

NORTH OGDEN CITY COUNCIL WORK SESSION MEETING MINUTES

May 05, 2015

The North Ogden City Council convened in an open meeting on May 5, 2015 at 6:38 p.m. at the North Ogden City Council Chambers at 505 East 2600 North. Notice of time, place and agenda of the meeting was delivered to each member of the City Council, posted on the bulletin board at the municipal office and posted to the Utah State Website on May 1, 2015. Notice of the annual meeting schedule was published in the Standard-Examiner on December 21, 2014.

PRESENT:	Brent Taylor	Mayor
	Lynn Satterthwaite	Council Member
	Cheryl Stoker	Council Member
	Phillip Swanson	Council Member
	James Urry	Council Member
STAFF PRESENT:	Bryan Steele	City Administrator/Finance Director
	Annette Spendlove	City Recorder
	Jon Call	City Attorney
	Dave Espinoza	Public Works Director
	Kevin Warren	Chief of Police
	Tiffany Staheli	Parks & Recreation Director
EXCUSED:	Kent Bailey	Council Member
VISITORS:	Julie Anderson	Dale Anderson
	Bob Buswell	Jilly Marcott
	Penny Dean	John Hansen
	Rachel Trotter	

REGULAR MEETING – 6:30 P.M.

Mayor Taylor welcomed those in attendance.

Council Member Urry offered the invocation and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. **CONSIDERATION TO APPROVE THE APRIL 7, 2015 CITY COUNCIL BUDGET RETREAT MINUTES**
2. **CONSIDERATION TO APPROVE THE APRIL 14, 2015 CITY COUNCIL MINUTES**

Council Member Swanson motioned to approve the consent agenda. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Urry	aye

The motion passed unanimously.

ACTIVE AGENDA

1. PUBLIC COMMENTS

There were no public comments.

Council Member Urry asked for a report regarding Jeff Randall's public comments during the last City Council meeting regarding historical street signs he would like installed on Fruitland Drive. City Recorder Spendlove indicated the City has made contact with entities that would be responsible to verify the historical data Mr. Randall relayed to the Council and staff is waiting for a return phone call from those entities.

Mayor Taylor then provided the Council with an update regarding discussions during the last meeting relative to a private property owner seeking an easement on City property at Orton Park to install a fence. He indicated the property owner commenced work on installing the fence without receiving formal approval from the City and the City has halted construction until a resolution can be reached. He clarified he does not feel there was any nefarious intent on the property owners part. City Attorney Call identified the location of the property line between the City's property and the private property, after which the Council had a discussion about the best way to proceed. Mayor Taylor indicated City Administration will develop a proposal in the hopes of addressing the concerns expressed by the City Council while working with the private property owner.

2. DISCUSSION ON SEWER LATERAL POLICY

A memo from Mayor Taylor indicated City Administration is proposing an ordinance to clearly codify the long-standing City policy that homeowners are responsible for maintenance of utility laterals. This policy was recently the subject of some debate and City Administration believes it would be wise to codify the policy in order to prevent such challenges in the future.

Mayor Taylor summarized his staff memo and briefly reviewed the policy that would be subject of an ordinance presented to the City Council at a future meeting as follows:

Language to be added for sewer laterals 9-3-1

General Provisions

A. Maintenance of Sewers – The City’s obligation to maintain sewer facilities is limited to the main public sewer lines within the road right-of-way or other easements obtained by the City for such purposes. The City is not obligated to maintain, repair, replace or otherwise perform any work on private sewer facilities installed by the owners of houses, buildings, or other properties as outlined under the section 9-3-1(B) below.

(Tentative) This section shall not be interpreted to limit the City’s liability more than allowed under the Utah Government Immunity Act and other relevant code provisions in local and state law related to damage caused by the City or its contractors to privately owned sewer facilities.

B. Connection Required – The owner of all houses, buildings or properties used for human occupancy, employment, commercial, institutional, recreational or other like purposes, any part of which building is within three hundred feet (300') of any street, alley, court, passageway or area in which a public sewer or sewer owned or operated by or lying within the corporate limits of the city is in existence and use is required at his expense to install suitable facilities (“sewer laterals”) therein, and to connect **and maintain in perpetuity, including repair and replacement**, such facilities **and laterals** with the proper public sewer in accordance with the provisions of this chapter within ninety (90) days after the date that the public sewer line is available for use, provided such public sewer line is within three hundred feet (300') of any part of such building discharging sanitary or industrial waste.

