



Regular City Council Meeting

Tuesday, April 3, 2018

City Hall Council Chambers

5249 South 400 East, Washington Terrace City

801-393-8681

www.washingtonterracecity.com

1. **WORK SESSION: 2019 TENTATIVE BUDGET, AND FY 2020-2024 BUDGET PLAN**

Topics to include, but not limited to: Summary of Major Budget Issues. **5:00 P.M.**

2. **ROLL CALL** **6:00 P.M.**

3. **PLEDGE OF ALLEGIANCE**

4. **WELCOME**

5. **CONSENT ITEMS**

5.1 APPROVAL OF AGENDA

Any point of order or issue regarding items on the Agenda or the order of the agenda need to be addressed here prior to the approval of the agenda.

5.2 APPROVAL OF MARCH 20, 2018, MEETING MINUTES

6. **CITIZEN COMMENTS**

This is an opportunity to address the Council regarding your concerns or ideas that are not on the agenda as part of a public hearing. Please limit your comments to no more than 3 minutes.

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

Council and staff will consider and address concerns and take appropriate measures to follow up on any comments made in the citizen comments item on the agenda.

8. **NEW BUSINESS**

8.1 PRESENTATION: FISCAL YEAR 2019 BUDGET PLAN, AND FISCAL YEARS 2020-2024 BUDGET PLAN

Staff to provide a summary of major budget issues.

For more information on these agenda items, please visit our website at www.washingtonterracecity.com

In compliance with the Americans with Disabilities Act, persons who have need of special accommodation should contact the City Recorder at 801-395-8283.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in three public places within the City of Washington Terrace City limits and sent to the *Standard Examiner* at least 24 hours prior to the meeting. Amy Rodriguez, City Recorder.

10. **COUNCIL COMMUNICATION WITH STAFF**

This is a discussion item only. No final action will be taken.

11. **ADMINISTRATION REPORTS**

This is an opportunity for staff to address the Council pertaining to administrative items.

12. **UPCOMING EVENTS**

April 3rd: City Council Work Session 5:00 p.m.

April 3rd: City Council Meeting 6:00 p.m.

April 17th: City Council Work Session 5:00 p.m.

April 17th: City Council Meeting 6:00 p.m.

13. **ADJOURN THE MEETING: MAYOR ALLEN**

14 **THE COUNCIL WILL ADJOURN TO A WALKING TOUR OF THE NEW PUBLIC WORKS SHOP CONSTRUCTION LOCATED AT 575 East 5600 South
(Immediately following the regular meeting)**

For more information on these agenda items, please visit our website at www.washingtonterracecity.com

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City of Washington Terrace

Minutes of a Regular City Council meeting
Held on March 20, 2018
City Hall, 5249 South 400 East, Washington Terrace City,
County of Weber, State of Utah

11 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT AT WORK SESSION**

12 Mayor Mark C. Allen
13 Council Member Scott Monsen
14 Council Member Blair Brown
15 Council Member Larry Weir
16 Council Member Scott Barker
17 Council Member Jeff West
18 City Manager Tom Hanson
19 Finance Director Shari' Garrett
20 Public Works Director Steve Harris
21 City Recorder Amy Rodriguez
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24 **Others Present**

25 Reece DeMille, Republic Services,
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27 **1. WORK SESSION: BUDGET DISCUSSIONS AND FUTURE PLANNING 5:00 P.M.**
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29 Mayor Allen Introduced Reece DeMille from Republic Services. Hanson stated that the work session is
30 to discuss whether Council would like to move forward with Republic Services as waste management, or
31 go out through the bid process.

32 Hanson stated that the first proposal given from Republic Services is to maintain the current rate (\$3.66
33 first can, \$1.07 second can) with reduction to recycling to \$4.25. With this proposal, we would be paying
34 for our own carts moving forward. Hanson stated that the ownership of the recycle carts remains in the
35 City.

