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3 **City of Washington Terrace**  
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5 Minutes of a Regular City Council meeting  
6 Held on May 3, 2016  
7 City Hall, 5249 South 400 East, Washington Terrace City,  
8 County of Weber, State of Utah  
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11 **1. WORK SESSION 5:00 P.M.**  
12 **PRESENTATION: FY 2016 AMENDED BUDGET, FY 2017 TENTATIVE BUDGET, AND**  
13 **FY 2018-2021 BUDGET PLAN**  
14

15  
16 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT AT WORK SESSION**

17 Mayor Mark C. Allen  
18 Council Member Scott Monsen  
19 Council Member Blair Brown  
20 Council Member Robert Jensen  
21 Council Member Scott Barker  
22 Council Member Val Shupe  
23 Public Works Director Steve Harris  
24 Finance Director Shari' Garrett  
25 City Treasurer Laura Gamon  
26 City Manager Tom Hanson  
27 City Recorder Amy Rodriguez  
28

29 **Others Present**

30 None  
31 Hanson focused on three major budget items: Utility Rates, Public Works Facility, and Storm Water  
32 Compliance.  
33

34 **Economic Assumptions**

35 Garrett stated that the City is seeing very little to no growth. She stated that the City has limited resources  
36 to do the things that the City wants to do as well as is required to do. She stated that most of the newer  
37 growth in the City is due to renovations. She stated that full build-out may be 10-12 years in the future.  
38 She stated that there are opportunities as well as challenges presented with growth and the decisions  
39 made today will affect the future.  
40

41 **Issue at Hand: Decrease in projected revenue**

42 Garrett stated that there was a significant decrease in projected revenue that was balanced out by reducing  
43 capital indefinitely. She stated that the rate increases that are in the tentative budget are only the change  
44 in operating costs in water and sewer and not restoring capital capacity.  
45 Garrett stated that billable consumption impacts our customer through rates or through reduced capital  
46 maintenance. She stated that the capital capacity that we had acted as our means for financial flexibility  
47 to respond to unknown events in the future without having to go back to rate payers whenever there is a  
48 hiccup in the system. She stated that it is important to know that capital maintenance levels allow the  
49 flexibility to reallocate funds and increase debt rather than go to the residents for rate increases.

50 She stated that reducing capacity more than what we already have ties our hands in moving forward.  
51 Garrett stated that it does not negatively impact our auditors. Garrett stated that rating agencies for  
52 bonding look at different things than the auditors and rates may be affected.  
53 She stated that the tentative budget shows no change in restoring capital capacity in 2017, however the  
54 plan for 2018 is to begin to restore capital capacity, noting that the 4 year plan will still not restore  
55 capacity to what we gave up. She is very concerned with lack of capacity in sewer and stated that it will  
56 need to be addressed in the future. Garrett stated that the budget moving forward will continue to reduce  
57 capital capacity and does not address the issue at hand.

58  
59 Council Member Monsen asked if we have a separate fund for emergencies. Garrett stated that we do not  
60 have a separate fund for emergencies and noted that the capital fund can act as a safety net when  
61 significant unexpected things come up until we can situate ourselves better to address the issue. Council  
62 Member Monsen stated that he is concerned that we are depleting reserves to help keep a lower rate for  
63 residents. Hanson stated that we have not depleted reserves to zero and noted that there is still money  
64 going into sewer and water capital projects.

65  
66 Council Member Brown stated that nothing has been voted on as of yet. Council Member Shupe stated  
67 that the decision of Council was not to raise rates on overages and that will have an effect on the City.  
68 Garrett stated that Council has reduced capital to make up the revenue deficit and expenses were reduced  
69 through capital. Garrett stated that she understands that there is a concern in limiting the City through  
70 capital. Council Monsen is concerned that something is going to happen and the City will have to stop  
71 providing a service to residents. Garrett clarified that the City is limiting itself to use current resources  
72 noting that there are other ways to receive funds through loans or bonding. Garrett stated that if usage  
73 begins to trend up we can use the money to replace and build up capital.  
74 Council Member Shupe clarified that the increase is to help replenish the capital funds. Hanson stated  
75 that this year's budget increase is only for operating costs, but stressed that capital funds replenishment  
76 will be something that will need to be talked about in the future.

