



ROY CITY

Roy City Council Meeting Minutes

April 10, 2018 – 6:00 p.m.

Roy City Hope Community Center A/B Room
5051 South 1900 West

Minutes of the Roy City Council Work Session held in the A/B Room of the Roy City Hope Community Center on April 10, 2018, at 6:00 p.m.

Notice of the meeting was provided to the Standard Examiner at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Mayor Robert Dandoy
Councilmember Burrell
Councilmember Paul
Councilmember Saxton
Councilmember Yeoman

City Manager, Jason Poulsen

1. Discussion of Fiscal Year 2019 Roy City Budget

Jason Poulsen, City Manager, presented the Budget Proposal for Fiscal Year 2019. He informed the Council that he and the Department Directors worked on the budget together and have tried to create a budget which will reflect favorably on all, including the elected officials. He said that their goal was to bring a budget that was transparent and balanced, made sense, and had no hidden agendas. He also reviewed information about the property tax increase from November 2016, which provided the City with \$900,000. The two reasons for the increase were: (1) to help retain employees, fix compression issues between tenured employees versus new employees, and create a merit-based pay scale and (2) to improve infrastructure/capital.

Mr. Poulsen gave details about the fact that they were losing many good employees to other cities because they were given only a Cost of Living (COLA) raise, with no merit increase for several years. The result was that employees who had worked for seven or eight years were now paid the same as new employees. They needed to create a merit-based system to fix the compression issue. In July of fiscal year 2018, they established a step plan and separated the employees by 80%, which cost the City \$780,000.

Mr. Poulsen then discussed the budget for Fiscal Year 2019; he stated that the employees' step increase would cost about \$323,000. That now put the total at about \$1 million for wages and salaries, and the step plan for employees, so the 36% tax increase had been allocated.

Mr. Poulsen then showed how the money had been spent or set aside. He stated that they purchased a fire engine last year for \$604,000 cash; they also set aside \$337,000 for the ice skating rink, and \$270,000 for the basement. The total of these expenditures was \$2.1 million. Mr. Poulsen also made mention of the \$930,000 sale of the North Park parking lot to America First Credit Union. There was no bond and no monthly payment, thereby saving taxpayers \$50,000 in interest and another \$10,000 because they paid for the chassis up front; thus, the total was \$60,000 saved, which they felt was fiscally responsible.

Mr. Poulsen then clarified that they had budgeted \$500,000-\$550,000 for the ice rink; the money had already been set aside, and it was within budget. There was discussion about the location for the ice rink; Mr. Poulsen stated staff felt that the chosen location was best for the ice rink because it was aesthetically great with the Christmas lights; however, parking was going to be a challenge. There was subsequent discussion regarding the retention basin, and Mr. Poulsen said no concerns were raised during staff's meetings with various engineering companies. Mr. Poulsen then stated that there was a meeting in Salt Lake City in January of 2017, where they developed a Strategic Plan with five top objectives with three initiatives each to meet this year. They created a Vision Statement that coincided with the Strategic Plan, and they tried to align the budget with this Plan.

Mr. Poulsen presented the Top 5 Objectives:

i. Community Pride

The plan was to complete the first phase of North Park in 2017 and identify funding in order to complete phase 2 in 2018 as a point of civic pride and attraction to the area. They intended to complete it this year; there would be more discussion about specific funding in the budget. It was noted that the new name for North Park was George Wahlen Park.

The administration had allocated a budget line item for beautification efforts; there was a committee, and they put in street lights from the Sunset north borderline all the way to 4800 South on both the east and west sides of the streets.

The City would use various methods to amplify code enforcement efforts, including dedicating more staff to finding and reporting violations in blighted areas and promoting the new website's ability to allow citizens to report complaints. As of today, they had hired a new code enforcement officer who had been involved in the community for 30 years; staff felt that he will be fair and provide consistent follow-through with this as a civil issue (not judicial), which will be different from what had been happening.

ii. Economic Development

- To allocate funding specifically for economic development needs such as an economic development plan.
- To develop an economic page on the City's website with information about businesses in town, land inventory for development, and location of the City's RDA agencies.

