is an incentive for people to move to the high deductible plan. He stated if there is no incentive built into
1031 the program, there is no reason to offer it. He stated that the City will realize some savings, but he built in
1032 the incentive in order to get those savings.

1033
1034 Council Member Bailey stated that it may be that the City is not as interested in finding savings as it is in
1035 mitigating the potential increases in costs. He added that he agrees with passing the savings on to the
1036 employees in the form of salary increases. He stated that will help them make the switch to the new plan
1037 while giving the City a way to control the cost increase.

1038
1039 Mr. Chandler stated that he has found in talking to the employees that much of their view point is a result
1040 of how they are looking at the plan. He stated that some employees will stay with the traditional plan no
1041 matter what. He stated that some will say that the traditional plan will now cost them nearly \$700 more
1042 per year. He stated he has explained that if there are options and if they switch to the new plan they will
1043 actually be \$1,200 ahead. He stated that it really depends on perception. He noted there are legitimate
1044 reasons to stay on the traditional plan. He stated that if someone is going to have a planned surgery that
1045 will cost more than the deductible, it would be better to stay with the lower deductible plan. He stated
1046 employees will need to take a look at their own individual circumstances to determine what option is best
1047 for them. Council Member Bigler stated that if an employee has a family member with long term chronic
1048 medical issues, it would make the best sense to stay with the traditional plan, but if there are not chronic
1049 issues it would make the best sense for a disciplined employee to move to the high deductible plan.

1050
1051 Council Member Bailey stated that it would be wise to create a spreadsheet identifying all of the financial
1052 data so that employees can make an informed decision based on what they think their health costs will be
1053 for the next 12 months.

1054
1055 Mr. Chandler stated there are two things that he has told the employees and that is that this is not unique
1056 and it is not an original idea that came from North Ogden. He stated it is actually a trend in the market.

1057
1058 Council Member Bigler asked if there is a type of doctor appointment for people that are going to have a
1059 child. He asked if there is any benefit that is calculated a little different for maternity. Mr. Chandler
1060 stated he is not aware of anything like that, but he can ask and find out.

1061
1062 Councilmember Taylor stated that he is trying to look at this issue from the employees' perspective. He
1063 stated he has heard a lot of the discussion about the benefits of the new plan, but it is important to
1064 remember that the \$1,200 additional money the employee would receive once they move to the plan
1065 would only be for the first year and in the years after that the employees will not get that much money in
1066 their HSAs. He added that employees will be paying more towards a deductible with the high deductible
1067 plan. He stated that it is a big balance and he does not think it is easy to say that it is the best option in

1068 most cases. He stated that he is aware of some organizations that provide matching contributions to
1069 HSAs for employees and he asked if that is happening in other cities on an ongoing basis. Mr. Chandler
1070 stated that in Cedar City he implemented something that he thought was a mistake; they only offered one
1071 plan and they wanted to make the employees whole on their deductible. He stated that they contributed
1072 \$2,500 into HSAs so the employees would not notice the difference in deductibles. He stated that this
1073 will not be possible in North Ogden because the savings is not large enough, but he did it in Cedar City
1074 and it was a mistake because the next year the city saw insurance rates increase by 22 percent. He stated
1075 that caused the management to cut contributions by 60 percent and they did not get a pay raise. He stated
1076 that the employees basically experienced a \$1,500 pay cut because they only had one insurance option
1077 and the HSA contributions were not as much. He stated that he likes the options that the City's
1078 employees in North Ogden will be able to choose between. Council Member Taylor stated that he thinks
1079 that the City may see potential savings that are greater than what is being projected. Mr. Chandler stated
1080 that may be the case, but he has ultimately looked at what is fair and what the City can afford. He stated
1081 that the City must realize some savings so there is a benefit to the City and the employees.

1082
1083 Council Member Bigler asked if it would cost the City more to offer different options; if they are saving a
1084 certain amount of money a month to move to different plans they may consider those different options.
1085 Mr. Chandler stated he has not looked at the numbers for those different options. Council Member Bigler
1086 then stated he wanted to ask another question about maternity; he stated that when he was in the phase of
1087 life when he was having children, that was his biggest medical concern and cost. He stated that some
1088 insurance providers offer a better rate to encourage mothers to go to the doctor for wellness checks. He
1089 asked the administration to see if there is some kind of maternity rider that could be attached to the
1090 insurance policy. He stated that some of them do it to encourage mothers to go to the doctor to avoid
1091 costly complications. Ms. Spendlove stated that the insurance will allow for annual wellness visits and
1092 for those visits there are no copays. She stated the same is true for pregnant women and they are allowed
1093 a set number of doctors' visits with no copays throughout the course of their pregnancy.

1094
1095 Council Member Fawson stated that the employees will have the option of taking their savings and
1096 purchase additional supplemental insurance.

1097
1098 Ms. Staheli clarified that an employee with a family would receive a benefit of \$1,240 for moving to the
1099 high deductible plan. Mr. Chandler stated that is correct. Ms. Staheli stated that an employee with
1100 children would get a benefit of \$868. Mr. Chandler stated that is correct and he added that a single
1101 employee will receive a benefit of \$484. She stated the City is paying more for people to join the plan if
1102 they have a family than if they are just an employee and children or just an employee and their spouse.
1103 She asked the reason for that. Mr. Chandler stated that is the information the insurance company
1104 provided the City. Ms. Staheli stated that the insurance company does not decide what the City will
1105 contribute to the HSA. Mr. Chandler stated that is true. Ms. Staheli stated that if the City contributed
1106 \$1,000 to the HSA for each type of employee, the benefit amounts would be much more similar. Mr.
1107 Chandler stated that contributions are based on the assumption that two people will not go to the doctor as
1108 much as three, four, or five people. Ms. Staheli stated that they still have to meet the same deductible.
1109 Mr. Chandler then stated there is another option he has considered and that is using some of the savings to
1110 pay employees to opt-out of the City's insurance plan if they are covered on someone else's insurance.
1111 He stated he has backed off of that because there are enough employees that are already doing that and
1112 the City would ultimately end up paying more than what will be saved by moving to the different plan.

1113
1114 Council Member Taylor asked if there is an option to pooling with other cities that are similar in size to
1115 the City. Mr. Chandler stated that he has approached the insurance broker about doing that and they told
1116 him that is prohibited by law. Council Member Bailey confirmed that and noted the insurance companies
1117 have succeeded in getting a law passed through the legislature that expressly prohibits pooling for the

1118 reason that it gives them more control over the market place. He stated that it would be good to approach
1119 the legislature and see if they would consider exclusion for municipalities.

1120

1121 Mr. Chandler then stated that staff will proceed forward with soliciting bids for the high deductible
1122 insurance plan and when the information is provided by the employee compensation committee all
1123 information can be compiled for further review and discussion.

1124

1125 Council Member Bigler stated that there is an idea to consider insurance policies that would provide
1126 different coverage amounts whereby an employee could select plans that cover 50, 60, 70, 80, or 90
1127 percent of allowed costs. He stated the cost for each policy would be different and employees could
1128 choose based on how much they want to pay. He stated that the City could give all employees the same
1129 medical amount for all employees whether they have a family or whether they are single; they could
1130 consider plan options and how much it would cost them. Mr. Chandler stated he knows some companies
1131 or cities that have done that, but he has not put together that data for further consideration. Council
1132 Member Bigler stated that would even the playing field for employees. Mr. Barker stated that Weber
1133 County did that when he was employed there. Ms. Spendlove stated that Ogden City also does something
1134 similar. Mr. Chandler asked if all employees would be given the family amount or would they be given
1135 the same amount as is currently given to a single employee. Council Member Fawson stated that there
1136 needs to be an incentive for everyone. Council Member Bigler stated that he would first consider the
1137 different benefit levels; there would be a huge cost between plans that cover 70 percent and 90 percent.
1138 Ms. Spendlove stated that staff has looked into that in the past and it was too costly, but things may have
1139 changed and they can look into those types of options to see if it would be beneficial for the City. She
1140 asked about the employees that do not have insurance; would they be given money in order to make it
1141 fair. Council Member Bigler answered yes. He stated that there would be a set amount for each
1142 employee and they could do whatever they want with the money.

1143

1144 Council Member Taylor stated he thinks every idea should be explored, but it is important to compare it
1145 to other cities. He stated that he thinks that most employees have a family or children and the modern
1146 insurance is based on family coverage. He stated a greater portion is paid for people with a family
1147 whether that is fair or not. He stated that if the City changes that so this is a unique place to work, that
1148 could potentially have an impact on employees as well. He stated he would want to look at all sides and
1149 potential impacts.

1150

1151 Council Member Bailey stated that larger employers can go into the market and request more flexibility
1152 than a smaller employer like North Ogden City. Council Member Bigler stated that is why his first
1153 question was whether it would cost more to offer those types of options. Mayor Harris stated that Council
1154 Member Taylor made a good point that there have been a lot of ideas discussed and all of them should be
1155 looked into. Council Member Taylor added that he would like to approach the Utah League of Cities and
1156 Towns (ULCT) to see if they will consider pushing legislation that would allow municipalities to bond
1157 together. Mayor Harris stated there is a legislative policy committee meeting next Monday and that issue
1158 can be raised. Council Member Bailey stated that it was a topic of discussion a few years ago and the
1159 insurance companies have a very strong lobby.

1160

1161 The Council took a break for lunch at 11:42 a.m.

1162

1163 The meeting reconvened at 12:23 p.m.

1164

1165

1166 **6. CAPITAL PROJECTS.**

1167

1168 Mr. Chandler then stated that he wanted to talk about the City's parks and how they are maintained. He
1169 stated that he thinks everyone is aware that he has been looking at the possibility of contracting for park
1170 maintenance services. He stated he is at the point where he is ready to send out a request for proposals
1171 (RFP) for such a contract. He stated that he has looked at all the duties the City does in the parks and
1172 split them into two categories: those that he would consider contracting and those that he would keep in
1173 house. He reviewed a document included in the retreat packet and noted the biggest service that would be
1174 included in the contract is lawn care. He stated the City has about 67 acres of property to maintain. He
1175 stated the contract would include mowing of parks, grass pick-up, trimming and edging, blowing,
1176 fertilization, aeration, spraying for weeds/insects, leaf and tree limb removal, small sod restoration, and
1177 daily trash pick-up. He stated that the one service related to lawn care that would be kept in-house would
1178 be irrigation. He stated the RFP says that any line four inches or larger in size would be the responsibility
1179 of the City and any line smaller than four inches would be the responsibility of the contractor. He stated
1180 that almost all of the irrigation lines in the City are four inches or over.

1181
1182 Council Member Fawson asked what if the contractor breaks a sprinkler head. Mr. Chandler stated the
1183 contractor would repair the sprinkler head notify the City who would repair it and then charge the
1184 contractor. He then stated snow removal is the next service that would be covered by a contract and it
1185 would include all parks sidewalks, parks parking lots, city offices, senior center, police department,
1186 community services department, and the sidewalk and a portion of the parking lot at the aquatic center.
1187 He stated that the contract would also include daily cleaning of the restrooms at the parks, but not the
1188 opening and closing of the restrooms; the reason for that is that the contractors that have expressed an
1189 interest will not stay in the City all five days of the week because they have other jobs. He stated that it
1190 currently takes at least three days to do weekly maintenance in the parks and so staff will handle the
1191 opening and closing of the restrooms as well as all other maintenance of the restrooms listed in the staff
1192 report document. He then referred to the services related to athletic playing fields and stated the
1193 contractor would do sod restoration; for bowerys and athletic venues the contractor will maintain and
1194 clean the facilities; for playgrounds the contractor will maintain and refresh the wood chips at the
1195 facilities; for trees the contractor will be responsible to trim and prune the trees, apply fertilizer and
1196 pesticides, plant and maintain flowers, trim bushes, and weed. He stated that relative to the athletic
1197 playing fields the City will handle spring maintenance, prepping infields for play, maintain the infield,
1198 maintain the batter's box and pitcher's mound, and maintain the screens and backstops. He noted that for
1199 the bowerys and athletic venues the City will prep the facilities for rental; for the playgrounds the City
1200 will handle the major repairs; for trees the City will handle tree plantings; and all special events will stay
1201 in-house. He then stated that he has calculated how much of the parks budget would go towards
1202 maintenance. He stated there are some things in the parks budget that will not change. He noted that Ms.
1203 Staheli's salary is divided between the aquatic center, parks, recreation, and administration. He stated
1204 that her position will not be eliminated as a result of this plan so her salary will remain. He stated the
1205 contract price must be under a certain number in order for a contract to be feasible. He stated the only
1206 four people that will be privy to that number are Mr. Steele, Ms. Staheli, Mayor Harris, and himself,
1207 because he does not want that number made available to give anyone a competitive advantage when
1208 bidding. He reiterated he is ready to publish the RFP and he wanted to hear the Council's feelings about
1209 it today. He stated that the RFP would be published in February and the contract could be negotiated and
1210 presented to the Council in March. He stated if that timeline works out the contractor would start work in
1211 April. He stated that the Council needs to be aware that the City's personnel policy manual includes a
1212 severance package and it pays an employee one month's salary for every year they have worked for the
1213 City. He stated that policy has been in effect for many years. He stated that the amount of money the
1214 City could be required to pay is significant; it could be as much as \$160,000 depending on the number of
1215 employees that will no longer be needed. He stated that those costs will be figured into the costs of the
1216 contract to determine if it is still feasible to move forward. He stated he ultimately thinks the City's
1217 severance policy needs to change; he thinks severance packages are good, but the City's is overly

1218 generous. He stated he feels the City will need to honor the severance policy in this instance and change
1219 it at a later date.

1220
1221 Council Member Bigler asked about the severance package; he when hiring for a few positions recently
1222 the Council was told that the severance associated with those positions was six months' salary and he
1223 asked when it changed to be one month per year worked at the City. Mr. Chandler stated that he and Mr.
1224 Steele are exempt employees that work according to a contract. He stated the policy he referenced applies
1225 to all non-exempt employees. He stated that if the City reduces its force it will be required to pay one
1226 month salary for every year those employees worked. He stated that there are employees that have
1227 worked for the City for more than two decades. He then noted that if the RFP is successful he would seek
1228 to execute a three year contract with the option to extend to up to five years. He stated that although the
1229 payout would be all at once, the price can be amortized over the five years. He stated the amount the City
1230 would need to payout for severance is significant.

