

1 **Minutes of the**
2 **Streets & Sanitation (Traffic Safety) Committee Budget Review Meeting**

3 Bountiful City Streets Department
4 April 10, 2017 (04:00 p.m.)
5

6 Present:

7 Committee Members: Richard Higginson, John Pitt and Kendalyn Harris
8 City Manager: Gary Hill
9 Assistant City Manager: Galen Rasmussen
10 Department Personnel: Paul Rowland, City Engineer
11 Gary Blowers, Streets Director
12 Lloyd Cheney, Assistant City Engineer
13 Todd Christensen, Public Works/Environmental Engineer
14 Charles Benson, Assistant Streets Director
15 Scott Redding, Construction Maintenance Supervisor
16 CJ Thompson, Construction Maintenance Supervisor
17 Paul Hartvigsen, Storm Water and Safety Supervisor
18 Sherry Steed, Streets Administrative Assistant
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21 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
22 the City Hall and providing copies to the following newspapers of general circulation: Davis County
23 Clipper, Standard Examiner, on the Utah Public Notice Website and the Bountiful City Website.
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25 Committee chair Richard Higginson called the meeting to order at 4:05 p.m., and welcomed those in
26 attendance.

27 **PRESENTATION OF BUDGET**

28 **Streets Department Budget:**

29 Gary Blowers presented the detailed budget for the Streets department and responded to questions
30 from the committee. During the presentation, Gary provided an overview of the department
31 organization; reviewed street projects in the planning stage; arrangements for additional road survey
32 work utilizing a contract associated with Utah State University; and commented on components of the
33 budget including the status of major contracts for asphalt, road striping and road salt. This winter
34 season has seen the use of 16,000 tons of road salt to keep City streets clear of ice and snow.

35 Gary Hill asked Galen Rasmussen to provide a status of the Class C Road monies and Local Option
36 Transportation Tax funds received by the City. Galen indicated that the Class C monies are a bit higher
37 this year due to a one-time amount of about \$280,000 that was credited to the current budget year

1 but applied to the previous year. The City is still on track to meet budget of \$1,470,000 in Class C and
2 \$560,000 in Local Option Transportation Tax (which has averaged about \$47,000 per month).

3 Recycling Fund Budget:

4 Richard Higginson asked to proceed in order of departments next requesting a review of the Recycling
5 Fund. Gary Blowers indicated that the current contractor providing curbside recycling services for the
6 City is Ace Disposal. The contract with Ace will be coming due again in December 2018. When asked
7 by the Committee how the contractor has performed, Gary answered that Ace has been very
8 responsive on customer service issues, dispatch and service delivery. Currently, residents are charged
9 \$2.75 per can and the charge to the City from Ace Disposal is \$2.55 per can. The \$0.20 differential is
10 applied to covering administrative costs associated with the program.

11 Gary Blowers made comments in relation to the Administrative Services Reimbursement charge so
12 Gary Hill asked Galen Rasmussen to comment in more detail on the nature of the charge. Galen
13 mentioned that the charge is assessed to the Enterprise Funds of the City to recover costs of service to
14 those Funds by departments of the General Fund. The costs recovered are primarily for personnel
15 services rendered, but there are also other associated costs such as utility billing forms, envelopes and
16 services to bill for Enterprise Fund services to the citizens and some associated overhead costs. Every
17 three years, the State Auditor mandates that the Administrative Services Reimbursement charge be
18 re-studied to validate the charge. The most recent study for this purpose was completed this year in
19 March. The Administrative Services Reimbursement shows in the Operations and Maintenance
20 section of the Enterprise Fund budgets and as a reduction of expenditures in each affected General
21 Fund department per accounting standards.

22 Storm Water Fund Budget:

23 The Storm Water Fund budget for Fiscal Year 2017-2018 will address replacement of two major routes
24 of storm drain line along 200 North and 300 North in addition to replacement of corrugated storm
25 drain pipe as found from the storm drain video maintenance program. Gary noted a section of the
26 narrative that will need to be updated in the final printing of the budget to comment on contract
27 equipment and a few updates to the department organization chart.