The Council discussed the City’s ability to hold the contractor that installed a sewer lateral responsible for failure of that line. Mr. Call noted there is a time frame during which the City could seek damages from a contractor, but it would be rather difficult to prove that a failure in a sewer lateral was caused by a contractor error. Discussion then centered on the portions of sewer lines that the City is responsible for, with the Council concluding that they are comfortable with the language that is being proposed and is willing to consider an ordinance at a future Council business meeting.

Mayor Taylor then provided the Council with an update regarding discussions that have been ongoing with the developer of the Homeowners Association (HOA) governed development near the movie theater relative to the City assuming ownership of the utility infrastructure in that development. He indicated City administration has told the developer that the City is not willing to assume responsibility for the infrastructure and may, as a bargaining point, allow the developer to retain water on site rather than sending water into the storm drainage system. He reviewed a map to identify the subject property as well as the location of private infrastructure lines and the City’s storm drainage infrastructure. He then reviewed plans that have been negotiated by the City and developer to address storm drainage by using an aquifer recharge retention basin rather than a detention basin; the water would not exit the basin in pipes, but instead would seep back into the ground. He noted that in the next five to ten years as

development continues in the area, piping will be installed and the proposed development can connect to those pipes to provide traditional storm drainage. He noted this would require an ordinance change as the City's ordinances currently do not allow for retention basins. The Council discussed the proposal, with a focus on the cost to the City if the proposal is approved. Mayor Taylor stated the City's total cost would be \$191,000 and the developer would pay approximately \$70,000 of that cost. He noted there is \$250,000 budgeted in the capital projects plan to cover this project; the intent was to do a more intensive project, but the funding is available to cover what has been negotiated between the City and the developer. He stated the Utah Department of Transportation (UDOT) has consented to the pipe being installed under Washington Boulevard so he wants to run the line to and under Washington Boulevard to allow for future connections to the west. The Council ultimately concluded they were comfortable having continued discussion regarding this issue and possibly considering an ordinance amendment that would accommodate the negotiations that have taken place between the City and the developer.

3. DISCUSSION ON BUDGET FOR FISCAL YEAR 2015-2016

City Administrator/Finance Director Steele used the aid of a PowerPoint presentation to provide an overview of budget issues that were discussed during previous budget retreats. He noted the main points of his presentation tonight include:

- Health and Dental Insurance
- Class C Road Funding
- Utility Rates
- New positions discussion
- Other issues

Health & Dental Insurance: In the other budgets presented this year, staff had estimated a 10% increase in the premiums which would have been a \$45,000 increase in the General Fund and \$11,125 in the Enterprise Funds. Insurance providers provided actual numbers last week and staff has decided to go with Cigna (we are currently with Aetna/Altius). The average increase is 5.86% which equates to an increase of \$25,405 in the General Fund and a \$4,006 increase in the Enterprise Funds. The increase is a blended rate and consists of a 2.5% increase for employees on the Traditional Health Plan and a 20.4% increase for employees on the High Deductible Health Plan (HDHP). Currently there are 34 employees on the Traditional Health Plan and nine employees on the HDHP. Staff is recommending that the premium increases are kept separate; staff is also recommending an increase of the yearly contribution into the Health Savings Accounts (HSA) for those employees staying on the HDHP since their premiums are going up more than the Traditional Health Plans. The Council discussed the proposal regarding HSA contributions, with City Recorder Spendlove noting that staff has recommended the City contribute to HSA's to incentivize employees to opt for that insurance option because it ultimately saves the City money.

Mr. Steele indicated staff was planning contributing the following amount into employees HSA if staying on the HDHP:

- Family - \$500
- Employee & Spouse (or Child) - \$350

- Individual - \$200

The amount of increase in premiums for those employees staying on the HDHP (when compared to the increase for those employees staying on the Traditional Plan)

- Family - \$175
- Employee & Spouse (or Child) - \$125
- Individual - \$60

Staff is recommending the City pay the difference into the employees HSA, which would make the contribution amounts:

- Family - \$675 (7 for a total increase of \$1,225)
- Employee & Spouse (or Child) \$475 (2 for an increase of \$250)
- Individual - \$260

Staff has also proposed that the Traditional Health Plan Premium percentage paid by the City be increased from 85% to 90%.

- In 2010, a raise was foregone in lieu of the Health Insurance Plan premium contribution rate going from 80% to 90%.
- In 2013, the Traditional Plan's premium paid by the city was decreased from 90% to 85% to try and incentivize employees to switch over to the newly offered HDHP.
- In order for the HDHP to be attractive to employees there needs to be a big enough difference in monthly premiums for employees to stay on it, therefore we are also recommending an increase to the City's portion of the Health Insurance Premium for the HDHP plan to 95%
- Staff is planning on reevaluating the HDHP next year.