1231
1232 Council Member Bigler asked if the severance policy can be changed. He stated that he wants to know
1233 who put the policy in place and when it was put in place. Mr. Chandler stated that he thinks the policy
1234 should be changed, but it should not be changed right now. He stated he does not know when the policy
1235 was put in place, but it has been in effect as long as he has been able to find. Ms. Spendlove stated that it
1236 has been in the policy manual since prior to 2001 and she cannot find when it was first adopted. Council
1237 Member Bigler asked if the City can look more to find when it was adopted. Ms. Spendlove stated she
1238 has not been able to find a record of when it was added to the manual. Mr. Chandler stated that staff can
1239 check again. Council Member Bigler stated that the reason he is asking is that if there are employees that
1240 have worked for the City for more than two decades the severance would need to be honored, but only up
1241 until the point that the policy was adopted. He stated that if the policy was not in place two decades ago
1242 the City would not need to pay severance for those entire two decades. Mr. Chandler stated that he has
1243 talked to the City Attorney about this issue and he agreed that what the City is considering doing is a
1244 reduction in force.

1245
1246 Council Member Bigler asked if the Council can be given an idea of what the reduction in force that will
1247 generate that type of fiscal impact. Mr. Chandler stated he would rather provide that information
1248 privately rather than in a public meeting.

1249
1250 Council Member Bigler asked how many employees this is estimated to affect. Mr. Chandler stated he is
1251 happy to give the Council that information privately, but not in a public meeting.

1252
1253 Council Member Bailey stated that he would like to change the severance policy so that it applies to new
1254 hires from this point forward. Mr. Chandler agreed that would be appropriate.

1255
1256 Council Member Taylor asked at what point the City could cancel the contract for park maintenance
1257 services. He also asked how long the City will hold onto its equipment to resume park maintenance
1258 services in-house in the event that the contract is not successful. Mr. Chandler stated that there will be a
1259 section of the contract regarding termination for cause and that section will include standards that the
1260 contractor must meet. He then stated that he does not plan on selling the equipment in the foreseeable
1261 future so that if the contract does not work the City will not have the expense of repurchasing all of that
1262 equipment.

1263
1264 Council Member Bailey asked if the amount generated by the sale of the equipment would be enough to
1265 offset the severance costs for the employees. Mr. Chandler stated that he does not think so. Council
1266 Member Bigler stated it would be wise to keep the equipment for a while.

1267

1268 Mr. Chandler then stated that maintenance of the contract will fall under the Community Services
1269 Director of her designee. He stated that he has met with the employees and they are familiar with what he
1270 is considering doing. He stated they are familiar with the kind of documentation necessary when
1271 monitoring contracts and they will keep appropriate documentation that would warrant the termination of
1272 the contract if necessary.

1273
1274 Council Member Bigler asked for information on the timeline again. Mr. Chandler stated that the RFP
1275 will be published in February and there will be a pre-bid meeting in which each interested contractor will
1276 visit all locations to become familiar with what they will be doing. He stated there will be a map included
1277 in the RFP document as well. He stated the pre-bid meeting will be held two weeks before the bids will
1278 be due.

1279
1280 Council Member Bigler asked if the City is currently doing mowing on a weekly basis. Mr. Chandler
1281 answered yes and stated that sometimes mowing is done twice a week depending on events being held at
1282 the parks. He stated the contractor will be required to work with Ms. Staheli to ensure that they do not
1283 interfere with any activities taking place at the parks.

1284
1285 Council Member Taylor inquired as to the downstream effects to other departments. He asked if there
1286 will be reductions in other departments as well. Mr. Chandler stated there are two proposals in the
1287 budget; he is proposing keeping part of the temporary employee budget. He stated that temporary
1288 employees are usually hired on a short term basis, but this would change so that the City has the ability to
1289 hire an employee for a couple of weeks at a time to assist in special events. He stated the area he found
1290 that would affect Mr. Blanchard's department is in the on-call budget. He stated that with the reduction in
1291 force of parks employees the on-call capability will be eliminated so the City would rely on Mr.
1292 Blanchard's crews for that purpose. He stated there are currently typically two or three people on call and
1293 it will be necessary to put the remaining employees in that rotation. Council Member Fawson stated that
1294 may actually help balance the summer and winter hours worked by Mr. Blanchard's crews. Mr. Chandler
1295 stated that is a possibility, but it would be easier for Mr. Blanchard's crews to respond to a parks call than
1296 it would be for a parks employee to respond to a public works call; the parks crew is not trained to deal
1297 with issues related to water and sewer.

1298
1299 Council Member Taylor asked how much time is spent working on pieces of grounds equipment. He
1300 asked if that reduction will affect the maintenance division of the public works department. Mr.
1301 Blanchard stated that it will not affect his workload; they do maintenance once a year early in the spring
1302 so they will only be impacted one time during the year. He stated that one mechanic handles the small
1303 things like parks equipment maintenance.

1304
1305 Council Member Bigler stated the public works facility committee asked for a list of all equipment and it
1306 included things like lawn mowers, etc. and he asked if that was just for storage purpose and not
1307 maintenance throughout the year. Mr. Blanchard stated there is very little maintenance. Mayor Harris
1308 stated the number of vehicles will not change because they will still be needed for various types of
1309 activities.

1310
1311 Mr. Chandler then stated that he has been very impressed with Ms. Staheli's staff. He stated he has talked
1312 to them about this issue and they have worked with him on developing the contract. He stated he has not
1313 told any of them what size of staff there will be after the contract is executed, but they have been
1314 amazing.

1315
1316 Council Member Taylor stated that he is supportive of soliciting bids, but he would like to hear
1317 testimonials from other cities who have gone this route and whether they have liked it or not. Mr.
1318 Chandler stated this has been done in three cities: Ogden hated it, Washington Terrace loves it, and Cedar

1319 Hills loves it. He stated that in the case of Ogden he has tried to find out why they hated it and his own
1320 conclusion is that it is a combination of not a very good contractor and not very good oversight of the
1321 contractor. He stated that there are not many communities in Utah that do this.

1322
1323 Council Member Fawson asked if any of the satisfaction or dissatisfaction in other cities is based on
1324 contract terms. Mr. Chandler stated that he does not know. He stated that when Washington Terrace first
1325 started the program their first contractor was not very good and they considered not doing it again. He
1326 stated they got a new contractor and it is the same contractor used in Cedar Hills and both cities now love
1327 it; they both noted the importance of securing a good contractor. Council Member Bigler stated it is also
1328 important to make sure the contract is good; Ogden City specifically mentioned that they did not like the
1329 quality of work that the contractor was doing, but they were stuck with them. Council Member Bigler
1330 stated that is a result of the contract not being sufficient.

1331
1332 Mr. Chandler stated he has talked with other communities that still do parks maintenance in house and it
1333 is not a money issue and rather it comes down to control. He stated if there is an employee doing the
1334 work the City can tell them they do not like what they are doing and tell them to do it differently, but that
1335 is not as easy to do with a contractor. He stated most communities are not willing to give up that control.
1336 Council Member Bigler stated he appreciations Mr. Chandler's willingness to follow through with what
1337 the Council has asked; he agrees with the balance that Mr. Chandler has identified between contracted
1338 service and in-house services in order to maintain some control.

1339
1340 The Council then moved on to a discussion about capital equipment. Mr. Steele explained the first item
1341 for discussion is the upgrade of the North Ogden City website and design of a North Ogden City
1342 application. He stated the cost for that project is \$20,000.

1343
1344 Council Member Bailey asked how the staff arrived at a cost of \$20,000. Ms. Staheli stated it was the
1345 staff's best guess.

1346
1347 Mr. Steele stated the next item is virtualization of servers for \$20,000 and the Information Technologies
1348 (IT) service provider is present to provide the Council with some information about it. Charles
1349 VanAusdal of Tech Serve introduced himself and stated his company maintains and provides IT support
1350 for the City. He introduced Ryan Burningham and stated that he is the main service provider for the City.
1351 Mr. Burningham stated he has been working in this field for 15 years and has worked for Tech Serve for
1352 just under a year. He stated virtualization is his specialty. He stated he would provide the Council with a
1353 brief synopsis of what he is proposing to change in the City's current system. He provided the Council
1354 with handouts including the information he would review. He stated that the City's servers are getting
1355 quite old; two are three years old and the third is six years old. He stated one server has all the files that
1356 are saved on the lettered data files of the City; it is one of the most important systems because it does
1357 store all of the files the City uses all the time. He stated the second most important server is the email
1358 server; a scan server was recently installed on top of that that and is running all of the new scanning
1359 vessels. He stated the other server has two virtual machines on top of it; it controls passwords and is a
1360 redundant backup. He reiterated the servers are old and the warranties have expired on all servers. He
1361 stated that usually between the third and fourth year of life of a server the users will notice an increase of
1362 mean time between failures, meaning the time between failure is actually decreasing so there will be
1363 failures more often leading to more downtime.

1364
1365 Council Member Bigler asked how long the warranties were on the servers; two of them are three years
1366 old and he wanted to know if their warranty has recently expired. Mr. Burningham stated that they had
1367 two year warranties; usually there is a \$600 to \$700 per year cost for each additional year of warranty.
1368 He stated that the big risk is that failures could be massive failures. He stated that those types of failures
1369 would require ordering a new part that could result in one to five days of downtime. He stated that in that

1370 type of failure, making the fix would be a high priority for him, but he would not be able to do anything
1371 until a part to make the fix is available. He stated that during downtime employees would not be able to
1372 access email or files or have any kind of internet connectivity. He stated that the proposal is to purchase
1373 two new physical servers and he will use virtualization by adding virtual servers on top of the physical
1374 servers. He stated that the idea is to share resources between machines. Mr. VanAusdal explained that
1375 about ten years ago some companies realized that people were buying multiple physical servers to run
1376 tasks and there were a lot of wasted resources on those servers, so a company came up with a virtual
1377 machine solution that allows running multiple operating systems and servers on one physical piece of
1378 hardware. He stated that the reason that he is recommending two servers for the City is that if one of the
1379 physical machines fail it will be possible to move all virtual machines to the other physical machine so
1380 that all systems can continue to run and users will not experience a failure or downtime. Mr. Burningham
1381 stated he has used the same system in a smaller city, but he only used one physical server because they
1382 did not need as much redundancy as North Ogden needs.

1383
1384 Council Member Bailey asked if the City is using raid. Mr. Burningham stated that he is using raid 10
1385 and it has the ability to ensure that data will be safe with up to two disc failures on one system. He stated
1386 there are two hard drives on one server and two on the other. Council Member Bailey asked if one server
1387 is just mapping the other server all the time. Mr. Burningham answered yes and stated there is an active
1388 sync between the two servers.

1389
1390 Council Member Fawson asked if there is a reason for the City to run its own mail server rather than
1391 using cloud options for mail. Mr. VanAusdal stated that they are working on that option for a city in
1392 Idaho now. He stated that Microsoft 365 has an exchange component and it is paid for on a monthly
1393 basis; it has become more and more prevalent and his company will look at using it more in the future,
1394 depending on pricing. Mr. Burningham stated that cities are at an advantage for those types of options
1395 because they get government pricing.

1396
1397 Council Member Bailey asked if the City's website is hosted on-site on one of the servers. Mr.
1398 Burningham answered no and stated it is hosted offsite. He then reviewed the specifications of the City's
1399 servers and stated that the system is very slow based on those specifications. He stated the new system
1400 will provide more room and speed. Mr. VanAusdal stated it costs much less to buy this system now than
1401 it did seven years ago. Mr. Burningham agreed and stated that this system would have been upwards of
1402 \$30,000 even three years ago.

1403
1404 Council Member Bailey asked what would happen if the City's offices burn down. Mr. Burningham
1405 reviewed the backup solution for the City. He stated data is copied onto tapes that he picks up every
1406 Tuesday and delivers to the Police Department for storage in their fire proof safe. Council Member
1407 Bigler asked if there is a better technology than tapes. Mr. Burningham stated that is the old system and
1408 he is recommending a new technology to replace that practice. He reviewed some of the problems that
1409 can arise with back-up tapes. He stated the new proposed solution is to purchase a device that is a bunch
1410 of hard drives in a box called network attached storage (NAS). He stated there will be a box at the City
1411 Hall and Police Department; they are connected to the network lines that are already in place and a
1412 program on the NAS will take copies of each of the machines and all of its files and sync them every
1413 night so there will be two copies. He stated that this will provide the City the ability to provide seven to
1414 eight months of backups so that files can be restored if necessary.