36 Harris stated that the carts supplied by Republic Services helped us start our recycling program. Hanson
37 stated that owning our own carts leaves our options open to go with different vendors if we choose.

38 Hanson stated that Republic Services stated that they would give us the carts that they have in stock with
39 our logo on them to us as part of the new agreement. DeMille stated that the cans were on a lease to own
40 and that is why they bought the carts with our name on them. He stated that moving forward, the City
41 will need to purchase their own carts. DeMille stated that he is not sure if the city gets a better deal from
42 the cart manufacturer because we do not have to pay sales tax. He stated that the delivery cost will be the
43 same. Mayor Allen would like to know how many cans we lose a year.

44 DeMille stated that 200 cans a year cost around \$8,000-9,000. He stated that with their discount it would
45 come closer to \$2,000-3000.

46 Hanson stated that there would not be a 3 percent CPI this year, but moving forward they would get a

47 minimum of 2 percent, but a cap of 3 percent.

48 Hanson explained the second proposal at first can at \$4.06 and the second can at \$1.07, with recycling at
49 \$3.82. He stated that the overall price does not change, however the first can cost increases.

50 Hanson stated that if we took recycling completely out, we would be paying a higher amount for just
51 garbage. Council Member Barker stated that he believes that people would be upset if we took out
52 recycling completely. Council Member Monsen stated that he does not want to take out recycling, but he
53 would like to have clarity on what is to be recycled.

54

55 Hanson stated that Republic has been a good partner. Harris stated that Republic has been very good to
56 work with and have come back and picked up cans that were missed, or if a resident has not put it out in
57 time. Mayor Allen stated that he has not seen broken down vehicles, or oil spills in a while. DeMille
58 stated that their maintenance standards are higher than state requirements.

59 DeMille stated that the city has been fantastic to work with. He stated that he felt that if we go out to bid,
60 we would get a higher rate, not only from other bidders, but Republic Services as well. He stated that
61 prices are not going down. Council Member Monsen asked about the legality of extending the contract.

62 Hanson stated that we extended 5 years ago, but following policy, we need to go forward cautiously
63 when not going out for bid. Hanson stated that Council sets the policy concerning how often we should
64 go out to bid.

65 DeMille stated that the pricing is taking .24 off of the recycling cans. He stated that they did that because
66 they know we will have added costs in buying the cans. Council Member Monsen stated that he sees an
67 advantage in owning our cans.

68

69 Hanson stated that the contract would be extended for 5 years, with the minimum increase of 2 percent,
70 maximum increase 3 percent per year starting in 2019. DeMille stated that he recommends the second
71 option if we were to proceed. Hanson stated that he likes the first option better because it lowers the
72 second can margin. Council Member Brown stated that we will be paying more because we will be
73 buying our own cans. Hanson stated that it depends on how many cans we lose. Council Member Brown
74 stated that the costs are somewhat fixed and easy to budget. He stated that he feels that this is a good deal
75 to take. Mayor Allen stated that DeMille has also been a great partnership to Weber County.

76

77 Harris stated that the city is a difficult location with hard routes. He stated that the short blocks and
78 corners are hard to maneuver.

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80 Council Member Monsen stated that he has always been in favor of continuing with Republic Services.
81 He stated that he feels comfortable with letting staff decide which option. Hanson stated that if we decide
82 to keep recycling, option 2 would be the better option.

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93 **MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT**

94 Mayor Mark C. Allen
95 Council Member Scott Monsen
96 Council Member Blair Brown
97 Council Member Larry Weir
98 Council Member Scott Barker
99 Council Member Jeff West
100 City Manager Tom Hanson
101 Public Works Director Steve Harris
102 Building Inspector Jeff Monroe
103 City Recorder Amy Rodriguez
104 LT Jeff Pledger

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106 **Others Present**

107 Charles and Reba Allen, Reece DeMille, Kitty Barney, Marcy Paehls, Giles Crowton, Linda Crowton

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109 **2. ROLL CALL**

6:00 P.M.