The cost to the City for raising the contribution rates to 90%/10% for Traditional and 95%/5% for HDHP is:

- \$25,480 for the General Fund
- \$6,064 for the Enterprise Funds

Upon continued discussion, the Council concluded to further investigate the benefits the City realizes by offering the HDHP to employees; this included talking with employees that have opted for the HDHP to determine why they have chosen that option. Mayor Taylor stated it would be best to continue to offer both plans this year because open enrollment has already been advertised to the employees; the issue can be discussed in more depth and earlier in the budget process next year.

Mr. Steele then continued his review of his PowerPoint presentation, moving to Class C Road Funds. The following are qualifying expenses for Class C Road Funds Including but not limited to the following:

- All construction and maintenance on eligible Class B & C roads (Utah Code 72-3-103 to 72-3-104)
- Enhancement of traffic and pedestrian safety including but not limited to: sidewalks, curb and gutter (on all eligible B & C roads and state highways), safety features, traffic signals, traffic signs, street lighting and construction of bicycle facilities in the highway/right-of-way. (Utah Code 72-8-101 to 72-8-105)
- Investments for interest purposes (interest to be kept in fund)

- Equipment purchases or equipment leases and rentals
- Engineering and Administration
- Future reimbursement of other funds for large construction projects
- Rights of Way acquisition, fencing and cattle guards
- Matching Federal Funds. (Utah Code 72-2-110)
- Equipment purchased with B & C funds may be leased from the road department to another department or agency using schedule of Equipment Rates posted on the FEMA website at http://www.fema.gov/government/grant/pa/eqrates_2005.shtm.
- Construction of road maintenance buildings, storage sheds, and yards. Multiple use facilities may be constructed by mixing funds on a proportional basis.
- B & C funds can be used to pay the costs of asserting, defending, or litigating RS 2477 issues per HB 278 (2009).

Class 'C' Expenditure Analysis
Fiscal Year 2015-2016

<u>Qualifying Expenses</u>	<u>Amount</u>
Overlay and Seal projects	\$417,000.00
Administrative	\$322,450.00
Salary & Benefits Street Maintenance	\$50,000.00
Street Signs & Signal Lights	\$12,000.00
<u>Engineering</u>	<u>\$7,000.00</u>
Total Qualifying Costs	\$808,450.00
<u>Budgeted Revenue</u>	<u>Amount</u>
<u>Total Class 'C' Available</u>	<u>\$ 605,000.00</u>
Overspent	\$(203,450.00)

The Council had a high level discussion regarding road projects that qualify for Class C funding. Mayor Taylor stated he is recommending a \$3.00 utility transportation fee because the \$417,000 budgeted for overlay and seal projects does not include money for rebuild or future construction projects, which are two categories of road funding that are in the City's foreseeable future. He discussed new construction projects on the horizon and stated the \$417,000 of annual Class C funding will not cover those projects. He reviewed a map identifying future overlay resurfacing and asphalt rebuild projects, indicating these projects will take significant funding that will not be covered by Class C road monies. He noted he will actively pursue grant funding to cover the City's share of the project costs, but it will be difficult to secure grants without a pot of money available to use as matching funds. He stated he feels the fee is very necessary and he proposes the Council consider implementing the fee this year, noting that over the next 10 years the fee could produce \$3 million in revenue for the City. He then facilitated a discussion regarding other funding options, such as bonding or a property tax increase. Council member Urry indicated he would like to poll the citizens regarding their preference for funding needed road projects. Mayor Taylor stated he is comfortable doing that if he understands he has the Council's support. Council discussion of the proposed fee continued, with the conclusion that they would like to proceed in discussing a fee option with the community possibly in conjunction with discussions regarding the library project. Mayor Taylor suggested that an advertisement be included in the next City newsletter inviting residents to an open house type of meeting to hear more about the fee proposal. Council member Swanson suggested that the street lighting fee be

eliminated to make the transportation fee more attractive. This led to a discussion regarding the need for additional street lights throughout the City, with the majority of Council Members indicating they have not heard complaints from citizens regarding the lack of street lights throughout the City. Mayor Taylor concluded he will begin work to develop a plan to solicit public input regarding the proposed fees prior to adoption of the final budget.