1415
1416 Council Member Bailey asked if they have considered the possibility of putting the two servers in two
1417 different locations rather than having both stored at City Hall. He stated that in case of a catastrophic
1418 failure at City Hall there would be the option of using the other server as a backup. Mr. Burningham
1419 stated that the two systems are working together to accomplish redundancy and if they were stored in two
1420 separate buildings it would be necessary to run fiber optic lines between the two buildings to establish a

1421 connection. He stated the time it takes to get information from one point to the other is too high for this
1422 type of system to work if the machines are separated. Council Member Bailey asked if there is a conduit
1423 running between City Hall and the Police Department. Mr. Burningham stated he believes there is.
1424 Council Member Bailey stated that if there is available conduit space that would be possible. Mr.
1425 Burningham stated that it would cost about \$500 to \$600 to run the line in an existing conduit and a
1426 contractor would charge about \$200 to \$300 to do the work. He stated new network equipment would
1427 also be required at a cost of about \$1,000 to \$2,000. He stated that another issue is that there is cooling
1428 equipment at City Hall, but no cooling equipment at the Police Department so it would be necessary to
1429 purchase that equipment to keep the server cool enough in the summer. Council Member Bailey stated
1430 that he is just throwing that out as an option to consider. Mr. Burningham stated that he can look into
1431 disaster recovery options for the City. Mr. VanAusdal added that there will be virtual servers in the future
1432 if the City ever went to a cloud option. Mr. Burningham agreed. He then stated that if the City chooses
1433 to go the route of virtualization the backup tape solution will not work any longer and he will need to
1434 implement the system he is proposing. He stated the City's current backup system has holes in it and it is
1435 necessary to work on some new solutions. He stated the cost of the upgrade would be approximately
1436 \$5,400. He stated the total cost including virtualization is \$22,800, but he could separate the backup
1437 solution from that cost and implement that option only.
1438

1439 Council Member Bailey stated that it is not likely that there would be a catastrophic failure of all three
1440 servers at the same time. Mr. Burningham stated that there is risk associated with every option and the
1441 City will need to weigh the risk against the costs associated with the needed upgrades.
1442

1443 Council Member Taylor asked if there is any resale value of the old servers. Mr. Burningham answered
1444 no; the maximum value would be \$200 after all other components are destroyed in order to remove any
1445 stored data.
1446

1447 Mr. Burningham then discussed the age of computers at the Police Department and the need to implement
1448 a computer replacement program. He stated they have not had new machines in about four to five years
1449 and they have very high usage. He stated they are using laptops and normally laptops last about 2.5 years
1450 maximum, which is significantly less than the lifespan of a desktop machine. He stated that he spends 60
1451 to 70 percent of the time working on the laptops in the Police Department, so he is recommending the
1452 purchase of 14 new laptops. He stated that they have new desktops right now, but he would recommend
1453 replacing all the old laptops that are each at least four years old. He stated there was a bulk purchase of
1454 laptop about four years ago and only two new machines have been purchased since then. Chief Afuvai
1455 stated that the City used to have a computer rotation program, but it was stopped by the Council several
1456 years ago. Mayor Harris stated that was a result of the recession and the need to make huge budget cuts.
1457 Mr. Burningham stated that he did have a plan to replace laptops on a two year cycle and replace five to
1458 seven desktop machines every other year. He stated that plan was stopped several years ago because
1459 funding was not included in the budget.
1460

1461 Council Member Bigler inquired as to the cost per laptop. Mr. Burningham stated they are \$2,150 each;
1462 they must be the type of laptop that can handle riding around in a car all day. He stated that if all the
1463 laptops are purchased at the same time the City will receive a bulk discount of a couple of hundred dollars
1464 per machine. Council Member Bigler stated that his employer replaces desktops and laptops every four
1465 years even if they are working perfectly. He stated there is a rotation plan and the administration knows
1466 which computers will be replaced each year. He stated the budget for that plan remains constant. Mr.
1467 Burningham stated that he has reviewed all other Departments in the City and found other computers that
1468 either are very old or need to be replaced due to recent failures, etc. He stated there are not many
1469 machines that need to be replaced and he estimated \$700 per desktop machine. Mr. Chandler stated that
1470 cost seem high. Mr. Burningham stated that he estimated high so it would be possible to purchase
1471 additional necessary components or a warranty for the machine. Council Member Taylor asked if the

1472 prices include software. Mr. Burningham answered yes and stated it includes windows licensing and an
1473 office license for the laptops. He stated that in the past individual license have been purchased, but it is
1474 an option to purchase a volume license to provide a discount and the ability to move the licenses between
1475 machines. He then stated the other big budget items include a server replacement for the Public Works
1476 Department. He stated the decision was made to have a server at each facility to speed up productivity.
1477

1478 Council Member Taylor asked how old the Public Works server is. Mr. Burningham stated it is five or
1479 six years old. Council Member Taylor asked if they could use one of the three year old servers being
1480 replaced at City Hall. Mr. Burningham stated he would not recommend it because that would be
1481 assigning the risk to another department, but it is possible. He stated it would not be much of an upgrade
1482 and it would cost a lot in labor hours to make the transition.
1483

1484 Council Member Bigler asked if the costs to replace laptops will be included in the budget. Mr. Chandler
1485 stated that what the Council is being presented with is basically a 'wish list' of the staff. He stated that
1486 not everything will make it in the budget. Mr. Steele stated that a lot of the smaller purchases will be
1487 included in the tentative budget, but this is the review of potential capital expenditures that are larger
1488 items.
1489

1490 Council Member Fawson asked if it would be possible to replace laptops and desktop computers as they
1491 fail with the goal of getting on a three year replacement plan. He stated that would eliminate the need to
1492 purchase 16 laptops now. Council Member Taylor stated that it may even be possible to purchase four
1493 now and work towards a replacement schedule. Council Member Fawson stated that he does not want to
1494 purchase 16 now and have to replace all 16 again in four years. Mr. Burningham stated that is a decision
1495 of the Council and his company will do whatever they decide. He stated the issue with the Police
1496 Department laptops is that the maintenance costs are higher than it would be to replace the machines. He
1497 stated that a lot of his free time for larger projects or maintaining the City's other systems is being spent
1498 on working on the laptops.
1499

1500 Council Member Fawson asked if Mr. Burningham could give the Council an idea of how many could be
1501 replaced at this time to make the Police Department comfortable. Mr. Burningham stated that he would
1502 recommend replacing five or six this year with the commitment to replace the rest next year. He stated
1503 the machines are currently four years old.
1504

1505 Council Member Bigler asked the total number of desktop and laptop computers in the City. Mr.
1506 Burningham stated that he does not have that information with him today. Council Member Bigler stated
1507 that information is pertinent to begin setting up a replacement rotation. He stated that would guarantee
1508 Mr. Burningham have consistent business with the City every year. Mr. Burningham stated that the users
1509 of the machines are frustrated and having a rotation schedule would help them see a light at the end of the
1510 tunnel.
1511

1512 There was a discussion about why the City does not currently have a replacement schedule and Mayor
1513 Harris noted it was eliminated due to the economy. Council Member Fawson asked how the City
1514 purchased 16 laptops at one time in the past. Ms. Spendlove stated the City received a homeland security
1515 grant to purchase all of the laptops. Council Member Bigler suggested that staff see if that same grant
1516 may be available again. He then reiterated that the Council needs the total number of machines in the
1517 City so they can work on a realistic replacement schedule so that this situation does not occur again. Mr.
1518 Burningham reiterated the biggest problem is in the Police Department and most of the other departments
1519 have kept up an unofficial replacement program.
1520

1521 Council Member Fawson stated he is not clear on the direction the City will be taking on this item. He
1522 stated he would like to see a rotation schedule and he asked if that is what the staff will be doing. Mr.

1523 Chandler stated that staff can come back to the Council with a proposal for a rotation schedule. He stated
1524 it will be an alternate to purchasing all 16 laptops right now.

1525
1526 Council Member Bigler asked if it is necessary for the contractor to purchase the computers; the prices for
1527 the desktop computers seem to be high and the City should be able to buy them for a lot less. He
1528 wondered if the City can check prices or provide a price range that the City is willing to pay for desktops.
1529 Chief Afuvai stated that the prices that were presented are state bids. Council Member Bigler stated he is
1530 talking about the desktops and the prices that were presented are high. Mr. Chandler stated that the City
1531 does have the ability to shop around.

1532
1533 Mr. Steele then stated that the next capital item is the purchase of new financial software. He stated that
1534 the City currently uses Caselle and there is an available upgrade for that software that would improve the
1535 City's in some areas, especially utility billing. He stated the price to purchase it outright is \$40,000, but
1536 the company that vends the software has provided an alternative way for cities in the State to purchase it
1537 and that is to the service level agreement to a five year agreement, which costs an additional \$4,000 per
1538 year; if the City stays on the agreement for five years, the software belongs to the City at the end of the
1539 contract term. Council Member Bailey inquired to the increase in the annual contract amount if the City
1540 chooses this option. Mr. Steele stated that the City currently pays \$6,000 so the annual cost would
1541 increase to \$10,000. Council Member Bailey asked what would happen at the end of five years. Mr.
1542 Steele stated that the level of service could be dropped; to increase the service level the City would be
1543 getting the platinum level service and that could be lowered at the end of five years. Council Member
1544 Bailey asked if the platinum service level also includes software upgrades. Ms. Spendlove stated that it
1545 does include software upgrades. Council Member Bailey stated he would assume that would be the case.

1546
1547 Council Member inquired as to the savings the City would realize as a result of purchasing the new
1548 software. He stated that he is supportive of making sure that the City's computers and technology
1549 systems are up to date because that is very important, but he wants to know the benefit of this new
1550 program. Ms. Spendlove stated that the upgrade includes a Human Resources module that the City does
1551 not currently have access to. She added that the utility billing portion of the software would be much
1552 faster and more efficient. Mr. Steele stated that the asset management module is also better than the
1553 program the City currently uses. Council Member Bigler asked if that is already created or if the City
1554 would need to recreate it. He stated he would like to know the benefits the City will realize by spending
1555 \$40,000.

1556
1557 Council Member Fawson asked if it is worth the \$20,000 that the City would end up spending over the
1558 next five years. Mr. Steele stated that it is worth it. He stated that the software the City currently uses is
1559 suitable, but there would be realized benefit by upgrading to the newer version. Council Member Bigler
1560 asked for a detailed list of those benefits before the Council is asked to make a decision.

1561
1562 Council Member Taylor stated that he would like to prioritize the projects. He stated that there is a
1563 request for a website upgrade at \$20,000 and the request to upgrade this software for \$20,000 and those
1564 amounts combined would be more than enough to purchase all the laptops for the Police Department or a
1565 \$1,000 raise for all employees in the City. He stated he wanted to know if these purchases are more
1566 important than other things at this time. He stated he would like to see the website redesigned, but the old
1567 one is currently meeting the needs of the City. He reiterated he would like to see the projects prioritized
1568 and an explanation about why certain projects have higher priority. Council Member Fawson stated that
1569 priorities may be different for different people, but he would like to see the projects prioritized by impact.
1570 Council Member Bigler stated he would also like to see additional information.

1571
1572 Mr. Chandler stated that the items being presented to the Council are not necessarily in order of priority
1573 and the comments he is receiving from the Council are helpful as they give the staff a sense of direction.

1574 Council Member Bigler stated he does not want his comments interpreted as non-support; rather, he just
1575 needs more information because these are big expenses.

1576
1577 Mr. Steele then continued and explained that if the upgrade of the financial software were approved, it
1578 would be necessary to purchase a new server to house that software. He pointed out that if the Council
1579 approves the virtualization proposal, that server would not be needed. Council Member Bailey asked if
1580 the server is different than the servers discussed by Mr. Burningham. Mr. Steele stated that the new
1581 server would only be needed if the Council does not approve the proposal to upgrade the servers or
1582 transition to virtualization.

1583
1584 Mr. Steele then moved to the next item in the PowerPoint presentation. He stated there is a proposal to
1585 upgrade emergency preparedness by purchasing three AED devices to be installed at locations throughout
1586 the City. He stated the devices are \$3,000 to purchase or the City can lease them from a company that
1587 would maintain them and provide software upgrades. He stated the lease option is \$1,200 per AED each
1588 year.

1589
1590 Council Member Taylor asked how long the AED's typically last if the City were to purchase them. Ms.
1591 Staheli stated that the issue with purchasing them is that the City would need to replace the pads and
1592 batteries for the devices every other year. She stated that it costs between \$500 and \$600 to replace those
1593 components. She stated the biggest problem is that the City would need a prescription from a physical to
1594 purchase the machines outright and those prescriptions are almost impossible to come by. She stated that
1595 she sought that kind of prescription and she could not get a doctor to issue one and that is why she
1596 decided to use the lease option at the aquatic center.

1597
1598 Council Member Fawson asked if there are grants available for AEDs. Ms. Staheli stated there could be.

1599
1600 Council Member Bigler asked how much the devices are used. Ms. Staheli stated that she hopes it is
1601 never necessary to use them. Council Member Bigler stated that the cost to purchase is \$9,000 compared
1602 to \$3,600 to lease them. Ms. Staheli stated that after three years of leasing the equipment, the monthly
1603 cost would be decreased by about 40 percent.

1604
1605 Mr. Chandler asked if the devices have ever been used at the aquatic center. Ms. Staheli stated that she
1606 has never had to use it. After a short discussion comparing the cost to purchase versus the cost to lease,
1607 Ms. Staheli stated that most companies lease the pieces of equipment, especially aquatic centers.

1608
1609 Council Member Fawson asked if employees are trained to use the equipment if they are leased. Ms.
1610 Staheli replied yes. She stated that if the City purchases the pieces of equipment it will be necessary to
1611 pay for training. She added that she is certified to train to use the devices and a few of her lifeguards are
1612 trained as well, so the City would not pay for training.

1613
1614 Mr. Steele stated that if the three AEDs are purchased there would be one at City Hall, one at the
1615 Community Services building, and one at the Police Station. Mr. Blanchard stated that there is an AED at
1616 the Public Works facility and it is not a leased machine. He stated that he was not required to get a
1617 prescription at the time that the equipment was purchased and the training for the device was provided by
1618 the Fire Department.

1619
1620 Council Member Fawson stated he would question the need to have a device at City Hall and one at the
1621 Police Station. He stated that he was a first responder and he thinks that if there is one at either of the
1622 buildings that is a close enough proximity to respond to an emergency quickly enough.

1623

1624 Council Member Bigler asked if there is a law requiring an AED at the aquatic center. Ms. Staheli stated
1625 she does not know if that is required by law.

1626
1627 Chief Afuvai stated that he would be comfortable having an AED at City Hall and not at the Police
1628 Station.

1629
1630 Ms. Spendlove provided Council Member Bailey with an email from Shelly at the Public Works Facility.
1631 Council Member Bailey read the email explaining that AEDs can be purchased online for about \$1,000
1632 and that the State of Utah requires the location of the AED to be reported to the local medical dispatch
1633 company. There is no state law that required a prescription, but there are some vendors that will not sell
1634 an AED for public access use without one. AED's come with an extended life five to ten year battery and
1635 pads are good for two years. North View Fire Agency provides training on the use of AEDs. He then
1636 stated that is good information to have and maybe that information can be reconciled with the information
1637 that has already been presented before making a proposal to the Council.