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111 **3. PLEDGE OF ALLEGIANCE**

112 Scouts from Troop 95 led the pledge.

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114 **4. WELCOME**

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116 **5. CONSENT ITEMS**

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118 **5.1 APPROVAL OF AGENDA**

119 Item 13 “adjourned into closed session” has been deleted from the agenda.

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121 **5.2 APPROVAL OF MARCH 6, 2018, MEETING MINUTES**

122 Items 5.1 and 5.2 were approved by general consent.

123
124 **6. SPECIAL ORDER**

125
126 **6.1 PUBLIC HEARING: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
127 SECOND PUBLIC HEARING TO HEAR CITIZEN INPUT CONCERNING THE
128 PROJECT THAT WAS AWARDED UNDER THE 2018 COMMUNITY DEVELOPMENT
129 BLOCK GRANT PROGRAM**

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131 **COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC HEARING**

132 **Mayor Allen opened the Public Hearing at 6:06 p.m.**

133 Mayor Allen opened the second public hearing for the CDBG program. Mayor Allen stated that
134 this hearing was called to allow all citizens to provide input concerning the project that was
135 awarded under the 2018 Grant Year Community Development Block Grant Program.

136 The City has amended its capital investment plan and decided to apply for funds on behalf of the
137 Water Storage Tank #1 Upgrades Project, located at 5295 South 500 West. The Mayor introduced
138 Amy Rodriguez as Grant Manager, and Steve Harris as the Project Manager of the Water Storage
139 Tank #1 Upgrades Project. The Mayor explained that the application was successful in the
140 regional rating and ranking process and the Water Storage Tank #1 Upgrades Project was
141 awarded \$232,503.00.

142 The Mayor explained the project to those in attendance.

143 The Mayor then asked for any comments, questions and concerns from the audience.

144 The Mayor stated that copies of the capital investment plan are available if anyone would like a
145 copy.

146 **There were no more comments and the hearing was adjourned at 6:08 p.m.**

147

148 **7. CITIZEN COMMENTS**

149 Principal Kitty Barney introduced Marcy Paehls from Roosevelt Elementary who stated that the
150 Playground is in need of repair and would like pictures and a short article in the newsletter in the hopes
151 that residents will donate or suggest someone who would be able to help with the playground.

152

153 Resident Giles Crowton, 5577 S 300 W read a statement from his wife concerning the recycling program.
154 He read that they had offered to return their can once it was noted that the city will not pick up plastics.
155 He stated that they were told that the can could be returned but they would still be charged for the can
156 because they were told that was the Council's doing. He stated that they have called several times and
157 was given mis-information about the program and the reason for the plastic decision.

158

159 **8. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN**
160 **COMMENTS**

161 Hanson gave Principal Barney some information on Big T Playground equipment who offers state
162 contract prices, sales, and grants throughout the year for playground equipment. Hanson stated that the
163 information could be put in the newsletter, as well as the City Facebook page, to help garner support for
164 new playground equipment. The Mayor suggested that Big T could possibly help replace some parts that
165 may prolong the equipment. He stated that he appreciates all they do for the kids.

166

167 Hanson stated that he realizes that there would be people impacted by the choice to take out plastics from
168 the recycling. He stated that there are many who are conscientious when recycling. He stated that Weber
169 County uses a manual sort process. Hanson stated that the cost per ton for recycling has increased. He
170 stated that so much of the recycling is coming in contaminated. He stated that the city is trying to
171 eliminate plastics to hopefully reduce our cost with the recycler we are using right now. Hanson stated
172 that China is not taking any of our recycling unless it is very pure. He stated that he will do a better job
173 explaining the process to staff. He stated that the city can take the can back, and they will still be charged
174 the same amount for the black can.