77  
78 Garrett stated that there are some opportunities in the budget that can help make up the difference.  
79 Hanson stated that staff has lowered its projections and lowered the projected capital moving forward.  
80 Mayor Allen stated that the projections are now leveled out.  
81 Hanson stated that we lowered the projections so that we are balanced moving forward. He stated that  
82 capital took care of balancing out where we are at the budget.

#### 83 84 **Utility Rates**

85 Garrett explained the proposed rates, noting that there will be an increase to the minimum rate for a  
86 single family user of \$1.20. She stated that there will not be an increase on the overage usage. She  
87 stated utility rates are driven by billable rates and system costs. Council Member Shupe clarified that  
88 there will be an increase in rates this year, but only to cover costs.  
89 Garrett stated that billable consumption projections are flat. She stated that costs to run the system (debt,  
90 operating, capital) also drive the rates. She stated that these rates will increase yearly.  
91 Garrett explained that the .40 increase in water will generate around \$15,000 a year. She stated that  
92 \$20,700 will be generated from the .55 increase in sewer. She stated that storm water will have an  
93 increase in capital. Garrett stated that storm water is a relatively new fee and has not been able to build up  
94 capital. The increase of .25 should generate around \$15,000.

#### 95 96 **Significant impacts of not raising rates**

97 Garrett explained the significant impacts of not raising rates to cover operating costs, stating that costs  
98 will compound and perpetuate. If we don't increase rates, the City has to reallocate resources to make it

99 balance by reallocating cost shares or reducing levels of service. Garrett stated that the City may lose  
100 financial flexibility to respond to issues as they come in and may jeopardize existing debt coverage  
101 requirements. Garrett stated that it is very important to know that by not raising rates to cover operating  
102 costs, the City could weaken or lose strong credit worthiness. This is important as we move forward to  
103 obtaining financing for the new public works facility.  
104 Garrett stated that there may be a politically unpopular long term rate catch up and by increasing rates it  
105 may minimize political unpopularity in short term. Garrett stated that costs will not decrease, with the  
106 exception of possibly fuel.

107  
108 Mayor Allen stated that he received a note from a resident concerning fading street signs and stated that  
109 the City needs to keep up on operating costs because it takes away from other projects that are lower on  
110 the totem pole.

111 Garrett stated that she wants to make sure future considerations are considered. She stressed that  
112 operating costs to maintain our service levels that are largely out of our control are only going to  
113 increase. She stated that all our costs are perceived as pass through costs, citing the rise in health care,  
114 power, gas, etc. She stated that the amounts of costs are going to change every year, but she can almost  
115 guarantee that an increase will happen every year or we will go backwards if we don't cover the costs.  
116

117 Garrett stated that she had sewer capital capacity concerns that will need to be addressed in the future.  
118 She is also concerned with credit worthiness so that we can receive the best market rate.

119  
120 Garrett asked if Council was clear on what the rate increases are paying for and the impacts of increasing  
121 or not increasing them. Garrett stated that if there were more billable gallons, it could lessen her coming  
122 back every year for increases.

123 She asked if she needs to go back and tweak the plan or is Council on board with the rates as presented.  
124 She stated that she would like to have clear direction. Hanson stated that the storm water rate increase  
125 does not address storm management practices. Council Member Monson stated that if we don't increase  
126 now, it will be a higher increase next year. He stated that we have to do moderate increases every year to  
127 save us from doing a large increase all at once. Council Member Shupe stated that we need to do this  
128 increase and support the City functions. Council Member Jensen stated that we should not wait to push  
129 an increase and to keep it at moderate increases as suggested. Council Member Shupe stated that he  
130 believes that many residents are fine with increases for infrastructure costs as long as it is explained and  
131 justified as to why we do it. Council Member Barker directed to move forward with the planned rates.  
132 Council Member Brown stated that he is against the water increase. He wants to make sure that we are  
133 careful, noting that \$1.20 to some people is a large increase. Council Member Brown stated that he is  
134 against the water increase, but can buy off on the other two increases. Council Member Brown stated that  
135 he would like the City to try to slow down spending he is not convinced raising water is the right fit.  
136 Council Member Monsen stated that the City is not raising rates to pad a surplus, but rather the increase  
137 is to try to keep up with costs.