Mr. Steele then reviewed the utility rate changes the Administration is considering this year:

Utility Rate Changes		
Water	Usage Rate adjustment	varies
Sewer	Central Weber Sewer District	\$1.00
Storm Water		\$1.16
Solid Waste		(\$1.00)
Street Lighting	New charge for installation of new streetlights in deficient areas of city	\$1.00
Street Maintenance/ Construction	Earmarked for street maintenance or street construction projects (matching amounts for grants)	<u>\$3.00</u>
Total Increase		\$5.16

Water usage rates: a review of what is currently charged

- \$8.65 base rate
- \$1.62 per 1,000 gallons usage rate for the first 19,000 gallons used
- \$2.16 per 1,000 gallons usage rate for any usage 20,000 gallons and greater

What is being proposed

- \$8.65 base rate
- \$1.62 per 1,000 gallons usage rate for the first 5,000 gallons used (65% of the households would fall in this tier)
- \$2.58 per 1,000 gallons usage rate for the next 7,000 gallons used (30% of households would fall in this tier)
- \$3.36 per 1,000 gallons usage rate for any usage 13,000 gallons used and greater (5% of households would fall in this tier)
 - For a resident using 12,000 gallons this would be a monthly increase of \$6.72
 - For a resident using 19,000 gallons this would be a monthly increase of \$18.90
 - For a resident using 30,000 gallons this would be a monthly increase of \$32.10
 - Annual increase of revenue of \$113,000 (if usage stays the same)

If first tier is changed to 6,000 gallons

- 72% of the households would fall in the first tier
- 23% of households would fall in the second tier
- 5% of households would fall in the last tier
 - For a resident using 12,000 gallons this would be a monthly increase of \$5.76

- For a resident using 19,000 gallons this would be a monthly increase of \$17.94
- For a resident using 30,000 gallons this would be a monthly increase of \$31.14
- Annual increase of revenue of \$89,500 (if usage stays the same)

Commercial accounts (currently around 90)

- \$17.30 base rate
- \$1.19 usage rate (the average usage is around 20 gallons per month)
 - If we increased the usage rate to \$2.00 the increase of an average water user would be \$16.20 and the approximate increase in revenue would be \$18,000
 - If we doubled the usage rate to \$2.38 the increase for an average user would be \$23.80 and the annual increase in revenue would be approximately \$25,500
 - We could also make the usage rate the same as the 2nd tier rate for residential users (\$2.58) which would make the increase for the average user \$27.80 and the approximate annual increase in revenue would be \$30,000

The Council had general discussion regarding the proposed utility adjustments, indicating they would be supportive of a more user friendly fee schedule that includes a \$1.00 difference between each usage category. They also indicated they would like to consider what other cities charge for their commercial water users before determining the final rate tiers.

Mr. Steele's presentation then shifted to a review of new positions proposed in the budget.

- PT Administrative Assistant for Planning department
- Irrigation Specialist (replaces 2 Permanent PT employees)
- Solid Waste Department Superintendent
 - This would not be adding a new employee, we would fill it with a current employee
- Public Works Inspector
 - Currently the Building Inspector is also the Public Works Inspector.
- K-9 (minimal impact this budget year)

The Council had a discussion about the proposed budgets, asking for an overview of the duties that will be handled by each new position. The Council indicated they would like information regarding the amount of each position's salary that will be covered by increased revenue generation associated with the position, if applicable.

Council Member Satterthwaite indicated he and Council Member Bailey feel the City needs to hire a highly skilled GIS Technician; GIS duties are currently falling to other staff and are not a high priority due to current work load. The Council also indicated they would like additional information and analysis regarding the need for the Public Works Inspector position.

Police Chief Warren provided the Council with an overview of the need for a police dog to work with a K-9 officer in his Department. The Council supported the request.

Mr. Steele concluded tentative budget will be presented next May 12, 2015. It is possible to continue making modifications, if necessary, up through the adoption of the final budget, which will be presented on June 9, 2015.

Council Member Urry then noted that he reviewed the monthly financial statement of the City and it appears that the Parks and Recreation Department is not self-sufficient; in fact, they only generate enough revenue to cover less than 50 percent of their budget. He stated he would like to discuss this issue further, with a focus on increasing participation fees to move in the direction of being self-sufficient. There was a general discussion regarding user and participation fees, with a focus on park rental fees for non-residents or private recreation entities.

Council Member Satterthwaite stated he noticed a decrease in the Administration budget of approximately 31 percent. Mayor Taylor stated that is correct and indicated it is a result of reduction in salary for an administrative employee. Council Member Satterthwaite asked that the money saved be banked rather than reallocated for a different use. Mayor Taylor stated the money will remain in the General Fund.