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176 Council Member Monsen wondered why there isn't help from the state to help the school with its
177 playground. Barney stated that they have tried, but there is no funding available. She estimates that they

178 will need around \$60,000.

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9. NEW BUSINESS

9.1 MOTION/ORDINANCE 18-03: AMENDMENT TO WASHINGTON TERRACE CITY MUNICIPAL CODE, CHAPTER 17.44 RELATING TO “LANDSCAPING REGULATIONS”

Hanson stated that staff has met with our city attorneys and have made some amendments to the landscaping code. The amendments are to firm up the process of holding commercial property owners accountable for their landscaping and upkeep of their property.

**Motion by Council Member Monsen
Seconded by Council Member Weir
To approve Ordinance 18-03 relating
To landscaping regulations
Approved unanimously (5-0)
Roll Call Vote**

9.2 MOTION/ORDINANCE 18-04: AMENDMENT TO WASHINGTON TERRACE CITY MUNICIPAL CODE, CHAPTER 18.16 RELATING TO “INSPECTION AND CLEANING”

**Motion by Council Member Brown
Seconded by Council Member West
To approve Ordinance 18-04 relating
To Inspection and Cleaning
Approved unanimously (5-0)
Roll Call Vote**

9.3 DISCUSSION/ACTION: DIRECTION FROM COUNCIL ON SOLID WASTE RENEWAL OF CONTRACT

Hanson stated that Council discussed the option to renew the city contract with Republic Services for waste management. He stated that after comparing the options and evaluating services, Council has decided to renew the solid waste contract with Republic Services.

**Motion by Council Member Monsen
Seconded by Council Member Barker
To renew the contract with Republic Services
Approved Unanimously (5-0)**

10. COUNCIL COMMUNICATION WITH STAFF

Council Member Brown stated that he would like to see the garbage cost increase to the residents on the utility bill because there is no increase in the contract.

225 Mayor Allen stated that there are more pieces involved in garbage that may affect some rates this year,
226 however, the city will work to try to avoid increases in refuse.

227
228 Council Member West stated that several residents are concerned about the speed of traffic on Ridgeline
229 Drive, stating that it is posted as 25, but people routinely travel 40 mph. Mayor Allen stated that he has
230 done research into speed signs and is interested as well. Council Member Monsen stated that he would be
231 interested in having a discussion to evaluate some of our speed limits.

232
233 **11. ADMINISTRATION REPORTS**

234 There were no reports.

235
236 **12. UPCOMING EVENTS**

237 Mar 29th: Planning Commission 6:00 p.m.
238 April 3rd: City Council Work Session 5:00 p.m.
239 April 3rd: City Council Meeting 6:00 p.m.
240 April 17th: City Council Work Session 5:00 p.m.
241 April 17th: City Council Meeting 6:00 p.m.

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243 **13. MOTION: ADJOURN INTO CLOSED SESSION**

244 Item 13 has been deleted from the agenda.

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246 **14. ADJOURN THE MEETING: MAYOR ALLEN**

247 Mayor Allen adjourned the meeting at 6:41 p.m.

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251 _____
Date Approved

City Recorder

MAJOR BUDGET ISSUES & PRIORITIES

The major budget issues and priorities outlines the basic premises associated with the budget and its major issues driving the budget development.

As staff continues to evaluate and balance the current and future program requirements to the levels of services offered, the analysis continues to highlight the following challenges facing each of these services:

- The ability to *fund current and future general operations and capital equipment and infrastructure*
- The ability to *fund federal and state mandates*
- The ability to *maintain strong creditworthiness*
- The ability to *build/maintain reserves for unforeseen events and emergencies*
- The ability to *keep taxes and rates as low as possible with a limited customer base*

CAPITAL FINANCING

It is anticipated that pay-as-you-go, short-term, and long-term financing options will be necessary to fund capital infrastructure and equipment. **Financing strategies are evaluated to identify challenges and opportunities including sustainability, timing, and balance to deliver a stable level of essential services.**

City staff has been diligent in seeking grant revenue to lessen the financial burden of providing essential City services. Although the availability and eligibility of grant assistance has become extremely limited and competitive, grant funding assistance will continue to be actively sought out.