1638
1639 Mr. Steele then stated the next capital project included in his presentation is to update the General Plan at
1640 a cost of \$75,000. Council Member Bailey asked if it is possible to phase updates to the General Plan.
1641 Community Development Director Barker stated that he has not seen that done. He stated that he has
1642 seen that done for specialized economic development plans. He stated the General Plan is for the entire
1643 City and it is meant to be long term lasting a period of 10 years or more. He stated that when he worked
1644 for Weber County they updated the General Plan for all of the Ogden Valley and the cost for that project
1645 was upwards of \$150,000. Mr. Chandler added that the last time the City had a full blown review of the
1646 General Plan was 1997. Council Member Bailey inquired as to the cost the last time the General Plan was
1647 updated. Mr. Chandler stated that he does not know.

1648
1649 Council Member Bigler asked the biggest expense in updating a General Plan. Mr. Barker stated that the
1650 City hires an outside consultant and the amount of research and data gathering they do is very expensive.
1651 Council Member Bigler stated he thought that work was done by a committee and he asked why an
1652 outside firm is hired to work on what should be done within the City. He stated that last time the General
1653 Plan was updated it was done by a committee of residents and their names and dates are included in the
1654 Plan. Mr. Barker stated that a Planner generally works with the committee; if the City hires a committee
1655 with no guidance they will spin their wheels and the City will get very little out of it. He stated that when
1656 he first started planning he worked for a planning consultant and he worked on a number of general plans
1657 for a number of cities throughout the State. He stated that there is a large amount of time spent getting
1658 figures and information. He stated a committee then discusses the issues of land use and the forecast for
1659 the City over time.

1660
1661 Council Member Bigler suggested taking different aspects of the plan, such as parks. He stated that
1662 creating a new community from scratch the General Plan is more imperative. He stated he would like to
1663 take each aspect of the Plan and have the committee look at it and make recommendations and reports to
1664 the Council. He stated the Council can then decide if it is necessary to hire a professional to look at those
1665 recommendations rather than hiring them at the onset. He stated he would rather do that than pay \$75,000
1666 for someone to just look at the Plan and see if it is tracking. He stated he would imagine that some of the
1667 aspects of the Plan would need the input of a professional consultant. Mr. Barker stated that is a possible
1668 route, but it is a philosophical decision regarding where the Council feels the Plan should go in terms of
1669 future development. He stated a citizens committee could give general ideas. Council Member Bigler
1670 stated the committee could make recommendations based on the current General Plan; it will not be
1671 necessary for them to come up with a General Plan for development because that is already included in
1672 the Plan. Mr. Barker stated that would be the case unless there is some disagreement that the General
1673 Plan is not sufficient and it needs to be taken in a different direction. Council Member Bigler stated he is
1674 suggesting a preliminary analysis by a citizens committee. Mr. Barker stated that zoning along

1675 Washington Boulevard has been expanded beyond the original intent of the original General Plan. He
1676 added that there are proposals for multi-family development in areas of the City where that is not included
1677 in the General Plan. He stated the City is diverging from the Plan. Council Member Bigler agreed that
1678 the Plan needs to be updated.

1679
1680 Council Member Bailey asked if it would make sense to make updates to the Plan when the Planning
1681 Commission makes decisions or recommendations that violate the General Plan. Mr. Barker stated that
1682 would make sense, but he is not sure there is anyone with the skill level that can do all the necessary
1683 analysis to determine what the decisions will cause to happen in the community. Mr. Chandler stated that
1684 there are two reasons a comprehensive review of the Plan is warranted from time to time; the first is that
1685 the State requires it and the second is that once the City starts differing from the General Plan they lose
1686 the ability to tell someone no when they make an application that differs from the General Plan.

1687
1688 Council Member Bigler stated that a comprehensive review is a good idea, but the question is who should
1689 do it. He used the example of the employee compensation committee and stated that when he first
1690 brought that up a couple of years ago it was mentioned that to have a company do it would cost about
1691 \$35,000. He stated he thought there were enough professionals in the community that would be willing to
1692 donate their time for that purpose. He reiterated that a comprehensive review is a good idea, but the
1693 question is who should do it. He stated that it may be possible to form a committee to see if the General
1694 Plan is being followed and if the City is varying from the Plan there could be reports and
1695 recommendations based on those variances. He stated that if it is necessary to hire a professional after
1696 that point, that would be possible.

1697
1698 Council Member Taylor stated he likes the idea of using citizens and residents for those things because
1699 there is a lot of expertise in the City, but he thinks it should be approached like the Economic
1700 Development Committee; a professional has been hired to provide oversight and expertise to that
1701 committee.

1702
1703 Mr. Barker stated that he has seen both options implemented. He stated that committees have been
1704 assembled and they can work, but they often spin their wheels without professional guidance. He stated
1705 that the effort would be much more dedicated and concise if a professional were involved.

1706
1707 Council Member Bigler stated he believed most of the work could be done by the citizens committee. He
1708 stated that a professional could be hired as necessary, but he thinks that a lot of money could be saved by
1709 using citizens at the onset. He stated that after the preliminary work is done the citizens can tell the City
1710 what items need the attention of a professional.

1711
1712 Council Member Fawson stated that the caliber of the residents is high and the committees that have been
1713 made up of those types of residents have done quality work. He stated he would support creating a
1714 committee to do as much work as possible with oversight from a professional.

1715
1716 Council Member Bailey stated that State Law mandates that the City have and maintain a General Plan.
1717 He asked how much guidance State Law gives regarding what needs to be in the General Plan and what
1718 processes the City should go through. Mr. Chandler stated the law dictates time frames for the Plan to be
1719 done and updated; it dictates part of the process by which the Plan will be done; and it dictates some of
1720 the elements to be included in the Plan, such as housing, land use, etc. Mr. Barker agreed and added that
1721 there are other optional types of plans that can be included in the Plan. Mr. Chandler stated that only
1722 sections of the Plans that are not up to speed are the housing plan and the City has fallen behind in
1723 reviewing the Plan in the time frame that it was supposed to be reviewed. Council Member Bailey added
1724 that the City is out of compliance with its own Plan. Mr. Barker agreed. Mr. Chandler stated that is a
1725 choice the City has made along the way and it puts the City on dangerous grounds for other future

1726 decisions to be made. Mr. Barker stated that decisions of the City have been challenged for that reason
1727 and he used the Marriott development on the northeast bench of the City.
1728
1729 Mr. Chandler stated that a General Plan update can take up to a year to complete and he does not know if
1730 it is possible to spread the costs for the updates over multiple fiscal years.
1731
1732 Council Member Fawson asked how often the Plan needs to be updated. Mr. Barker stated that the
1733 general recommendation is every 10 years. Council Member Fawson asked if it is true that the Plan has
1734 not been updated for 16 years. Mr. Barker stated that there was a minor update in 2002 for the area
1735 around Washington Boulevard.
1736
1737 Mr. Chandler stated that it will be necessary to pick and choose what elements will be included in the
1738 RFP. He stated there are some elements of the Plan that do not need to be updated. He stated that the
1739 transportation plan was updated in 2008 and it may not need to be updated again at this point in time. He
1740 stated that the Planning Commission is also currently working on a trails plan and map, so that would not
1741 need to be included or updated at this time either. He stated that it will be possible to work with the
1742 Planning Commission to determine which elements should be updated. He stated that to him the most
1743 important element is land use locations because that is the element that usually dictates the easily
1744 challenged decisions.
1745
1746 Council Member Taylor stated he feels the land use changes are important because the economy is
1747 coming back to life and there is a lot of growth projected for northern Utah. He stated he would like to
1748 complete that section in a timely fashion even if it includes incurring all costs in one year. He stated it is
1749 overdue and now is a good time to do it.
1750
1751 Council Member Fawson stated that the City has an excellent economic development consultant that can
1752 help with that. Mr. Barker stated that there are some issues coming up relative to zoning issues that the
1753 City has never dealt with. He reviewed some of the unique project that may be on the horizon. Council
1754 Member Fawson stated that he does not disagree that it is necessary to nail down land use, especially in
1755 the short term.
1756
1757 Mr. Steele then continued reviewing the capital equipment/project list and noted the Community
1758 Development Department is recommending the purchase of tablets for the Planning Commission.
1759 Council Member Bigler stated that there was a discussion about the tablets last year and two Planning
1760 Commissioners were asked how much mobility they truly needed and they said tablets were not
1761 necessary. He asked how many emails a day the Planning Commissioners get and he asked if they need
1762 the mobility that tablets will provide. Mr. Steele stated that staff can follow up on that. Council Member
1763 Bigler asked where the recommendation came from.
1764
1765 Mr. Steele then stated that the next item on the list is a scanner for the new plotter for the Inspections
1766 Department at a cost of \$8,000. Council Member Fawson asked if this is the scanner that was not
1767 approved in last year's budget and is just being rolled over into this year. Mr. Kerr stated that the scanner
1768 is a wish list item; it has been rolled over for the last two or three years. He stated the scanner would be
1769 very helpful, but it is not technically something that the City really needs. He stated the City has
1770 hundreds of drawings that should be scanned and this piece of equipment would give the ability to do
1771 that. Council Member Fawson stated that last year there was a discussion about outsourcing that service
1772 and he asked if staff had looked at that option. Mr. Kerr stated that some things have been scanned by a
1773 contractor, but he has not been involved in that. Ms. Spendlove stated that she has taken a lot of maps to
1774 Ogden Blue Print in the past to be scanned and they are saved on discs. Mr. Kerr stated that he has discs
1775 of scanned maps, but they are not organized and it was not very helpful at all.
1776

1777 Council Member Bailey asked if it would be an option to lease a scanner for a year. Mr. Kerr stated that
1778 as development continues in the City it would be nice to be able to digitize maps and plats received in his
1779 Department. Council Member Fawson asked if the City could require applicants to provide an electronic
1780 copy. Mr. Kerr stated that is an option.

1781
1782 Mr. Steele stated the next group of capital projects is related to the buildings in the City. He stated that
1783 staff would like to paint the interior of the administration building at a cost of \$10,000. Council Member
1784 Bigler asked if there is a problem with the paint. Ms. Spendlove stated that the paint is chipped and
1785 scratched throughout the building. She stated it needs to be cleaned up. Mr. Chandler asked what the
1786 estimate was based on. Council Member Bailey stated that he recently got an estimate for painting and it
1787 was \$1 per square foot of the floor. Council Member Bigler stated that if the projects are going to be
1788 prioritized, he does not think residents are complaining about the paint at City Hall and it may be higher
1789 priority to provide the Police Department with new equipment.

1790
1791 Mr. Steele then stated there have been discussions about moving the Council Chambers downstairs in
1792 City Hall and moving all the existing offices upstairs. He stated that it would put all City services on the
1793 same level to provide better customer service. He stated that would cost approximately \$50,000. Council
1794 Member Bigler asked for further explanation. Mr. Chandler stated that all offices would be moved
1795 upstairs to give the citizens access to all services at one location in City Hall. He stated this is not a
1796 project he was expecting the Council would jump at, but it needed to be brought up for discussion.
1797 Mayor Harris added that every day there are customers that come to the front desk and they are directed
1798 back outside to go around the building and enter through the basement entrance. He stated that is not very
1799 good customer service. Mr. Kerr stated that he does the same thing downstairs; he sends a lot of people
1800 outside to go upstairs. Council Member Fawson asked why the access to the basement was closed off
1801 from the interior. Mayor Harris stated it was mainly for security reasons. Council Member Bailey asked
1802 if there would be another way to give residents access to the basement without having them walk around
1803 the building. Mayor Harris stated that an elevator could be installed. Council Member Bailey asked if
1804 another stairwell could be installed. He stated he is trying to think of other options besides turning the
1805 building upside down. Mr. Kerr stated an elevator would probably be the easiest and cheapest option.
1806 Mayor Harris stated that it would cost at least \$50,000, if not more. Council Member Bigler stated that he
1807 did not think residents would be happy about spending that amount of money on that type of project.

1808
1809 Mr. Steele then stated that the Police Department has made a request for three new vehicles; the vehicles
1810 would cost \$96,000 and the equipment needed for the three vehicles would be \$12,000. He added they
1811 have also requested two ballistic shields at a cost of \$5,000. Mr. Chandler asked Chief Afuvai to explain
1812 what a ballistic shield is. Chief Afuvai showed a picture of a ballistic shield and stated it is used by an
1813 officer or group of officers when entering a building. He stated that the Police Department currently does
1814 not have any ballistic shields.

1815
1816 Council Member Bigler asked if there are 18 Police Officers right now. Chief Afuvai answered yes.
1817 Council Member Bigler asked how many vehicles the Department has. Chief Afuvai answered 18.
1818 Council Member Bigler asked how long a vehicle is in use in the Department. Chief Afuvai stated that it
1819 depends on the use; patrol cars could last five years and unmarked cars will last six or seven years.
1820 Council Member Fawson asked if the vehicle rotation is to replace three or four vehicles every year.
1821 Chief Afuvai answered yes. Council Member Bigler asked how the vehicles are sold. Chief Afuvai
1822 stated that the City takes them to an auction. Council Member Bigler asked how much money the City
1823 gets for the vehicles. Chief Afuvai stated that the average sale price is between \$6,000 and \$7,000.
1824 Council Member Bigler asked if the City has ever tried to sell vehicles on its own. Mr. Blanchard stated
1825 that there is a program to determine if it would be possible to get a better price than could be earned at an
1826 auction.