### 138 139 **Public Works Facility**

140 Garrett stressed that the financing numbers are estimates only. She stated that the estimated cost is around  
141 5 million dollars in construction and land acquisition. Garrett stated that there was money reallocated  
142 within the capital capacity last year to debt so the net impact is zero.

143 She stated that ongoing operating costs to run the facility are estimated at \$15,000 annually. Garrett  
144 emphasized that her favor of moving forward is based off of the commitment to follow the financial plan.  
145 She wanted assurance that there are commitments to maintaining financial sustainability, whether that  
146 means raising rates or doing what we need to do to keep it sustainable. She stated that if there are  
147 questions as to if we deviate from financial policies or deviate from maintaining the system her

148 reservation is to reevaluate moving forward with the project. She stated that she needs assurance that we  
149 are committed to moving forward with the facility.  
150 Council Member Brown questioned if we need to spend this much for a new facility. He stated that there  
151 is no question that a new facility is needed, however he questioned if we need one that costs this much.  
152 Harris stated that there will be nice features but noted that they will be used for the next 40 years. He  
153 stated that the building plans are cost effective and consideration was given as to the type of equipment  
154 and features are needed to continue to serve the community into the future.

155  
156 Garrett stated that the City needs to maintain its credit worthiness. She stated that there is a rating agency  
157 that rates the City when we go out to market. She stated that if we don't maintain our commitments as  
158 assigned we subject ourselves to rating downgrades. She stated that this would affect our issuance costs.  
159 Garrett stated that she needs to know if Council is good in moving forward on the public works facility or  
160 does she need to change direction. The general direction from Council is to move forward. Council  
161 Member Monsen stated that he is concerned that it is an enormous commitment but notes that a new shop  
162 is needed. Garrett stated that she will look at the debt area in budget to alleviate concern.

163  
164  
165 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT**

166 Mayor Mark C. Allen  
167 Council Member Scott Monsen  
168 Council Member Blair Brown  
169 Council Member Robert Jensen  
170 Council Member Scott Barker  
171 Council Member Val Shupe  
172 Public Works Director Steve Harris  
173 Finance Director Shari' Garrett  
174 City Manager Tom Hanson  
175 City Recorder Amy Rodriguez

176  
177 **Others Present**

178 Charles and Reba Allen, Gary Smith, Todd Skeen, Brad Larsen, Blake Jumper, Bob Beelek, Loren  
179 Spainholder, Ulis Gardiner, Del Kraaima

180  
181 **2. ROLL CALL**

**6:00 P.M.**

182  
183 **3. PLEDGE OF ALLEGIANCE**

184  
185 **4. WELCOME**

186  
187 **5. CONSENT ITEMS**

188  
189 **5.1 APPROVAL OF AGENDA**

190 **5.2 APPROVAL OF APRIL 19, 2016, MINUTES**

191 Items 5.1 and 5.2 approved by general consent.

192  
193 **6. CITIZEN COMMENTS**

194 Resident Todd Skeen- 114 E 5300 S- stated that his concern is with the licensing and the tax that the City  
195 collects from CenturyLink. He stated that he is not getting the service that he is paying for and would like  
196 the City to contact CenturyLink to have the service upgraded. He stated that he does not want to use

197 Comcast but the internet service is ridiculous. He stated that he only receives .54 MB of internet speed  
198 and feels that the City is allowing CenturyLink to conduct business in the City. He stated that he would  
199 like the City to look into what they can do about it.  
200

201 Resident Gary Smith-157 W 5250 S- also expressed his concerns with CenturyLink internet service and  
202 stated that he could barely download anything. He stated that no upgrades have been done. He stated that  
203 he has spoken with the regional director and was told they (CenturyLink) were working on upgrading. He  
204 stated that the City's internet speed is 1.5 and CenturyLink advertises as 40 MB in some areas.  
205

206 **7. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN**  
207 **COMMENTS**

208 Mayor Allen stated that he too only receives .75 MB with his CenturyLink internet service. He stated that  
209 he has been told that if it is above dial up speed it is legally considered high speed and they can advertise  
210 as "high speed internet". Council Member Shupe stated that he agrees 100 percent that the internet speed  
211 is horrible. Hanson stated that he does not know what  
212 authority the City has to demand upgraded service but he stated that he can contact the regional office to  
213 speak to the director to see what can be done. He stated that he can send a letter of encouragement to  
214 upgrade services from the Council on behalf of the City.  
215

216 **8. NEW BUSINESS**

217 **8.1 MOTION/PROCLAMATION 16-01: SENIOR CORPS PROGRAM WEEK**  
218

219 Mayor Allen read the proclamation recognizing the week of May 16-20, 2016 as Senior Corps  
220 Week and thanked volunteers for their services to our community.