Additionally, the City has taken advantage, strategic planning, low interest financing, and optimal construction environments to assist with keeping costs as low as possible, the capital demands continue to exceed available resources thus making progress slower and more expensive.

1. FIRE AND EMERGENCY MEDICAL SERVICES (EMS)

Legislative Policy Statement/Goal:

- **Public Safety and Health**

Prepare for and respond to emergencies to protect the life and property of stakeholders.

- **Fiscal Responsibility**

Diligently manage public funds and resources.

The Washington Terrace City Fire Department serves as a fully functioning volunteer fire and EMS service provider. From its inception in 1952, the City has operated as a volunteer department relying on a dedicated staff willing to fill shift requirements. Since its inception, calls for service have increased from 3 calls per week, to over 1000 call per year, requiring the department operate as a full time Fire and EMS service provider not a volunteer department as in the past.

With the steadily increasing demand on the employee's time, the escalating staffing requirements by the department, the minimal availability of volunteers to fill open shifts, and the rising call volume on our volunteer employees, it increasingly difficult to fill vacant staffing positions.

As a result of the critical need to provide continuous service, the City is considering options to move away from a volunteer staffing model to a part time/full time staffing model that would encourage more consistent availability of fire and EMS personnel. This structural shift will significantly change the way we compensate employees and will impact the budget in significant ways.

2. OTIS II / Capital Improvement

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities, and parks, trails, and open space.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

The public utility systems are the backbone and core components of what makes the city function. The structural integrity and up keep of these systems are the mainstay of creating and maintaining a sustainable community. This emphasis on system integrity is a key component to the cities success and has been a nexus for several successful projects.

One such project was the multiyear OTIS (Original Terrace Infrastructure System) project that began in 2001 and significantly improved the reliability of utility services and roadway infrastructure in certain areas of the city. The improved reliability and system integrity has made Washington Terrace City a safer place to live, has reduced maintenance costs in the OTIS project area, and will continue to serve the city into the future.

Looking ahead it is clear that more OTIS work will be required in order to update significant areas of the city to current construction standards. The reliability and structural integrity of some portions of our system are deteriorating in a way that will require a broad-based project in order to improve the needed system reliability. OTIS II, grants, and careful planning will be part of the strategy to making the necessary improvements. OTIS II will be a broad-based project that will use the finance capacity set forth in the OTIS project. In essence the bonding capacity that was secured in 2001 for the OTIS project and the associated tax increase will be maintained in order to secure current tax rates that will generate the revenue needed to fund long-term financing.

In addition to long term financing, staff will continue to secure grant funding and creatively plan for future projects that will support the critical need for capital improvements.

3. PERSONNEL

Legislative Policy Statement/Goal:

- **Fiscal Responsibility**

Diligently manage public funds and resources.

Offer a competitive compensation plan in order to retain and attract a competitive workforce.

Personnel requirements have been driven from the City's compensation philosophy. Compensation is based on market driven salaries/wages and of other benchmark communities.

The City's ability to recruit and retain competent well-trained employees is a critical component in maintaining required service necessary to operate effectively as a city. At times, certain sectors of the economy may put pressure on local governments to evaluate pay structure in an effort to maintain sufficient staff members with the required licensing necessary to provide basic city services.

Over the past few years there has been and continues to be significant pressure on the recruitment and retention capacity of the Public Works Department. With the growing construction sector of the economy growing and the need for skilled labor expanding, there is increasing burden on the Public Works Department to retain and recruit personnel in an ever-shrinking pool of qualified applicants.

As a result of the diminished pool of qualified applicants and the near zero unemployment rate, the tentative budget proposes the option to raise the compensation rate for Public Works employees to within 5% of the comparative average rather than the historical 10% of the average compensation range.