1827

1828 Council Member Fawson asked if the Police Department already purchased one new vehicle this year.
1829 Chief Afuvai answered yes.
1830
1831 Council Member Bigler stated he is trying to determine the true cost of the vehicles after the old vehicles
1832 are sold.
1833
1834 Mr. Steele then stated the Police Department is requesting three new laptops at a cost of \$8,800. He
1835 stated there was already some discussion about this issue earlier in the meeting. Chief Afuvai stated that
1836 the cost will be higher than he projected after hearing the presentation from Mr. Burningham earlier in the
1837 meeting. Council Member Bigler stated the projection would actually decrease because Mr. Burningham
1838 said that the laptops would be \$2,100 each.
1839
1840 Mr. Chandler then stated the next section deals with capital purchases in the Community Services
1841 Department and this projection was done under the assumption that parks maintenance services will not
1842 be contracted out. He stated that if those services are contracted out, these budget requests will change
1843 quite a bit. Mr. Steele stated that Community Services has requested four new vehicles at a cost of
1844 \$153,500. He stated the Cherry Days fireworks show will cost \$25,000. Ms. Stahele stated that the cost
1845 was \$20,000 last year and there is an increase this year. Council Member Bigler asked if that is just for
1846 the fireworks and not the music show. Ms. Staheli stated it is the entire fireworks ensemble and it
1847 includes the music. Mr. Steele then stated that in the Parks Division there is a request for a mower clean
1848 out station. Council Member Bailey asked where the clean out station would be located. He also asked
1849 what a clean out station is. Mr. Blanchard stated that the Parks Division currently brings their machine to
1850 the City shops and they clean out the undercarriage before the machine is taken in for maintenance. He
1851 stated they need their own station with a collection pit. Council Member Bigler asked if that station could
1852 be included in the Public Works complex. Mr. Blanchard answered yes.
1853
1854 Mr. Steele then stated the next requests are for a Polaris Ranger with sprayer for \$11,000; a tilt trailer for
1855 \$3,500; and Wi-Fi hotspots for City parks for \$10,000. Mr. Chandler stated one of the things staff has
1856 considered is that there are number of people that visit City facilities, like the aquatic center or the parks,
1857 and they are not actually playing or participating in any activity; they try to use their electronic devices
1858 and staff discussed the idea of making the parks hotspots. He stated that when he originally raised this
1859 issue with Ms. Staheli there was only a discussion about locating a hotspot at the pool and whether that
1860 would help generate more customers. He stated he is not sure that would be the case, so one idea that he
1861 has for this year is to just make one park or the pool a hotspot. He stated that the \$10,000 would be for all
1862 park facilities, so the cost for one facility would be a couple thousand dollars. He stated that installing it
1863 at the pool may generate more customers while installing it at parks is just a nicety. He stated staff would
1864 like to start with the park that has the most little league use. Council Member Fawson asked why they
1865 would not install it at the pool to see if there is a return on the investment (ROI). Ms. Staheli stated that is
1866 an option. Council Member Bailey asked how the service would be monitored to determine if it is
1867 generating more customers. Mr. Chandler stated that there is a way to monitor usage. He stated that
1868 people would need to actually select the network and sign-in to it so there would be a way to see how
1869 often it is being used. He stated he is not certain about whether it would be better to start at the aquatic
1870 center or a park. He stated that there is no way to know if more people would come to the pool if there is
1871 a hotspot. Council Member Bigler stated that is hard to tell, but he would not consider that when making
1872 a decision about whether to go to the pool. He stated he would not be supportive at all of spending
1873 taxpayer money to put this in a park. He stated that people with laptops and phones have their own data
1874 plan. He stated Wi-Fi is a convenience and a nicety for those that do not have a data plan, but he would
1875 not support it.
1876
1877 Council Member Fawson stated that if the decision is made to do it, it should be done at a location where
1878 it could potentially bring in additional revenue, such as at the aquatic center. He stated that it may be

1879 possible for the City to negotiate with a company like Digis to create a hotspot or provide services at
1880 some locations at a discounted rate since the City already has a contract with them. Council Member
1881 Bigler stated that parents should be watching their kids at the pool. Council Member Fawson asked the
1882 ongoing service cost for this type of thing. Ms. Staheli stated that it is minimal.

1883
1884 Council Member Bailey stated that there are integrated data plans tied to cell service and he does not
1885 know the long term viability of providing a hot spot. Council Member Fawson stated that it is a
1886 convenience to be able to discontinue use of the 3G or 4G network and use Wi-Fi instead. He stated that
1887 if the City can get that at a very low cost or no cost through a current contractor he does not know why
1888 the City would not want to do that. Council Member Bigler stated that if it is at no cost he would be on
1889 board. Ms. Staheli stated most of the cost is for the equipment to get started and the ongoing monthly
1890 cost would be around \$35 per month.

1891
1892 Council Member Taylor stated it would be good to know how many people would be able to use the
1893 hotspot at one time. Council Member Bailey pointed out that whoever is living next door to the park
1894 would be receiving a very nice Wi-Fi hotspot.

1895
1896 Mr. Chandler then discussed the idea of installing a fence on the northern property line of Wadman Park.
1897 He stated there will be an item on the next Council meeting to discuss this item; it is a result from a
1898 resident request. He stated there is a fence along the east side of the property and a resident, Mr. Parkin,
1899 wants a fence along the north side. He stated that a Mr. Cook has also asked for that request. He stated
1900 that the residents are interested in getting the same deal that the residents on the east side of the property
1901 got. He stated that they fronted the money for the fence and the City reduced their utility rates until that
1902 was paid back. He stated there are a couple of complications that have arisen; there is a barbed wire fence
1903 in the area, but it is not on the property line. He identified the location of the property line on a map. He
1904 stated that the residents want the fence installed on the existing fence line rather than the property line and
1905 he told them that he would likely opt to install the fence on the property line. He stated that the argument
1906 was made that when two residents have a boundary that is established by a fence line, that also establishes
1907 the property line. He stated that he has told the residents that does not apply to city governments.

1908
1909 Council Member Bigler asked if the City knows who installed the barb wired fence. Mr. Chandler
1910 answered no, but it is on City property. He stated the residents are asking that the City give them two to
1911 six feet of property. He stated the cost of the fence is \$12 per linear foot for a total of approximately
1912 \$5,000. He stated that a precedent was set by the City doing a similar thing for the property owners on
1913 the east. He then stated that there is another resident that lives in the area, Ms. Anderson, and she does
1914 not want the fence. He stated that he visited with her and she said she has never had a problem with
1915 people coming on her property and she likes to watch the kids play at the park.

1916
1917 Council Member Bigler asked if there is a way to split the cost with the residents. He stated that if it were
1918 homes rather than a park, the residents would need to pay for the fence. Mr. Chandler stated that it would
1919 be normal to split the cost, but a precedent has been set. He stated that when Ms. Anderson told him that
1920 he was not interested, he re-approached Mr. Parkin to see if he would be interested in having the fence
1921 stop at his property line and he could then fence off the rest of his property on his own, Mr. Parkin said no
1922 and that he simply wants the fence to go all the way along the property line of the park. He reiterated that
1923 the residents will come to the Council on February 12 to formally make the request; he simply wanted the
1924 Council to be aware that the cost is just over \$5,000. Mayor Harris pointed out that the residents claim on
1925 the ground because of the existing fence line is not valid because there is no such thing as adverse
1926 possession on public grounds.

1927
1928 Mr. Steele then stated the next capital project is the fence along the Cherry Way trail; the project has been
1929 done in three segments. Mr. Chandler stated the City has an agreement to provide the fencing in order to

1930 use the trail. He stated the first third of the fence was installed this year and each stretch of fence is about
1931 \$5,000. He stated Ms. Staheli talked to him about the project and he suggested installing the remainder of
1932 the fence this year. He stated completing the project would cost \$10,000 or simply installing the next
1933 section would cost \$5,000.

1934

1935 Council Member Bigler asked if portions of fence have been installed to remedy hazards along canals or
1936 other dangerous areas. Mr. Chandler stated that he does not know of any open areas. Council Member
1937 Stoker stated there are some unfenced areas along Mountain Road.

1938

1939 Mr. Chandler drew a diagram of the trail. He stated there is a sewer manhole near the trail and the City
1940 asked if the fence could be constructed in a way to avoid the manhole and the answer from the federal
1941 government was no; they do not permit negotiation of the fence line because it has to follow the property
1942 line. He identified other obstacles that the City is not permitted to go around with fencing. There was a
1943 discussion regarding the logistics of the fence and the trail.

1944

1945 Council Member Bigler asked if a similar diagram has been provided to the federal government in hopes
1946 of being granted an exception. Mr. Chandler answered yes and stated the federal government is adamant
1947 about the location of the fence.

1948

1949 Mr. Steele then stated the next item on the capital project list is the guard rail between Orton Park and
1950 Orton Park subdivision; on the north side of the park the trail slopes into a residents backyard so the City
1951 wants to install a guardrail in that area. Mr. Chandler stated that it is more than a slope; it is a fairly steep
1952 drop off.

1953

1954 Council Member Bigler asked where the guardrail will be located. Mr. Chandler stated it will be on the
1955 north end of the park. Mayor Harris stated it is in the area where the fence was removed that was
1956 destroyed by a fallen tree. He stated it will provide safety for people using the trail. Council Member
1957 Bigler stated there is another issue with safety at Orton Park. He stated that near the playground and
1958 bowery there is a river that goes through the area and on the west side where the river goes under the
1959 tunnel there is a metal grated and there is a large opening to the side of the grate that is big enough for a
1960 small kid to fall through it. He stated he feels that needs to be completely covered. Mayor Harris asked
1961 Mr. Blanchard to check into that issue.

1962

1963 Mr. Steele then stated the next item on the capital project list is a recommendation from the public works
1964 facility committee for a storage shed; it would be a 30 foot by 40 shed and the cost is \$20,000. Council
1965 Member Bigler suggested eliminating that item because he thinks it will be taken care of. Mr. Chandler
1966 stated that this is being requested in the event that the Council decides against moving forward with the
1967 public works facility. Council Member Bigler stated he does not think anyone is opposed to moving
1968 forward and as soon as the weather permits the project can begin.

1969

1970 Council Member Fawson inquired as to the location of the shed. Mr. Chandler stated there are a couple
1971 of potential locations for the shed.

1972

1973 The Council took a break at 3:00 p.m.

1974

1975 The meeting reconvened at 3:11 pm.

1976

1977 There was then a discussion about the proposed expenses for the aquatic center, which were \$20,000 for
1978 night lighting and \$7,000 for chaise lounges. Ms. Staheli stated that early and late in the season she uses
1979 lights that are ran by a generator; they are placed on the grass and they are a safety hazard and they are
1980 very noisy. She stated that the proposed \$20,000 expenditure is to purchase two poles with four to six

1981 stadium lights; they would last for 25 years and all maintenance and light bulbs are included in the price.
1982 She stated those lights would be used to extend the hours that the facility is open to the public or for
1983 rentals and reservations. She stated she has had requests to stay open later, but she is unable to do that
1984 because of the lack of lighting. She then stated that she would like to apply for a RAMP grant to purchase
1985 a large slide called the aqua-loop; it is \$700,000. Council Member Bailey stated that if the aquatic center
1986 can generate the revenue to cover the cost, he would be in support of it. Ms. Staheli stated that there are
1987 only a few of the slides in the world and it would be a great attraction.
1988

1989 Council Member Bailey asked if Ms. Staheli is purchasing new chaise lounges or replacing old ones. Ms.
1990 Staheli stated that she is replacing some and adding a few new lounges to the inventory. She stated that
1991 the lounges get drug along the cement and the bottoms break open and get sharp.
1992

1993 Council Member Bigler asked if the Civic League has been in contact with Ms. Staheli this year; he was
1994 aware that they did several things last year for the aquatic center and he wondered if they plan to do that
1995 again this year. Ms. Staheli stated she has not heard from them this year. Council Member Bigler stated
1996 that he thought they had assisted with purchasing new equipment last year. Ms. Staheli stated in the past
1997 they donated money for canopies and chaise lounges at the center. Mr. Chandler stated that the City
1998 usually gives the league a list of things that the aquatic center needs and they make donations based on
1999 that list. Council Member Bigler asked if that has been done this year. Ms. Staheli answered no. Mr.
2000 Chandler stated the City has not met with them yet.
2001

2002 There was then a discussion about mounds at the aquatic center. Mr. Chandler stated they are an
2003 extremely popular feature; they are half submerged and half above the water and they are made up of a
2004 hump of cement with a lot of padding on it. He stated they are more expensive than he originally thought
2005 because it is necessary to re-pour the cement. He stated that he thought the cost would be between \$5,000
2006 and \$10,000 for the two humps, but it turned out to be closer to \$35,000 for both. Council Member
2007 Bigler asked if any City employees can do any of the work. Mr. Chandler stated that he does not know if
2008 that would be possible. Council Member Bigler stated that he would like to include the feature because it
2009 is fun, but he suggested looking into ways to lower the costs by using City labor to do some of the work.
2010 He stated he does not think the project is doable at a price of \$35,000.
2011

2012 The Council then reviewed Public Works budget requests. Mr. Steele stated there is a request for a
2013 repeater to be installed on the abandoned cell tower at North Ogden Park. He added that he also wants to
2014 purchase 17 radios to improve communication between the Public Works and Police Departments. He
2015 stated the cost for that is \$19,000. Mr. Blanchard explained that if there were a disaster in the City, the
2016 only communication option the Public Works Department has is cell phones. He stated once those are
2017 gone, the City would be 'in the dark'. He stated he is not sure how widely used the radios would be and
2018 that is a point for discussion.
2019

2020 Council Member Bailey asked how the purchase of the radios could be worked into the City's emergency
2021 preparedness plan. Mr. Blanchard stated that emergency preparedness is the priority and that is the
2022 purpose for purchasing the radios. Council Member Bigler asked if there are grant available to assist in
2023 that type of purchase. Council Member Fawson suggested that the staff talk with the Community
2024 Emergency Response Team (CERT) about grant funding.
2025

2026 Ms. Spendlove asked if the cost includes the annual fee. Mr. Blanchard answered no. Chief Afuvai said
2027 the fee is about \$24 per radio per month. He stated that this is a completely different set-up; the Police
2028 Department goes through UCAN and that is where their monthly fee goes, but the Public Works
2029 Department will use the tower to bounce their signal off the repeater system.
2030

2031 Council Member Bigler asked if anyone has looked to see if there is a grant, and if not he suggested that
2032 staff look into that. Mayor Harris state those types of grants are generally federal grants and they are not
2033 as available as they used to be. Council Member Bigler stated there are grants for parks. Mayor Harris
2034 stated that is a RAMP grant, but that is a local grant. Council Member Bigler asked if there are any local
2035 emergency grant programs. Mayor Harris stated he is not aware of any.
2036