Mr. Poulsen stated that Mayor Dandoy's team on Economic Development met often; in fact, they just met with the movie theater people, and the plan was moving forward. He added that the plan was stagnant in 2017, but they had some new people in place, including new Councilmembers and a new Mayor, and they were making progress.

Mayor Dandoy added that a lot of people were working on this, trying to make it workable. He had just received a public announcement that there were four offers on two facilities near Harmon's. Councilmember Burrell stated that they had presented a plan on the area in question while working on the Focus Roy Plan. It was important to keep this vision in mind as meetings with developers took place.

There was further discussion about the plans for a gas station, a proposal and business plan for which had previously been presented. It was stated that those expired, so they needed to submit new ones. Other businesses such as Walmart were putting in gas stations, so the Planning Commission needed to look at that again to consider how it would fit in the area.

Some Councilmembers felt that putting all of that information on the website would make it even less user-friendly and that the current website already caused confusion. They felt that the City's website needed to contain only information about City business, utilities, zoning ordinance codes, etc. There was subsequent discussion regarding the costs of redesigning the website, and the terms of the contract with the current web designer. Having a Weber State graphic/web design student do it as part of their project was suggested, but they had already looked into that and felt that their rate, which started at \$35 per hour was not possible. Councilmembers agreed that the current website was much better than the previous one, but it still needed a lot of improvement. It was also agreed that the individual departments needed to have more control over their departments' information on the website.

iii. Infrastructure

- The administration will cooperate with departments to develop a capital improvement plan to determine and prioritize a replacement schedule for the City's infrastructure.

- The City will implement a vehicle replacement plan to schedule, plan and fund replacement of City vehicles.

Mr. Poulsen stated that the two objectives listed under Infrastructure had been completed. It was stated that the City needed to develop, fund and execute a plan for ongoing replacement of aging infrastructure. The City would commission utility rate studies to revise utility rates in the face of bonding for infrastructure needs.

Mr. Poulsen stated that, in the water and sewer utility fund, the City had a bond of close to \$5 million; this was being paid off at half a million dollars per year, and after 20 years, the City would have 20-year-old infrastructure for which they were paying \$20 million. Discussion established that those pipes were made for anywhere from 50 to 75 years ago, so that had to be factored in; they still have life-value of 30 to 45 years after that 20 years. Mr. Poulsen said that they had done a utility study and would give a copy of it to the Commission when they get to the discussion of utility fund.

iv. Workforce Development

- Invest in the development of a talented and committed workforce to improve service levels for residents and businesses in our community.
- Implement a Supervisor Training Program.
- The City will commit to providing adequate staffing for the demands placed on our workforce.

Mr. Poulsen stated that the City would implement a pay increase to alleviate compression among its work force, as well as implement a step-increase plan for all employees. This plan also incorporated regular salary comparison surveys to ensure that Roy City was competitive with surrounding cities. He added that the City had fixed the compression, implemented a step program that was in place, and was currently having a third party look at job descriptions and compare Roy's salaries to those in other like cities in neighboring counties.

With regards to a supervisor training program, Mr. Poulsen stated that department heads already had this option available. They could put employees in in-house training or send them out for training; for example, the administrative assistants went to Salt Lake City for a two-day training about a month ago, and there was a recent training on recorder issues. Otherwise, he felt this object had been completed.

Discussion returned to the pay increases and established that they were merit-based, which moved people through the steps in a timely fashion. The Fire Department agreed that this plan was really positive, so they would not keep losing people. In fact, they were seeing some who had left and later returned because of the merit-based system.

The Council discussed the competition between cities, and it was stated that other cities like Ogden and Salt Lake City were talking about raising salaries or had already done so; they had a greater tax base, which made it very difficult to compete with them. There was a comment that, when looking at everything (salary, benefits, retirement, etc.), salaries don't have to be exactly the same state-wide to be competitive.