This adjustment in the pay plan will allow for greater leverage and financial incentive to maintain the critical employees that are required to operate our systems. In the end it is anticipated that this adjustment will help resolve recruitment and retention challenges.

Budgeted Personnel costs for 2019 of \$1,946,000 are estimated to increase by 1 percent or \$55,000 when compared to the 2018. Of Said increase \$53,000 is attributed to salaries, wages, and benefits; salaries and wages \$42,000 and benefits \$10,000.

Major benefit cost drivers include health and dental coverage and retirement benefits.

Health coverage offered by PEHP has a July 1, 2018, renewal rate *increase* of 3.8% for traditional medical plans and 9.4% for HAS plans; dental renewal rates are expected to *decrease* by 2%. The employees' share of health/dental premiums is 10% and the City's share is 90%.

Retirement benefits administered through Utah Retirement Systems Public Employees' Noncontributory Tier 1 System employer contribution rate will remain *unchanged* at 18.47%. The Tier 2 system will also remain *unchanged* at 16.69%.

The Firefighters' Division A retirement system (including employer pickup election) will experience a rate *increase* of 3.6% or a total employer contribution rate of 19.66%.

Plan Projections

Future projections for Personnel requirements include 3 percent annual increases through 2023. Staffing levels beginning in 2019 are project to remain unchanged through 2023. Of said increases, salaries and wages are projected to increase by 3 percent annually and total benefit requirements are estimated to increase by 3 percent annually through 2023.

4. LAW ENFORCEMENT SERVICES

Legislative Policy Statement/Goal:

- **Public Safety and Health**

Prepare for and respond to emergencies to protect the life and property of stakeholders.

- **Fiscal Responsibility**

Diligently manage public funds and resources.

Law enforcement services continue to be evaluated to determine appropriate and sustainable service levels. Outsourced law enforcement services represent the largest General Fund department expenditure at \$826,000 in 2019, down \$4,825 from 2018. The budget plan beyond 2019 anticipates up to 2% annual increases.

There is some uncertainty regarding the future pricing of the Sheriff contract because of the wide spread challenges associated with officer recruitment, retention, the lack of qualified applicants, and an overall fluctuation of population, calls for service and future radio equipment requirements.

As a result of a Weber County Sheriff reduction in fleet, a moderate reduction in the employee benefit plan, and an increased level of participation from Weber School District; there is a moderate decrease to our general fund for law enforcement services. At this point in time the contribution calculation formula for contract cities will remain at 50% population and 50% calls for service.

Cautionary note: In budget year 2020 there will be a significant one-time requirement for the replacement of all vehicle mounted and personnel radios. It is not clear at this time the budgetary impact of this mandate, however, it is anticipated to be a significant amount.

We are cautiously optimistic that Sheriff Contract pricing for law enforcement services will remain relatively moderate.

5. UTILITY RATES

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities, and parks, trails, and open space.
- **Public Safety and Health**
Prepare for and respond to emergencies to protect the life and property of stakeholders.
- **Open and Responsive Government**
Be responsive to customer needs, stakeholder relationships, and dissemination of information.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

The City is committed to setting fees and rates at levels which fully cover the total direct and indirect costs of operating utility service. The fee and rate structures are reviewed at least annually to ensure that they remain appropriate and equitable based on factors such as, but not limited to: inflation and other cost increases, desired levels of service, the adequacy of cost coverage, policy considerations, and benchmarking with cities within the region.

As a result, beginning July 1, 2018, utility rates for sewer and refuse services are *proposed* to increase monthly by \$0.90 bringing the base minimum bill for a single family residential user to \$60.65.

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	<u>Current</u>	<u>New</u>	<u>Change</u>	<u>Current</u>	<u>New</u>	<u>Change</u>
Water	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.20	0.75	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bill	\$ 59.75	\$ 60.65	\$ 0.90	\$ 10.13	\$ 10.13	\$ -
Late Fees	15.00	15.00	-			

Table 8 – *Proposed* Single family residential utility rate structure effective July 1, 2018.