2037 Council Member Fawson stated that the emergency preparedness plan was discussed last year and he
2038 feels that radios would be an essential part of the plan. He stated that everyone currently relies on cell
2039 phones, which can die very fast and it is impossible to guarantee there will be a signal.
2040

2041 Mr. Steele stated the next topic is retrofitting all the Public Works vehicles with engine heaters for a cost
2042 of approximately \$25,000. Council Member Bailey clarified that the heaters will only be added to the
2043 relevant vehicles. Mayor Harris asked if the price includes everything needed for the heaters. Council
2044 Member Bigler stated that all equipment will be included in the Public Works facility cost and so this is a
2045 moot issue. Mr. Steele stated the heaters themselves will likely not be capitalized and they will be
2046 expenses in an ongoing budget. Council Member Bigler stated that depends on how the project is
2047 financed and it may be possible to include equipment with the cost of other things. Mr. Steele stated that
2048 cities usually do not buy items like consumables with capital budget money.
2049

2050 Mr. Steele then discussed the installation of street lights. Mr. Chandler stated this is the budget for new
2051 street lights; the City currently does not meet its own requirements regarding how many street lights there
2052 should be in the City. He stated that Mr. Kerr has reported that if the City installs two sodium lights that
2053 would cost \$4,500 a year while LED lights would cost \$6,500 per year. Mr. Kerr stated that Lakeview
2054 Heights is a PRUD development and they do not have street lights except for the two lights on 450 East.
2055 Council Member Bigler asked if they are responsible for their lights. Mr. Chandler answered yes and
2056 stated that street lights are the lamp lights that are in each resident's yard. Mr. Kerr stated that he did not
2057 include any of Lakeview Heights in his calculation and he still believes that the City is short 150 lights in
2058 order to meet its own rules. He stated that he thought that installing two lights a year would be a good
2059 approach. Council Member Bigler asked about the savings between the two types of lights. Mr. Kerr
2060 stated that the LED light is good for 20 years according to today's technology. He stated, however, that if
2061 someone vandalizes the light and the City is required to replace it, it will be a big expense. He stated that
2062 as far as the amount of electricity used, there are some savings. Council Member Bigler asked how much
2063 it costs to run the current number of street lights each year. Mr. Kerr stated that each light costs about
2064 \$3.00 per month. Council Member Bailey stated that the LED technology is evolving rapidly and in five
2065 years there will be some radical changes and it may be more affordable as the technology becomes more
2066 generally available. Council Member Bigler asked if the entire light system would be different than the
2067 current types of lights the City has. Mr. Kerr answered yes and stated that it will be the pole, the light,
2068 and a junction box. He stated the pole is the same, but the arm that comes out from the pole with the light
2069 in it is a LED. He stated that it is \$1,200 more than a conventional, high pressure sodium light. Mayor
2070 Harris stated this is a problem; the City is spending a lot of money replacing lights that are failing more
2071 and more often. He stated that Syracuse City started a new program recently whereby they are replacing
2072 their lights with induction lights. He stated that the City needs to do some studying, but a decision needs
2073 to be made to start changing out the lights one way or the other. He stated that he thinks the Council
2074 needs to put some money aside to do that year after year in order to get ahead of the problem. He stated
2075 that staff can do a study and determine the best way to move forward.
2076

2077 Council Member Bailey stated there are two topics for discussion; one is retrofitting existing lights and
2078 the other is adding lights to places where zoning dictates they should be located. Mayor Harris stated that
2079 is correct. Council Member Bailey stated that may require two different capital budgeting categories.
2080 Mayor Harris stated it would all be the same money, but it could be earmarked for two different types of
2081 projects.

2082
2083 Council Member Fawson stated that the light replacement should be done on a faster schedule than is
2084 being recommended. Council Member Taylor agreed and stated he always wonders why this City is so
2085 dark compared to other cities. He stated he would like to budget more for the project. Mayor Harris
2086 stated there are other things to consider when discussing a street lighting project; there are many options
2087 available to the City. He stated that he gets more calls regarding street lights than anything else.
2088

2089 Council Member Bailey asked if the amount being recommended is the cost of the light and the City will
2090 then have the additional cost of connecting the lights. Mr. Kerr stated the amount he recommended
2091 would cover all costs for two new lights; it includes the pole, the light, and the disconnect box that will
2092 connect to the transformer.
2093

2094 Council Member Bigler asked if Mr. Kerr has a specific place he is looking at putting the two lights. Mr.
2095 Kerr stated there are hundreds of places where the lights are needed. He stated he would look to see if
2096 some areas should be assigned higher priority than others. Mayor Harris stated that Salt Lake City has the
2097 same problem as North Ogden and they just raised user fees by a couple of dollars a month to cover street
2098 lights.
2099

2100 Council Member Bailey asked about the option of creating a program that would allow a resident to pay
2101 to install a light. Council Member Bigler stated that he thinks that is a great idea. Mr. Kerr stated that he
2102 has had some people call him about street lights and he has recommended that to them as an option after
2103 explaining that the City does not have the money to install a light. He stated no one has volunteered their
2104 money for that purpose. Council Member Bigler stated that if such a program were couched in the right
2105 terminology the program may be more viable. He suggested the City offer to pay half the cost of the light
2106 if the residents offer to pay the other half. He also suggested charging residents \$1.00 per month for
2107 street lights; that would cover 24 lights per year and he thought most people would be comfortable paying
2108 that.
2109

2110 Mr. Chandler then stated that in response to Council Member Bigler's question regarding the potential
2111 location of the two new lights, he would get Chief Afuvai's input to determine where the lights would
2112 provide the most amount of good as far as safety. Council Member Bigler stated that is a good call
2113 because residents will complain that they did not get a light on their street and it would be good to have
2114 justification for where the lights are installed. He then asked if developers are required to add street lights
2115 when they develop a new neighborhood. Mr. Chandler answered yes. Council Member Bigler stated that
2116 has not always been the case. He then stated that he likes the idea suggested by Council Member Bailey
2117 that residents pay a one-time \$50 fee to get a new light on their street. Mr. Chandler stated that perhaps
2118 the ideas could be combined; the staff could look at areas of town where the lights were not provided as
2119 part of the development of a neighborhood and consider implementing a special assessment district where
2120 only the areas of the City that are getting new lights will be charged. He stated that would prevent people
2121 that have already paid for street lights as part of their permitting fees from paying for lights in other areas
2122 of the City. He stated he does not know if that is possible and he has not heard of it being done for street
2123 lights.
2124

2125 Council Member Taylor stated that he thinks that street lighting is similar in nature to snow plowing and
2126 public safety; if people know exactly where their money is going they are more comfortable paying for it.
2127 He stated that charging a \$1 fee per month for street lighting would allow the City to conserve funds for
2128 things that are less politically popular while building a budget that will provide street lighting
2129 improvements and it will not be subject to economic conditions. Mr. Chandler stated that the only thing
2130 to consider is that the more street lights that are added in the City, the more the operating costs will
2131 increase, including the time to replace lights.
2132

2133 Council Member Bigler asked how often the City receives complaints that there are not enough street
2134 lights. Mr. Chandler stated that most of the complaints he gets are regarding lights that are out and have
2135 not been replaced. He stated he does not get many calls about adding more lights. Council Member
2136 Bigler stated that new development pays for their own lights and if there are some neighbors or a
2137 neighborhood complaining about not having a light the City could employ Council Member Bailey's
2138 suggestion to charge residents a one-time fee for a new street light or implement a special improvement
2139 district. He stated that the City also needs to do a good job at replacing the lights that are already in
2140 operation.

2141
2142 Mr. Steele then stated the next item for discussion is the installation of disconnect boxes for street lights.
2143 He stated that there are some that have already been done, but this cost would cover all those that have
2144 not been done to date. Councilmember Bailey inquired as to the total number of street lights that need the
2145 box installed on them. Mr. Kerr stated that he is not sure the number that need the disconnect installed.
2146 Mr. Blanchard added that the cost will only apply to underground lights rather than the overhead lights.
2147 He reiterated staff is not sure of the number of lights, but there are quite a few.

2148
2149 Mr. Steele then stated the next item for consideration is the installation of a sidewalk in front of two
2150 houses on 2650 North west of North Ogden Elementary. He stated that is part of the safe sidewalk route
2151 and the City is required to pay for that portion of the sidewalk. Mr. Chandler asked if that is request
2152 driven. Mr. Steele answered yes and stated the request came from the Parent Teacher Association (PTA)
2153 and they have already gotten permission from the homeowners.

2154
2155 Mr. Steele then stated the next request is the temporary cul-de-sac that is a result of the request made by
2156 Kevin Orme at the last Council meeting. Mr. Chandler stated he is still waiting for a price on that project.
2157 The Council discussed the issue and concluded they did not want to install the temporary cul-de-sac.
2158 Mayor Harris stated he is concerned that doing the cul-de-sac would set a major precedent. He instructed
2159 Mr. Chandler to not include the project in the budget.

2160
2161 Mr. Steele then reviewed the RAMP track projects; one is replacing the trail around Green Acres Park.
2162 He stated the City will provide a monetary match of \$10,000 and some of that will be in-kind. He stated
2163 that staff is also seeking RAMP money for material for ball fields; the City will provide a monetary match
2164 of \$12,000 for that. Council Member Bigler asked if that is dirt for the ball fields. Mr. Steele answered
2165 yes. Council Member Bigler asked if staff got prices for different types of dirt; he would prefer to get the
2166 good dirt rather than gravel that kids do not want to slide on. Ms. Staheli answered yes and stated that the
2167 dirt has been analyzed and staff will find a mix that will best meet the needs at the fields. Council
2168 Member Bigler stated that it is also possible to look at different dirt grades on the internet. He stated that
2169 he has had a lot of people complain to him about this issue. He stated that North Ogden Park is beautiful
2170 but the infield ruins it. Mr. Chandler asked how far down the dirt will be dug down in order to add new
2171 soil. Ms. Staheli stated four inches of the existing soil is removed.

2172
2173 Mr. Steele stated there have been discussions about increasing the requests made for future RAMP grant
2174 monies. He stated one example of a project that could be partially funded with more money would be the
2175 slide that Ms. Staheli talked about at the aquatic center. Council Member Bailey suggested staff come to
2176 the Council with some suggestions; he is not prepared to have a discussion about ideas for projects for
2177 RAMP funding use. Mayor Harris stated that the issue is moving to the next tier in RAMP grant funding;
2178 he stated there are several tiers and the City has always been in the lower tier because of the limited
2179 amount of money set aside for matching funds. He stated that he thinks the Council does need to talk
2180 about those projects; he would like to see some big projects accomplished with RAMP grant funding.
2181 Ms. Staheli stated the third tier would be for projects of approximately \$200,000 or more. Council
2182 Member Bailey asked how much the City would be required to match for those bigger projects. Ms.
2183 Staheli stated it is normally half and that can be made up of in-kind and monetary matches.

2184
2185 Mayor Harris stated that he and Mr. Chandler had talked about a trail system recently. Mr. Chandler
2186 stated that development of part of the trail system has been a discussion recently; in every recreation
2187 study that he has seen done, trails have always been a top priority for cities because they are the number
2188 one used and requested recreation facility. Mayor Harris stated other cities in Weber County have
2189 received huge grants for trails or bridges and there is no reason the City cannot be in that same category
2190 as long as money is set aside for matching funds. Mr. Chandler stated that when the City works on the
2191 General Plan it would be possible to include surveys of residents regarding what their desires and interests
2192 are. He stated that would help the Council have an idea of how the residents feel about recreation
2193 opportunities. Mayor Harris stated the City can also start to put some money aside to save to have
2194 enough to match for a big project. Mr. Chandler stated there have been some discussions about
2195 development at Lomond View Park; a portion of that is relatively undeveloped and there may be a
2196 possibility to do something there. Council Member Bigler asked for an example of what could be done.
2197 Mr. Chandler stated the City has a request for an off-leash facility; those types of parks are becoming
2198 more popular. He then stated there are several other opportunities the City could consider.
2199

2200 Council Member Bailey stated he would not be opposed to discussing RAMP grant funding. Mr.
2201 Chandler stated that staff can come back to the Council with some ideas for discussion as well as what
2202 types of tier three projects have been approved in Weber County.
2203

2204 Council Member Fawson asked about trail heads; there are some awesome trails in the City, but there are
2205 not many defined trailheads with parking, water, and restrooms similar to facilities in Ogden. Mayor
2206 Harris stated those are possibilities. He then stated that Pleasant View has received RAMP grant money
2207 to build the trail along the North Ogden Canal to North Ogden's boundary and then the trail stops. He
2208 stated the City could apply for money to pipe the canal and build the trail extension. He stated that would
2209 be an expensive project, but it could be done with RAMP grant funding.
2210

2211 Mr. Steele then stated the total for Class C road projects is \$437,000. Council Member Fawson asked if it
2212 is down from last year. Mr. Blanchard stated that it is actually higher than last year. Mr. Chandler asked
2213 if any Class C funds will be used for operations or will all of it be dedicated to street projects. Mr.
2214 Blanchard stated that all of it should go to roads in his perspective, but in reality about 80 percent will go
2215 to road projects and 20 percent will to operations.
2216

2217 Mr. Steele referenced the Green Acres overlay project; that is the project that was done with CDBG
2218 funding this year and new curb and gutter was installed. Mr. Kerr stated this is the second phase of that
2219 project. Mayor Harris stated the City is obligated to do that project and part of the match to the grant is
2220 \$185,000.
2221

2222 Mr. Steele referenced the pavement overlay project in Ben Lomond Estates. He noted water lines were
2223 installed this year and the pavement overlay in the subdivision is necessary. Mr. Blanchard stated the
2224 amount of that project could change slightly. He stated that if the entire \$150,000 project budget were
2225 exhausted, that would complete all of Ben Lomond Estates, but there are other areas that he feels need
2226 attention before it does. He stated that he would like to do the perimeter of Ben Lomond Estates and do
2227 the rest as a second phase next year. He stated there are some other things he would like to do with the
2228 money, such as chip sealing in order to finish 2600 North. He stated that there will need to be some
2229 discussion about how to deal with the section of road on 400 East that is breaking apart and it may be
2230 necessary to do a budget opening to address that. He stated that in his opinion it would be better to use
2231 the money for other projects and only complete the perimeter of Ben Lomond Estates this year. Mayor
2232 Harris stated that the problems on 400 East have been caused by storms and it would not have been
2233 possible to plan for that project. Mr. Blanchard agreed and stated the project is bigger than can be
2234 handled by the Public Works Department. He stated that it cannot be addressed right now because of the

2235 moisture in the holes, but he will put a cold mix in it to bridge across the holes. Council Member Bigler
2236 asked how specific the Council has to be in budgeting. He asked if the Council can just vote on the road
2237 repair budget and allow the Public Works Department to use the money where it is needed. He stated the
2238 Council does not need to approve every specific road project. Mr. Chandler stated that the Council needs
2239 to understand the general projects, but if something comes up, the allocation of that money can be
2240 adjusted and the Council can be informed accordingly. Mr. Blanchard stated that he has always included
2241 an extra \$100,000 in his project to try to address the emergencies that may arise. Mr. Blanchard then
2242 stated that the street repair funding for \$50,000 is something that he came up with a couple of years ago to
2243 offset Class C funding. He stated that projects pop up throughout the year that need to be addressed and
2244 the \$25,000 that he has had in the past has not been enough.