28 Landfill Fund Budget:

29 Gary Blowers reviewed the rates that are proposed for increase in the Fiscal Year 2017-2018 budget.
30 These include a \$2.00 per load increase in gate receipts, a \$2.00 per ton charge for clean fill dirt, a
31 \$2.00 per load increase for green waste, and a \$5.00 per ton increase in commercial collections.
32 These rates are proposed following a survey of local landfill providers including Wasatch Integrated,
33 Salt Lake County and Trans Jordan. The fee increases are needed to address costs of service and to
34 remain competitive. For reference, the last fee increase for gate receipts was made in 1994 and the

1 last commercial collections fee increase was in 2007. The Fiscal Year 2017-2018 budget includes a
2 proposed addition of one new full-time employee to help balance workload. Currently, members of
3 the Streets and Storm Water departments are needed to assist the Landfill staff in keeping pace with
4 workload. There was discussion on the feasibility of the Landfill purchasing its own grinder for green
5 waste. Currently, the Landfill contracts for this service based on the high costs of the machinery.
6 When breakdowns occur in grinders it can be as much as a \$10,000 repair bill depending on what
7 happens to the grinder. Management has felt that continued contracting for this service is most cost
8 effective.

9 Sanitation Fund Budget:

10 Gary Blowers noted that there are no proposed increases in Sanitation Fund fees this coming year.
11 However, Gary Hill noted that the costs of service will be continually monitored and may need to be
12 increased next year. The last adjustments in fees came from an update of the shared percentage of
13 collection fees. The current sharing ratio for collections fees is 90% to Sanitation and 10% to Landfill.
14 Gary Blowers briefly reviewed budget changes between Fiscal Year 2016-2017 and the proposed Fiscal
15 Year 2017-2018 as noted in the Tentative Budget document. The contract for Household Hazardous
16 Waste collection will be extended based on price and satisfactory performance. The next Household
17 Hazardous Waste day will be October 14, 2017 at the Streets Department.

18 Recap of Fees:

19 Streets Department will have changes to select fees to bring them in line with market rates such as
20 Sign Fees and Labor Rates. Storm Water Fund will implement a previously approved \$1.00 increase
21 per Equivalent Residential Unit (ERU). The Landfill Fund will see increases of \$2.00 per load for gate
22 receipts, \$2.00 per load increase for green waste, \$2.00 per ton charge instituted for clean fill dirt and
23 a \$5.00 per ton increase for commercial collections. Sanitation and Recycling Funds will have no
24 increases.

25 Review of Long-Term Capital Plan:

26 The long-term capital plans for the Streets, Storm Water, Landfill and Sanitation Funds were reviewed
27 and questions of the Committee Members were addressed.

28 Following review of the budgets for the Streets, Recycling, Storm Water, Landfill and Sanitation Funds
29 along with the associated fees and long-term capital plans, Committee chair Higginson asked for a
30 motion. Committee member John Pitt made a motion to accept the tentative budgets of the Streets,
31 Recycling, Storm Water, Landfill and Sanitation Funds, as presented, and recommend these budgets
32 to the City Council for approval Committee member Kendalyn Harris seconded the motion. Voting
33 was unanimous with Committee members Higginson, Pitt, and Harris voting "aye".

- 1 The meeting adjourned at 5:40 p.m. on a motion made by Committee member Pitt and seconded by
- 2 Committee member Harris. Voting was unanimous with Committee members Higginson, Pitt, and
- 3 Harris voting "aye".

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Minutes of the Water Fund Committee Budget Review Meeting

Bountiful City Water Department
April 12, 2017 (04:00 p.m.)

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Present:

Committee Members:	Richard Higginson, John Pitt and Kendalyn Harris
City Manager:	Gary Hill
Assistant City Manager:	Galen Rasmussen
Department Personnel:	Paul Rowland, City Engineer Mark Slagowski, Water Department Director Lloyd Cheney, Assistant City Engineer Brett Eggett, Assistant Water Department Director Tracy Hatch, Construction Supervisor

Official Notice of this meeting had been given by posting a written notice of same and an agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis County Clipper, Standard Examiner, on the Utah Public Notice Website and the Bountiful City Website.