221 **Motion by Council Member Shupe**  
222 **Seconded by Council Member Barker**  
223 **To approve Proclamation 16-01**  
224 **And designate May 16-20 2016 as Senior Corps Week**  
225 **Approved unanimously (5-0)**  
226 **Roll Call Vote**  
227

228 **8.2 PRESENTATION: FY 2016 AMENDED BUDGET, FY 2017 TENTATIVE BUDGET,**  
229 **AND FY 2018-2021 BUDGET PLAN**

230 Hanson stated that the tentative budget plan is available on the City website. Hanson stated that the six  
231 major budget areas are the Water Meter Reading System, Construction of the Public Works Facility,  
232 Utility Rates, Storm Water Impacts, Personnel Requirements, and the Redevelopment Project Area.  
233

234 **8.3 MOTION: TO TENTATIVELY APPROVE THE TENTATIVE BUDGET**

235 Mayor Allen stated that the Council has been working with staff on the tentative budget and final  
236 Adoption will be on June 21<sup>st</sup>. He stated that the law requires that the Council receive and  
237 Approve the tentative budget, noting that it may be revised by the final adoption.  
238

239 **Motion by Council Member Jensen**  
240 **Seconded by Council Member Shupe**  
241 **To tentatively approve the tentative budget**  
242 **With the caveat that it may be amended or revised**  
243 **Approved (4-1)**  
244 **Council Member Mosen- Aye**  
245 **Council Member Brown- Nay**  
246 **Council Member Jensen- Aye**

247 **Council Member Shupe-Aye**  
248 **Council Member Barker- Aye**  
249

250 **8.4 MOTION/RESOLUTION 16-06: INTERLOCAL AGREEMENT WITH WEBER**  
251 **COUNTY FOR RECREATION, ARTS, MUSEUM, AND PARK (R.A.M.P) FUNDING**

252 Hanson stated that the resolution is to approve the Interlocal contract with Weber County to  
253 receive funding for the Victory Park Restroom Project.

254 **Motion by Council Member Monsen**  
255 **Seconded by Council Member Jensen**  
256 **To approve Resolution 16-06 approving**  
257 **The Interlocal Agreement with Weber County for**  
258 **R.A.M.P funding**  
259 **Approved unanimously (5-0)**  
260 **Roll Call Vote**  
261

262 **9. COUNCIL COMMUNICATION WITH STAFF**

263 \* Council Member Monsen stated that he has noticed the work at the Victory Park Restroom Project.  
264

265 \* Council Member Brown stated that he has seen animal control more frequently in the City. He  
266 inquired about the fee that is charged to get animals back from animal control, noting that his  
267 neighbors were required to pay a \$300 fee. He stated that this fee seems steep and would like to  
268 know why the cost so much without any notice. Hanson replied that there is a fee schedule for  
269 animals that go to the shelter but will look into the item.  
270

271 \* Council Member Jensen inquired if there were any incidents in the City due to the high winds.  
272 Hanson stated that there were a few power poles that were damaged and the roads were closed down  
273 for them. He stated that there was no major damage in the City. He stated that there were a few trees  
274 that went down, but comparatively speaking, the City was fortunate that there was not more damage.  
275 The county has extended the hours for green waste facilities. Hanson stated that things generally  
276 went pretty smooth within the City.  
277

278 \* Council Member Barker stated that a resident called him concerned about the bathroom  
279 construction at Victory Park. He stated that she is concerned that the Park will not be taken care of  
280 properly. Her backyard is next to the Park. Council Member Barker would like to know why the  
281 garbage cans are left out on the street and how late the bathroom will be open. Harris stated that the  
282 procedure is to put the cans out on the street for pick up and taken in the same day. He will review the  
283 item with his staff. Hanson stated that the restrooms will be closed at 10:00 p.m. every night and  
284 checked on by the Sheriff's office.  
285