2245
2246 Council Member Fawson asked about the budget that the Council approved for sidewalk repair. Mr.
2247 Blanchard stated he will still need that budget this year.

2248
2249 Mr. Steele then reviewed enterprise funds and stated most of the numbers come from the five year plan;
2250 he distributed a handout to the Council for review. He reviewed the water fund and stated it includes
2251 construction of well number four. Mr. Blanchard stated that project is idle right now, but the location in
2252 North Ogden Canyon will be pursued. He stated the City will then request bids for the project. Council
2253 Member Bailey asked if that project is still in the exploratory phase or if the project will be rebid as a
2254 production project. Mr. Blanchard stated it will be rebid as a production project. Mayor Harris stated that
2255 all indications are that it is worth the risk to dig the well in that area rather than digging another
2256 exploratory hole. He reviewed what happened during the exploratory phase of the project.

2257
2258 Mr. Steele then stated there is a water project in Lomond View for \$108,000. Council Member Bigler
2259 asked for more information on that project. Mr. Blanchard stated there was a home on Lomond View that
2260 caught fire and when the firemen went to fight the fire they were getting what they thought was
2261 inadequate water and they called the Water Department saying they need more. He stated that it is
2262 common practice to loop culinary water so that water can be drawn from two locations, but the water line
2263 in that area only goes to a certain point and then stops so the Fire Department could only draw water from
2264 one direction and that is why he could not provide any more for them. He stated he felt this would be an
2265 appropriate time to loop the water line to 175 West and tie the water lines together so there is flow from
2266 two different directions. Council Member Bigler asked if most of the areas of the City have the double
2267 loop. Mr. Blanchard answered yes and that is a design parameter.

2268
2269 Mr. Steele stated the next project is the water line between 500 and 600 East on 3700 North. Mr.
2270 Chandler stated that this is for Valley View Estates. He stated the subdivision has eight lots and this is
2271 another looping issue; there is a change in water pressure in that area and to loop the water would give the
2272 City more pressure and greater fire flow. He added there is a limited amount of water that flows to the
2273 subdivision so the project would also benefit the developer. He stated that subdivision is three or four
2274 years old. Council Member Bigler asked why the looping was not done when the project was developed.
2275 Mayor Harris stated that he does not think there was sufficient water pressure at the time of the
2276 development to do the looping. He stated that since the development of the cove, the City has the ability
2277 to provide more pressure. There was a short discussion about what the City is required to do versus what
2278 a developer is required to do when a subdivision is developed. Mayor Harris stated the developer did
2279 everything he was required to do as far as culinary water improvements; this is a project that will upgrade
2280 the City's system that will benefit more than just the Valley View Estates subdivision. The conclusion
2281 was to remove the project from the budget and Mayor Harris stated that more discussion about it can take
2282 place at a later date.

2283
2284 Mr. Steele then stated that the next project in the budget is to upgrade the monitoring system that will
2285 check the wells. He stated it is also necessary to repair security fencing as necessary around the wells and

2286 pump houses. Council Member Bigler asked if the upgrades to the monitoring system includes just
2287 updating physical parts or changing the way the monitoring is done. Mr. Blanchard stated that it also
2288 includes putting in new features; this money is to continue on through all the areas that he already has.
2289 He stated he will provide more detailed information to the Council in a work session when the budget is
2290 prepared.

2291
2292 Mr. Steele then moved on to the sewer fund and stated there is a project for sewer relining and he
2293 highlighted the project area. Mr. Blanchard stated that he wants to do an ongoing project of sewer line
2294 rehabilitation. He stated some lines will not accept the liner because they are damaged, but when it is
2295 possible to insert a liner, that saves the integrity of the street. He stated that the sewer lines are inspected
2296 with a camera to determine where the lining is appropriate.

2297
2298 Mr. Steele then stated another project is installation of top hats or sewer line connection reinforcements.
2299 Mr. Blanchard stated a top hat is something that prevents roots from growing into the sewer system. He
2300 stated there is no such thing as a guarantee when talking about preventing this kind of damage, but this is
2301 close as the City can to prevent anything from coming between the lateral and the main line. Mr.
2302 Chandler stated that the top hat basically eliminates the seam and it is not necessary to dig up the road to
2303 do it. Mr. Blanchard stated that each application will cost \$1,000. Council Member Bigler asked if the
2304 top hats will only be installed where the City foresees a potential problem. Mr. Blanchard stated he will
2305 only focus on problem areas. He stated he plans to start with 10 this year. Council Member Bigler asked
2306 if aged lines will be replaced in the same manner or if the top hats will be used. Mr. Blanchard stated that
2307 they will be replaced in the same manner. He stated that the City cameras one-third of the lines in the
2308 City each year and they will find these problem areas through that process.

2309
2310 Council Member Taylor asked if the \$250,000 project for sewer relining represents ten percent of the
2311 City. Mr. Blanchard stated that it will be 400 to 700 East on 2650 North. Council Member Taylor asked
2312 the potential cost to reline all sewer lines in the City. Mr. Blanchard stated that he does not have that
2313 number. He stated that it is not always necessary to reline a pipe; there are other things that can be done
2314 to maintain the integrity of the pipe. Council Member Taylor stated that in order for the Council to
2315 understand what the long term capital improvement plan is, it would be nice to know a ball park figure for
2316 that plan. Mr. Blanchard stated that he can come up with an estimate, but that estimate will only be based
2317 on the information he has been able to gather. He stated that sewer lines are like asphalt; if they are
2318 installed right they can last a certain number of years, but that does not always hold true depending on
2319 certain variables. He stated that the entire sewer system is camera'd every three years and some lines
2320 may look great during that initial inspection, but in the fourth year the City may find that something has
2321 happened and repairs are necessary. Mr. Chandler stated that staff can come up with an estimate based on
2322 what they do know for certain.

2323
2324 Council Member Bigler asked if new developments are required to use the better quality pipe. Mr.
2325 Blanchard stated that new developments use PVC pipe; the pipes he is referring to are concrete pipes and
2326 the pipe being used now is a lot better.

2327
2328 Mr. Steele then reviewed storm water projects and stated that the first project on the list is the Hall Tree
2329 storm drain outfall at a cost of \$215,000. Mr. Blanchard stated that he needs to get more information on
2330 this project to provide to the Council; he assumed it is related to the rebuild of the regional detention
2331 basin. Council Member Bigler asked what the problem is and he noted a lot of Hall Tree has been
2332 developed for years. Mayor Harris stated it is part of a long term, overall storm water drainage plan.
2333 Council Member Bigler asked if Bruce Jones was aware of that when he started developing the area.
2334 Mayor Harris stated he has paid for his portion of it. He stated Mr. Jones installed the storm water
2335 detention basins he was required to install, but they are too small for the region. He noted that as
2336 development has occurred, the plan has always included a larger detention basin in that area and that is

2337 what this project takes care of. He stated it would be best to have staff provide an in-depth presentation
2338 regarding this project.
2339
2340 Council Member Taylor asked if there are other areas in the City that have needs similar to this. Mayor
2341 Harris answered yes. Council Member Taylor asked if those are included in a master plan somewhere.
2342 Mayor Harris answered yes and stated that it would be good to invite staff to come to a Council meeting
2343 to review the total plan and point out that it is dotted with storm water detention facilities that still need to
2344 be built. He stated that at one time the City thought it would be possible to use the old Pineview holding
2345 pond, but that is considered to be a high hazard dam according to the State of Utah and the liability the
2346 City would assume by using that structure is not worth it.
2347
2348 Council Member Bailey asked if this project will be funded by the storm water enterprise fund. Mayor
2349 Harris answered yes. Council Member Bailey stated that he gets the sense that there are about 10 times
2350 more projects that need to be done than the City will ever generate enough revenue to do. Mayor Harris
2351 stated that is correct. Council Member Bailey asked how it will ever be possible to get to a long term plan
2352 for capital budgeting because the capital budgeting needs are so high. Mayor Harris stated that is part of
2353 the problem the City has always had; it has big city needs with small city revenues. He stated that these
2354 are project that have always been planned on and they have to be done, but it is only possible to slice off a
2355 chunk at a time. He asked if the Council would be interested in having staff spend some time reviewing
2356 the storm water master plan. The Council concurred it would be good to hear that information.
2357
2358 Council Member Fawson asked Mr. Steele if he will spend some time talking about a long term capital
2359 project plan. Mr. Steele stated that he did not know how detailed the Council wanted that discussion to
2360 be, but he is willing to have that discussion. Council Member Fawson asked if it will be discussed as part
2361 of this current agenda item. Mayor Harris answered yes.
2362
2363 Mr. Steele then stated that he has distributed the five year plan and noted that it is broken down into
2364 different departments including public works, road maintenance, water division, streets, sanitary sewer,
2365 and parks. He stated that there is a longer range projection of replacing facilities and larger equipment
2366 and that will continue to develop. He stated those projections include the police station, administration
2367 building, recreation center, aquatic center, roads, water, sewer, and storm water.
2368
2369 Council Member Fawson asked if the longer range plan is a 30 year plan. Mr. Steele stated that staff will
2370 need to research and see what other cities do in order to determine the best approach. Mr. Chandler stated
2371 that he will follow the Council's lead on that decision. Council Member Fawson stated it is a daunting
2372 task to have the foresight to start saving now for things that will need to be replaced in 20 or 30 years. He
2373 stated he does not know how long the police station will last, but it will be sooner rather than later and it
2374 will be a hefty expense. Mr. Chandler stated that before the next budget meeting staff can provide more
2375 information about all of the facilities including how old they are and how much the City is currently
2376 spending on maintenance and depreciation. He stated all of that information can be reviewed in more
2377 depth at the next budget meeting. Council Member Fawson stated he would also like more information
2378 on financing options. He stated that the Council knows the bonding options, but it would be good to
2379 know what it would take in the form an increase in rates to be able to partially pay for some of the
2380 projects without bonding. Mr. Chandler stated he can start providing that information.
2381
2382 Mr. Chandler then reviewed the next slide in the presentation regarding funding depreciation. He stated
2383 the easiest way to handle replacement of systems or facilities is to fund the depreciation, but that is not
2384 always done very well because it is expensive to do that. He stated the life of a road is generally 20 years,
2385 but if it is chip sealed in the first three to five years, that may add three to five years to the life of the road.
2386 He noted that is a slurry seal is also applied, that will add another two to three years to the life of the road.
2387 He stated there are practices that can be employed to extend the life of facilities or infrastructure. He

2388 stated Mr. Blanchard has done a good job of using those practices and investing in the infrastructure to
2389 further extend their life. Mr. Blanchard stated that saying a road has a 20 year life span does not mean
2390 that after 20 years the road can be overlaid with new asphalt and it will last another 20 years. He stated
2391 that regular maintenance of the road is the best practice, but if that is not done properly any existing
2392 cracks or deterioration will manifest in the overlaid road as well less than one year. Mayor Harris stated it
2393 is important to rejuvenate the existing asphalt with preventative maintenance measures such as chip seal
2394 and slurry seal. Mr. Chandler stated the bottom line is that there is a lot more information that the
2395 Council needs regarding these issues and staff will be happy to provide that information.
2396

2397 Council Member Bailey asked how the City will fully fund depreciation without exceeding the 18 percent
2398 reserve fund limitation. Mr. Chandler stated it will be included in the capital projects budget.
2399

2400 Council Member Taylor asked if is possible to do more slurry seal; he would rather spend more on that
2401 now than spend more to resurface the roads in the future. Mr. Blanchard stated chip seal is the best
2402 application to use over asphalt the year after it was asphalted. Mr. Chandler stated that he thinks Council
2403 Member Taylor is asking how far the City can get with preventative maintenance every year and what
2404 that maintenance will provide. Council Member Taylor stated that is correct; he noted that the budget
2405 amount for slurry seal is \$50,000 and he wondered if it would be possible to avoid more costly repairs in
2406 the future if that amount were doubled. Mr. Chandler stated staff can explain how much the \$50,000 will
2407 cover and how long it would take to get through the whole City. Mr. Blanchard stated that the City has
2408 problems with chip seal failing in the past and the decision was made to not use chip seal anymore, but
2409 manufacturers have come out with a new chip seal material that is now working and has been
2410 reintroduced into the City.
2411