The proposed increases are necessary to continue to fund the ongoing operations & maintenance cost of refuse and recycling services and sanitary sewer capital infrastructure.

For a complete fee schedule for all users refer to the Supplemental Section, Fee Schedule.



Figure 5 (above) – illustrates a *proposed* minimum residential utility bill by service type.

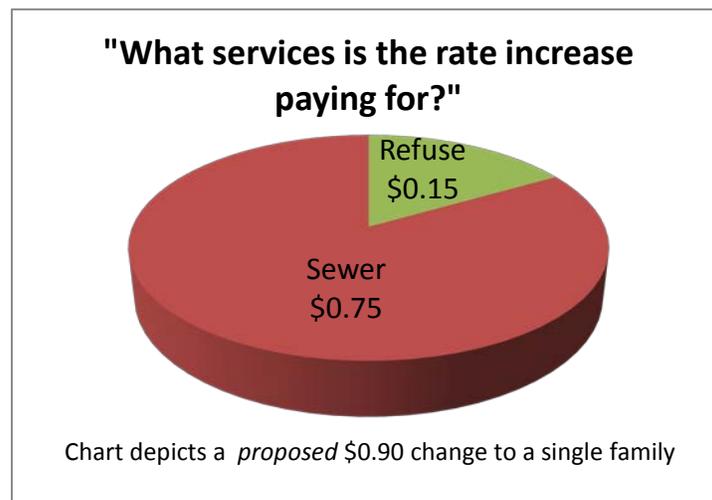


Figure 6 (above) – illustrates a *proposed* "What services is the rate increase paying for?" effective July 1, 2018.

SEWER SERVICES

Capital

The 2019-2023 budget plan anticipates capital infrastructure contribution levels to grow from approximately \$92,000 to \$120,000 annually to further address the Capital Facility Plans recently updated by the City engineer.

The City's ability to fund sewer capital infrastructure has been limited. Historically, additional resources collected through user fees have been used to offset rising operating costs, particularly those attributed to CWSID, rather than capital needs.

The 2019 tentative budget anticipates minimal increases to operating costs that are expected to be absorbed with existing resources. This presents a unique opportunity to raise the current low funding levels of sewer capital infrastructure to further the projects outlined in the plans.

REFUSE AND RECYCLING

Waste Collection

Fortunately, mainstream waste hauling has seen some settling as a result of our ability to negotiate an extension on our solid waste contract with Republic Service. This contract renewal will be for a term of 5 years with anticipated moderate increases annually and is expected to be in the best interest of the City.

Budget projections will be formalized when contract agreements have been made.

Waste Disposal

One area of the solid waste service that we are keeping an eye on is the increasing cost for "tipping fees" at the transfer station and associated transportation cost increases to haul the waste to a land fill. Tipping fees are expected to rise over the next several years in order to respond to rising transportation costs, increased capital improvement and operational costs at the Weber County Transfer Station.

For 2019, general waste disposal fees are expected to increase from \$36.90 to \$40.30 per ton or by 9.2 percent. The cost to dispose of recycle material will also increase from \$36.80 to \$40.20 per ton. Budgeted disposal costs in 2019 are expected to increase to \$147,000 an increase of 8 percent or \$10,884.

Recycling

Recycling will continue to be an area that requires ongoing observation as the off-shore markets continue to ebb and flow in regards to the value of recyclable materials. We have seen and will continue to see volatility in the recycling market as China regulates the content of recyclable materials. This fluctuation will continue; however, staff is working with local vendors to cap the processing of recyclable materials to not exceed the cost of disposing of mainstream waste. Left unchecked the cost to continue in our recycling program would cost significantly more than our main stream waste costs and would become unsustainable.