286 **10. ADMINISTRATION REPORTS**

287 Hanson stated that there will be an Open House on May 24 at 6:00 at the public works building. A  
288 presentation will be held in the public works offices and then there will be a tour of the buildings and a  
289 discussion of the ideas and the plans for the future shop and how it can best serve the community.  
290 Hanson stated that the public works crews have been replacing water meters south of 4800 south and the  
291 pressure may be popping the lines resulting in 3-5 water breaks a week that needs to be repaired. He  
292 stated that the breaks are anticipated in the OTIS II area. He stated that water has been shut off  
293 periodically to take care of leaks.

294 Hanson stated that he was approached by the "Buy Local" group regarding a proclamation to support and  
295 encourage people to buy local. Mayor Allen stated that it is a good gesture and to bring the proclamation

296 to Council.

297

298 **11. UPCOMING EVENTS**

299 May 17<sup>th</sup> Budget Work Session Meeting 5:00 p.m.

300 May 17<sup>th</sup> Council Meeting 6:00 p.m.

301 May 24<sup>th</sup>: Public Works Shop Open House ( Tentative ) 6:00 p.m.

302 May 26<sup>th</sup>: Planning Commission Meeting 6:00 p.m.

303 May 30<sup>th</sup>: City offices closed for Memorial Day Observance

304

305 **12. ADJOURN THE MEETING: MAYOR ALLEN**

306 Mayor Allen adjourned the meeting into a work session at 6:39 p.m.

307

308 **13. WORK SESSION (Immediately following regular Council Meeting)**

309 **DISCUSSION OF POTENTIAL LAND USE AND DEVELOPMENT FOR PLEASANT**

310 **VALLEY RANCH**

311 Hanson introduced Blake Jumper from the Pleasant Valley Development Group concerning the Bruce  
312 Stephens property on the South end of the City. He stated that the group has been doing soil testing in the  
313 area. He introduced his partners Brad Larsen and Brad Beelek. He stated that they will look at intense  
314 traffic studies for egress and ingress roads and how to mitigate problems that may come down the road.  
315 He stated that they are very conscientious of how their projects affect the community, stating that their  
316 partners create quality homes. He stated that the project will have multiple zoning projects, to include a  
317 possible community center for the area. Jumper stated that the west side of the project is challenging due  
318 to terrain. He stated that this project will last around 10-15 years. He stated that the issues on the west  
319 side still need to be addressed. The near term goal is to annex the property and have the plat approved. He  
320 stated that their goal is to have a project that facilitates the City and would like ideas from Council as  
321 they move forward. Beelek stated that they are looking to be a progressive City, noting that the City  
322 could become a “Wi-Fi City”. He stated that this project will bring rooftops to the City.

323 Jumper stated that they see no need for a Special Interest District and plan to put in the entire  
324 infrastructure themselves.

325 Jumper displayed some of the home designs that they are planning to bring to the City. He stated that  
326 they plan to use hardy board, stucco, brick, and rock. He stated that they will present architectural  
327 schemes to be reviewed by Council.

328 Jumper stated that he has not spoken with Mr. Stephens concerning the toll road, but stated that they do  
329 not see the toll road as a deterrent for them.

330 Jumper stated that they are waiting on recommendations concerning the hill and slippage. He stated that  
331 they plan to have a large buffer and will do what is necessary. He stated that the soil reports will be  
332 available to the City. Hanson stated that the City engineers have requirements that they would like to see  
333 on the soil reports. Jumper stated that the do a soil report and grading report that indicate if there are any  
334 special requirements for the builder.

335 Jumper stated that they have not purchased the ground as of yet, but are working with the owner.

336 Jumper stated that the area is around 360 acres, which could yield over 1,000 homes over a ten year  
337 period.

338 Planning Commissioner Allen stated that some of the concerns of Planning Commission were traffic flow  
339 and sensitive land issues. He stated that the Commission is excited about the project. Jumper stated that  
340 traffic reports will be brought to staff. Jumper stated that he is willing to talk to the City concerning  
341 public facilities.

342 **Mayor Allen adjourned the Work Session adjourned at 7:07 p.m.**

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344

345 \_\_\_\_\_  
**Date Approved**

\_\_\_\_\_ **City Recorder**