2412 Mayor Harris stated it is important for the Council to understand that the City has a pavement
2413 management system and it is based on condition surveys done by Mr. Blanchard and the City Engineer.
2414 He stated that they feed survey information into the pavement management system and it tells the staff
2415 what sections of road need certain treatments. He stated that is how decisions are made regarding what
2416 projects will happen throughout the City. Council Member Bailey stated that if the City can step up the
2417 maintenance efforts by putting more money into prevention that would be a good idea. He stated he
2418 understands there is a pavement management system, but maybe that could be more effective if more
2419 money were dedicated to it. Mayor Harris stated it is also possible to do too much in the way of road
2420 maintenance. He stated it may be true that not enough is being done, but everything that is being done is
2421 based on the pavement management system. Council Member Bailey asked how it was possible for 400
2422 East to deteriorate in the manner it has. Mr. Blanchard stated that the life of the road is very dependent on
2423 the materials under the asphalt and sometimes the road does not last as long at the pavement management
2424 system has predicted it will. He stated he did not anticipate the deterioration of the section of road
2425 Council Member Bailey is referencing because it has had some very good treatments. He stated there
2426 have been problems with water getting under the road and causing it to deteriorate. Mayor Harris added
2427 that many problems with roads are weather related and it is impossible to predict those problems.
2428

2429 Mr. Steele then stated he would talk about the available funding for the public works facility. Mr.
2430 Chandler stated that should probably be rephrased as funding available for the public works facility or
2431 other capital projects. Mr. Steele then stated that at the end of the year there will be \$1.3 million in the
2432 capital projects fund. He then stated that in enterprise funds, staff would like to have enough money in
2433 those funds to cover depreciation and to determine how much cash is needed for the future it is necessary
2434 to do a cash flow analysis. He stated there is the assumption that operating revenue is increased over time
2435 to match the increase in operating expenditures. He stated that it is necessary to take into consideration
2436 future capital projects, which are included in the five year plan. He noted the Council may want to look
2437 further into the future than five years. He stated that after taking into consideration future capital projects,
2438 the good rule is to have a minimum of 50 percent reserve of the operating expenditures with a maximum

2439 of no more than a full years' worth of operating expenditures. He stated after doing the cash flow
2440 analysis he has determined the funds available in the enterprise funds are as follows: water fund is
2441 \$43,000; sewer fund is \$182,061; solid waste fund is \$1,000,000; storm water fund is \$0 mainly because
2442 of the \$1.2 million North Ogden canal project scheduled for 2017. He stated the total amount available in
2443 enterprise funds is \$1,225,776. He stated that amount combined with the money available in the capital
2444 projects fund is approximately \$2.5 million. Mr. Chandler reiterated that is the total available for any or
2445 all capital improvement project, not just the public works facility.

2446
2447 Council Member Fawson stated that he wanted to know the difference between total and available. Mr.
2448 Steele stated that he factored in the five year capital project plan when calculating these figures. Council
2449 Member Fawson asked if the enterprise funds will cover the operating expenses. Mr. Steele answered
2450 yes; he noted he started with the beginning cash balance and averaged the operating income for the past
2451 five years and made sure the amounts left in those funds would cover that. He reiterated that he also
2452 subtracted all capital projects that are currently planned for.

2453
2454 Council Member Bigler asked if this is extra money. Mr. Steele answered yes; it is the excess in the
2455 enterprise funds combined with what is being budgeted for capital projects. Council Member Bigler
2456 asked if this excludes the other budgeted projects. Mr. Steele stated that he only considered the capital
2457 projects being funded by the enterprise funds.

2458
2459 Council Member Bailey asked if the City has \$2.5 million to handle all non-enterprise capital
2460 improvement projects including the public works facility. Mr. Chandler answered and stated the City has
2461 \$1.3 million to spend on non-enterprise capital improvement projects. He stated the enterprise operates as
2462 it is its own business so when Mr. Steele reviewed the numbers he subtracted the projects that can be
2463 funded by the enterprise funds. He stated that is how he determined the amounts that can be dedicated by
2464 each enterprise fund to the public works facility. Council Member Bailey asked if those funds are being
2465 borrowed from the enterprise funds to the general fund. Mr. Chandler stated that they can be borrowed or
2466 contributed to the general fund. Council Member Bailey asked if that can be done without depleting the
2467 reserve in the enterprise fund. He stated there are a lot of capital improvement needs in those funds and if
2468 money is taken from those funds there will no longer be a reserve to complete those projects. He stated
2469 that he can see borrowing from the funds, but not completely depleting the funds. Mr. Chandler stated
2470 that Mr. Steele needs to explain how he arrived at the numbers he presented.

2471
2472 Council Member Bigler asked if there is \$2.5 million available for the project or \$1.2 million. Mr. Steele
2473 stated there are two different components; there is \$1.2 available in enterprise funding and \$1.3 in the
2474 capital projects fund. Council Member Bigler asked if both types of funding can be used for that facility.
2475 Mr. Steele answered yes. Council Member Bigler asked if using the entire \$2.5 million would completely
2476 deplete both accounts. Mr. Steele stated there will be reserve funding because it is important to maintain
2477 at least 50 percent of operating expenses in a reserve fund.

2478
2479 Council Member Taylor stated the accounts would be depleted to the point that they would no longer be
2480 able to fund big projects down the road. Council Member Fawson stated that Mr. Steele has covered the
2481 five year capital projects in his calculations. Council Member Taylor stated that is correct, but it will be
2482 necessary to rebuild the funds for longer term projects.

2483
2484 Council Member Bigler stated he would rather pay back a loan to the enterprise funds with a zero interest
2485 rate than bond for the project. Council Member Bailey agreed as long as the reserves are covered.

2486
2487 Mr. Steele reiterated that he started with the beginning available cash amount. He stated that he deducted
2488 50 percent of the operating expenses from that cash amount. He stated he then deducted the funding for
2489 the projects in the five year plan from the remaining cash amount. He stated the amount left is what is

2490 available to contribute to the public works facility or other capital projects. He reiterated that there is also
2491 \$1.3 million available in the capital project fund. Mr. Chandler stated that any capital projects to be
2492 funded by the general fund were not deducted from that number. Mr. Steele stated there are another
2493 \$1,180,000 in potential capital projects that could be funded by that \$1.3 million. He stated he did not
2494 factor any of those projects into his calculations because he did not know which projects the Council
2495 would support and which they would deny. Mr. Chandler stated that, in other words, there are \$2.6
2496 million in capital project requests and \$1.3 million to cover those. He stated it will be necessary to decide
2497 how to use the cash; if all money is used for the public works facility, all other capital projects will be
2498 delayed for at least one more year. He stated that if all other requested capital projects are approved, the
2499 realistic outcome is that there is \$1.2 million available in enterprise funds for the public works facility.

2500
2501 Mayor Harris noted that there is class C road money available for road improvement projects, but if the
2502 Council wanted to provide additional funding for roads that would need to come from the \$1.3 million
2503 capital project budget. Mr. Steele stated that is correct.

2504
2505 Mr. Chandler stated that there have been a lot of 'wish list' requests made. He stated he knows that some
2506 will be financed while others may be. He stated he would suggest that the Council allow staff to come
2507 back to the Council with a prioritization of those projects. He stated the Council can take that list and
2508 determine what they want to do this year and what should be put off for another year. He stated that will
2509 help them determine how much should be dedicated to the public works facility or saved for future years.

2510
2511 Council Member Bigler asked how much money is currently saved. Mr. Chandler stated there is
2512 \$500,000 from the general fund and special revenue funds; there is approximately \$770,000 in RDA
2513 funds; and there is \$715,000 left over in the enterprise funds as well. Council Member Bigler stated that
2514 totals nearly \$2 million and he figured that any other projects would be funded by funding available in the
2515 upcoming budget year. Mr. Chandler stated that is not accurate; at the end of the fiscal year 2013 there
2516 will be \$1.3 million left to be spent and that could be used to fund non-enterprise projects.

2517
2518 Council Member Taylor stated that if the City took \$1.25 from the enterprise funds, \$500,000 from the
2519 existing money that is saved, and \$500,000 from capital projects or the general fund reserve fund, that
2520 would generate over \$2 million and that would only leave \$1.5 or \$2 million at the most to bond for. He
2521 stated that paying for more than half of the project with cash is a very reasonable proposal. He stated he
2522 thinks the residents would be more comfortable with that type of approach and it will not be necessary to
2523 pillage the funds because there will be enough left to fund five years of capital projects and cover 50
2524 percent of the operating costs. He stated he thinks that is very safe.

2525
2526 Council Member Fawson stated that the Council needs to be able to understand where the general fund is
2527 going; just saying that \$500,000 can be pulled from the reserve fund is a little premature. Councilmember
2528 Taylor stated he was simply offering a general suggestion.

2529
2530 Council Member Bigler stated that the City can hold in reserve 18 percent of its total operating
2531 expenditures and he asked how much that is. Mr. Steele stated that is about \$936,000. Council Member
2532 Bigler stated that taking \$250,000 from that would leave a healthy reserve.

2533
2534 Mr. Chandler stated that if the Council wants the staff to figure out a way to fund \$2 million of the
2535 project, staff can come back to the Council with evaluations of how that will affect the entire project and
2536 where that funding would come from. He stated that is a good starting point for the staff to work on.

2537
2538 Council Member Bailey stated that he would like to fund as much as possible in available City funds
2539 without totally pillaging all funds. Council Member Bigler stated that he likes the idea of having a
2540 healthy balance. He asked Mr. Chandler to look at different options where the City would fund \$2

2541 million, \$2.25 million, or \$2.5 million of the project with existing funds. He stated he would consider
2542 lowering the reserve fund to accomplish that and it may be possible to not bond at all. Mr. Chandler
2543 stated he can start at \$2 million and increase by \$250,000 increments. He stated the Council can then
2544 decide what the best mix of project funding will be for the City.

2545
2546 Council Member Bigler asked how much money is being saved each month and where it is placed in the
2547 budget. Mr. Steele stated he does not know the answer to that question right now. Council Member
2548 Bailey stated it is not extra money; it is money that should be used for depreciation.

2549
2550 Council Member Taylor stated there needs to be a plan for replenishing the funds because things are not
2551 being adequately funded for the long run.

2552
2553 Mr. Chandler stated that this has turned into a discussion of mixing the operational funding with capital
2554 funding. He stated that in talking about funding operational items, there is one very large expense that the
2555 administration would like to add back into the budget and that is the motor pool fund. He stated the cost
2556 of that is about \$500,000 for the whole City. Council Member Taylor stated that is why he thinks there is
2557 wisdom in not using every cent the City has for the public works facility and consider bonding for a
2558 portion of the project. He stated that will leave some money for other things that are necessary in the next
2559 few years. He stated the motor pool has not been funded since 2009. He stated his philosophy is that if
2560 the public works facility is funded 50 percent by cash and the bond amount is lower than \$2 million, that
2561 is reasonable and he can support it. He stated he thinks most people would support that as well.

2562
2563 Mayor Harris stated that the Lewis Young study that was done when the City was first considering the
2564 public works facility not only analyzed what the City would need to bond for to build the facility, but it
2565 also analyzed what the City needs to do to keep the enterprise funds healthy. He stated that included three
2566 things: keeping up with inflation; keeping cash reserves at 50 percent of the operating expenses; and fund
2567 the projects that are on the five year plan from year to year. He stated that would require a utility rate
2568 increase every year. He stated he is not sure that the Council understands that if they want to keep the
2569 funds healthy, utility rates need to be increased. He stated that has not been done so far and the City is
2570 already behind. He stated the Council needs to consider whether they will increase utility rates to keep up
2571 with the trends and expenses that must be met. He stated it will not be possible to keep up if the utility
2572 rates are kept the same.

2573
2574 Council Member Taylor stated he agrees with that; it is incumbent on the Council to make sure they are
2575 raising the rates adequately to replenish the money used and to fund the infrastructure. He stated that
2576 there is a lot of infrastructure in the City that may be nearing its useful life.

2577
2578 Council Member Fawson stated that he thinks that there needs to be consideration given to more than five
2579 years into the future. Mayor Harris stated that the Lewis Young study addressed a 20 year period.

2580 Council Member Fawson stated he is referencing the five year plan. Mayor Harris stated that the Lewis
2581 Young study dealt with enterprise fund types of projects. Council Member Fawson stated he thinks the
2582 Council should look at rates. He stated he feels rate increases need to be sufficient to replenish what is
2583 being spent and get the City to a point where it is saving for future needs. Council Member Bailey stated
2584 that is easier to do with enterprise funds than it is to do with general funds and he feels that it will never
2585 be possible to save enough in the general fund to do what needs to be done. Mayor Harris stated that is
2586 correct. He added that there will come a time when the City is forced into increasing rates; generally
2587 what happens is just what is happening in Ogden City with their water system. He stated they are being
2588 forced to bond for several million dollars because they have not maintained their water system the way it
2589 should be maintained.

2590

2591 Mr. Chandler stated that concludes the presentation from staff. Mr. Steele stated staff will take the
2592 feedback that has been given and incorporate it in the development of the budget. He stated that staff will
2593 come back to the Council several times before the adoption of the tentative budget in May. Mr. Chandler
2594 stated that he thinks the Council will need another meeting dedicated just to budget discussions. Council
2595 Member Bailey agreed.
2596

2597 Mayor Harris thanked everyone for their efforts for the meeting today. He stated a lot of work has been
2598 done and he appreciated everyone's input.
2599

2600 Council Member Bigler thanked everyone for the work they have done for this meeting.
2601
2602

2603 **7. MAYOR AND CITY COUNCIL COMMENTS.**
2604

2605 There were no additional comments from the Mayor or Council.
2606

2607 **8. ADJOURNMENT.**
2608

2609 **Council Member Fawson moved to adjourn the meeting. Council Member Taylor seconded the**
2610 **motion.**
2611

2612 **Voting on the motion:**

2613 **Council Member Bailey aye**
2614 **Council Member Bigler aye**
2615 **Council Member Fawson aye**
2616 **Council Member Stoker aye**
2617 **Council Member Taylor aye**
2618

2619 **The motion passed unanimously.**
2620

2621 **The meeting adjourned at 5:21pm.**
2622
2623
2624

2625 _____
Richard G. Harris, Mayor
2626

2627 _____
2628 S. Annette Spendlove, MMC
2629 City Recorder
2630
2631

2632 _____
2633 Date Approved