Mayor Dandoy stated that Public Safety was the biggest issue. Some people believed that this needed to be standardized across the state, so legislators must start talking seriously about finding standardization at State level. Cities like Roy City were being used as a training ground, and after

employees (such as police and fire employees) were trained here, they moved on to other cities that paid more. There was further discussion about standardizing some things at the State level to help with issues such as retirement for all public servants. Impediments to this were also discussed.

Mr. Poulsen ended this discussion on a positive note, reminding all present that salary was not the only issue; in fact, it was not number one on a recent survey of workers. The overall work environment was also very important. He then stated that the City had fallen short on this in this budget year. They had to cut some employees' requests because there was not enough funding for them.

v. Traffic

- Improve east-west traffic flow by partnering with State agencies and neighboring communities.
- Work with State legislators on the project to widen 5600 South.
- Impact study

Mr. Poulsen stated that Mayor Dandoy had been active on the Wasatch Front Regional Council, and there were now key people in place for progress to take place in improving traffic.

Mr. Poulsen stated that they were working on the 5600 South project, and subsequently provided several project updates. It was stated that the Environmental Impact Study had been started; it would cost \$1 million per year for the next three years to assess 5500 and 5600, then the State would have three years to act. If the State did not get started within that time period, they would have to start over again. UDOT indicated that the study was moving and should be finished by 2021, which meant that the project had to be started within three years of that, probably in the 2022-2023 timeline.

A concern was expressed that 3500 had been stopped and would come to a close at 1800. It was noted that the reason why construction halted was because the funding had run out. There was further discussion about other options for this project and other projects, and funding for them. Mr. Poulsen stated that the impact study had been established in the General Plan. The City obtained a grant from the Wasatch Front Regional Council for the General Plan and already had matching funds for it. He added that Wasatch Civil was working on a transportation plan and that the City was doing everything possible at this time.

2. RDA Board Meeting

Mr. Poulsen stated that the City was doing better this year than last year at this same time, when they were still \$480,000 short of a balanced budget. He stated that Management Services Director, Matt Andrews, had worked diligently with department heads to balance budgets. They worked collectively, openly, and with full transparency on the matter during a retreat held in early February. At that time, everyone got a clear view of how each department fit into the City-wide budget, and they all felt much more knowledgeable afterwards. Attendees discussed their own desired department budget; everyone listened to the others, asked questions and even challenged each other on some items. All departments had to cut certain capital needs, and some departments had to cut new employees from their budget proposal, but collectively, they were very happy with their cooperation and results.

The Councilmembers then looked at the specifics of the Fiscal Year 2019 Budget and compared it with last year's budget. They discussed revenue (sales taxes, franchise fees, property taxes, building permits, etc.), and expenditures. Many items were about the same as last year, but there were some large discrepancies, which were explained. They also discussed several grants which they had received last year and the fact that they didn't know if they would get them again this year. There was subsequent discussion about the following issues:

Employees: It was stated that while this issue had mostly been addressed, sustainability was an ongoing concern.

North Park: There were many pros and cons as far as sodding versus seeding was concerned. Councilmembers also discussed playground and sports areas, restrooms and storage areas, lighting, parking, as well as what to do about the existing budget versus the needed budget, and how to get the money needed to put in everything they want at the park. They discussed acceptable use of ramp grants, and other projects were discussed such as pickleball courts.

Water meters: Mr. Poulsen stated that this was a five-year plan, and he explained that \$200,000 per year for five years was going to cost the City \$1 million. The City was in currently in year 3, so there was already another \$200,000 budgeted for this year's plan. He added that the City needed new water meters for several reasons; the first was that they billed utilities every other month, and they were trying to change to billing every month like other cities. The problem was that someone had to walk from house to house and read each meter, so the process took a long time. New meters were needed because they would connect to online software, thus expediting the process.

Mr. Poulsen continued, saying that the benefit to the City was that they would go to monthly billing, so the cost to residents would be less per month. This was a convenience to residents because it helped them know how much to plan for every month. Also, data from other cities showed that people don't get as angry over rates being raised when they are paying monthly, and any raise in bond payments works the same way. In addition, there were workers from the water department who had been assigned over to the water meter installation, and it would be nice to get those employees back to the department.