****The Council meeting recessed at 10:05 p.m. and reconvened at 10:15 p.m.****

4. DISCUSSION ON NORTH OGDEN CITY'S REDEVELOPMENT AGENCY (RDA)

A staff memo from Mayor Taylor indicated that earlier this year he suggested the City set aside approximately 10% of the RDA's annual revenues for small economic development efforts and beautification projects. The remaining 90% of RDA revenues would be used for the Aquatic Center bonds and for building fund balance for major economic development projects (i.e., incentivizing retailers to come to North Ogden). He asked the Economic Development Committee (EDC) to develop some recommendations on how to budget 10% of RDA revenues and attached to his memo was a presentation of the ideas the EDC has considered and the recommendations of the Committee. The proposed budget represents 8.7% of the projected RDA revenues for 2015, and proposes expenditures for the following projects along Washington Blvd. in the RDA area: a much-improved Welcome Sign and garden; flower planters/gardens, benches; improved bus stops (to be done in conjunction with UTA); a Chalk Art Festival in North Ogden Plaza; and a budget for public art projects (vinyl wrap on utility boxes, decorative). Mayor Taylor's memo indicated he strongly supports this proposal and believes that a small budget from the RDA will go a long way in improving the appearance of Washington Blvd. and of the commercial district in general. He likes the idea of chipping away at the beautification issue with a small budget every year, instead of waiting until some future date when a large amount could be budgeted. Smaller budgets every year will make it much more likely to happen. He reviewed the proposed beautification budget as follows:

Item	Amount Each	Quantity	Total
Flower Planters	Mold: \$2,000 Each: \$250	20 + cost of flowers	\$10,000
Custom Benches	Mold: \$2,000 Each: \$700	2	\$3,400
Bus Stop	Work w/UTA	Work w/UTA	\$8,000
Chalk Art Festival	\$15,000	1	\$5,000
Public Art (Utility boxes, building walls, etc.)	Various	Multiple projects	\$7,500
Weed Control	Various	Determined by Budget	\$2,500
Welcome Sign & Garden		1	<u>\$12,500</u>
<u>Total</u>			\$48,900

Mayor Taylor reviewed his staff memo as well as the proposed beautification budget developed by the EDC.

The Council had a general discussion regarding the budget proposal, with a focus on the location of flower planter boxes along the corridor. Council Member Stoker suggested that the planter boxes vary in size, with Mayor Taylor indicating that it will be necessary to buy two different sized molds. Upon continued discussion the Council concluded to support the budget request. Council Member Satterthwaite stated that the request equates to \$500,000 over a ten year period. Mayor Taylor stated the budget may not be needed for 10 years, though City Administration and the EDC has determined additional beautification tools will be needed in future years to meaningfully continue with these efforts. He added Administrative staff is also continually working on the creation of a Community Development Area (CDA), which could facilitate additional beautification efforts in the City's downtown area.

5. DISCUSSION ON UTILITY RATES (USAGE, SEWER, & STORM WATER)

This discussion took place during the budget discussion.

6. DISCUSSION ON CLASS C ROAD FUNDS

This discussion took place during the budget discussion.

7. PUBLIC COMMENTS

There were no public comments.

8. COUNCIL/MAYOR/STAFF COMMENTS

Mayor Taylor provided the Council with an update regarding property being developed by John Hansen in the Legacy Subdivision. He stated peat moss has been discovered in Phase Four of the development and four of the lots are unbuildable. He stated he would like to consider purchasing the property to be used as additional parking area for the Senior Center; he feels the City could purchase the property for \$75,000 and he has asked for a rough estimate to pave the area and he should have that cost within the next week. Mr. Hansen has indicated that if the City does not purchase the ground he will use it as a private park for the development. The Council indicated they are not comfortable proceeding with the project until the City can have discussions with the managing board of the Senior Center regarding an improved partnership between the Center and the City.

Mayor Taylor also provided the Council with an update regarding the Smith’s redevelopment project.

Council Member Urry stated he has been contacted by the Cherry Days Committee regarding the upcoming softball game between North Ogden and Pleasant View cities. All Council Members and staff are encouraged to participate.

9. ADJOURNMENT

Council Member Swanson motioned to adjourn. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Urry	aye

The motion passed unanimously.

The meeting adjourned at 11:05 p.m.

Brent Taylor, Mayor

S. Annette Spendlove, MMC
City Recorder

Date Approved