There was considerable discussion about the funds needed and where the money could come from; it was stated that other capital projects could be sacrificed, but there was a warning that this could throw the City off, which would make the bond of \$5 million due.

The base for water utilities was \$7.39 per month, which was less than half the rate of other Utah cities. There were more expenditures than revenue coming in, and this was killing the Water Utility Fund. In addition, the water lines were aging; some of the lines were inadequate for fighting fires because there was not enough water pressure, and some of them were asbestos lines. In order to rectify this, the City must raise rates like Weber Basin was doing. It was stated that the City needed a raise of about \$4.00 per month to accomplish the replacement, and at \$11.39, the rate was still lower than most other nearby cities.

There was much discussion about the expected public outcry about such a large raise. It was suggested that doing it in increments would be better; for example, if the rate were raised by \$2.00, there would be less outcry, because Roy City would still have the lowest rate in seven cities, and if the City was transparent about the reasons for the raise, people would understand better and be more willing to accept it. There was further discussion about when and how much to raise the rates, how the recent raise in property taxes affected this, as well as what effect would result from getting more businesses into the unused storefronts, and how the RDA money was used.

Street lights: Mr. Poulsen stated that the street lights that had been installed recently were on both sides of the street; they had gone from the Sunset County Line to 4800 South (east and west), so what was left was from 4800 to 3775. He added that this did not necessarily have to be done immediately. The Council then discussed the \$85,000 that remained for street lights. Ideas were put forward that it could be put towards George Wahlen Park, the Municipal Park, or other projects as part of the ongoing beautification project. It was agreed that this money could be used for the items they felt were a higher priority for now and put the street lights in the budget for next year.

Ice skating rink: Mr. Poulsen said that the ice rink was within budget. He added that it would cost about \$60,000 per year to operate. There were only a few outdoor ice rinks left in the communities. Comparisons between these rinks were discussed and how much revenue Roy City might be able to expect from the rink. It was stated that the revenue stream might reach \$43,000 per year, which would not be enough to run it. Many possible solutions were brought up, all the way from having business sponsorships to selling concessions such as hot chocolate, doughnuts and pizza by the slice. It was decided that, even though the ice rink itself may not be profitable, it was a service to the community and would bring other people to town.

Library: Mr. Poulsen stated that the City was supposed to take ownership of the old library in June; it would cost a couple hundred thousand dollars to remodel it and put the recreation department there. There was a brief discussion which established that this was low on the priority list because there were so many other projects that need to be done sooner.

Utility Funds: Councilmembers briefly discussed this again, reminding those present of the decision earlier in the meeting to raise the water rate \$2.00 per year for three years.

Storm Water Fund: It was stated that this fund was adequate for now.

Solid Waste Fund: It was stated that the City would have a tipping fee increase, and a collection fee by Waste Management which would be done by pass-through. Discussion reminded those present that they had done away with the dumpster program, which saved about \$1,000. It was stated that they still had about \$125,000 going back into retainer year after year, \$14,000 per year for the tipping fees alone; there was a projection that, effective July 1st, one can will increase from \$4.85 to \$4.99. There was considerable discussion about ways to combat this situation, such as a "Dumpster Weekend."

Capital Fund: It was established that many other City Managers and Councils were developing a Capital Project Fund; when departments were fiscally responsible and turned back money, instead of it going back into the reserve fund, it should be put into a Capital Project Fund so that they would have money for capital projects the following year. There was more discussion about the pros and cons of this idea, and it was suggested that they put 50% back into the Reserve Fund, as usual and 50% into a Capital Fund.

Municipal Park: Councilmembers discussed what to do to make the park more pleasant and friendly; they discussed frisbee golf, park benches, and redoing the trail. It was stated that George Wahlen Park was a higher priority, but they should do something to improve Municipal Park as well.

Mayor Dandoy stated that the preliminary budget would be based off tonight's discussion; the Council could hold another work session, if necessary. The Council indicated they would like to reach out to the property owner on 3100 West and 6000 South. The property in question was a 12-acre property owned by an organization that was receptive to community issues.

3. Adjourn

The Council unanimously moved to adjourn the meeting.