Committee chair Kendalyn Harris called the meeting to order at 4:05 p.m., and welcomed those in attendance.

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PRESENTATION OF BUDGET

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Committee chair Kendalyn Harris asked Mark Slagowski to provide an overview of the Water Fund budget. Mark highlighted notable dollar changes between the current Fiscal Year 2016-2017 and the proposed Fiscal Year 2017-2018. Gary Hill noted that a labor market study was completed on the Water Department staffing to benchmark against similar water departments. The survey indicated the need for upward adjustments in grade levels (with salary adjustments) for most employees in the department since their positions were undervalued versus similar water departments in Utah. There will also be some merit increases in the budget. Mark Slagowski outlined how management in the Water Department assesses potential new part-time and full-time employees. The general rule is to hire employees part-time and work with them long enough to get a good idea for their organizational fit and their work ethic. Full-time employees are typically hired from those in the part-time ranks.

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Paul Rowland led a discussion on the design of the current City water system and a proposed block rate fee structure to comply with new State law. Summary points from the presentation appear as follows:

1 Currently installed pipe in the City includes Cast Iron Pipe, the last of which was installed 40 years ago.
2 Ductile Iron Pipe which was installed from 1977 to 2005 (most susceptible to corrosion based on soil
3 content). PVC Pipe which provides the longest life expectancy of 100 + years. An optimal
4 replacement schedule for pipe would ideally be set at 40 years.

5 Most water mains in the system are sized at 6 inch but current standards for replacement call for 8
6 inch lines. There are approximately 110 miles of pipe in the City to replace over time with an average
7 cost of \$475,000 per mile. Using a 50 year replacement schedule, the cost would be \$1,050,000 per
8 year. Using a 40 year replacement schedule the cost would be \$1,300,000 per year. The Tentative
9 Budget was based on a conservative 50 year replacement schedule supported with a 30% increase in
10 base water rates and a 15% rate increase in overage fees. For reference, about 60% of meters in the
11 lower elevation areas of the City are ¾ inch meters with 1 inch meters being the next most common
12 size. There are only a few meters larger than 1" and almost all are commercial or institutional
13 customers.

14 A comparison of Bountiful City's water rates with 13 other cities in Utah was performed recently.
15 With the proposed 30% base rate increase and 15% overage rate increase, Bountiful City's monthly
16 fee for a residence using 7,000 gallons per month would be \$22.60. This is for a residence with a ¾
17 inch meter in the low elevation area. Only Clearfield and South Davis Water would be lower in
18 monthly fees.

19 The proposed block rate fee structure would be organized, as it is now, by low and high elevation
20 areas. The first block of rates would apply on usage of 0 to 65,000 gallons of water before moving to
21 the next block rate. The remaining blocks are 65,000 to 100,000, 100,000 to 500,000 and over
22 500,000 gallons per month with associated fees per block at 30% increase in the base and 15%
23 increase in the overage. The block structure is not expected to result in large amounts of revenue
24 increases due to expected effects of conservation and the current usage patterns in the City. For
25 reference, as of August 2016, 55% of water accounts showed no overage and 94% of accounts used
26 less than 65,000 gallons per month. When asked by the committee to provide a magnitude for water
27 pumping costs, Mark Slagowski indicated that it costs \$120,000 annually in the lower elevation areas
28 and \$380,000 to pump water to the higher elevation areas.

29 Committee chair Harris asked if Capital Projects Fund monies could be used to help defray some of
30 the costs for replacing aging water infrastructure. Gary Hill indicated that the costs of water system
31 replacement are ongoing but use of money from another fund would be one-time. He also indicated
32 that the Capital Projects Fund is tax supported whereas the Water Fund is user fee supported.
33 Contributions by the Capital Projects Fund to other funds would result eventually in the need for a
34 General Property Tax increase. In addition, Generally Accepted Accounting Principles require
35 Enterprise Funds (like the Water Fund) to be self-supporting on fees to remain classified as an
36 Enterprise Fund.

1 After discussion, Committee member Higginson voiced a preference to moving toward a 40 year
2 replacement schedule instead of the proposed 50 year schedule and asked for a restatement of the
3 impact of this change. Paul Rowland responded that, under a 40 year replacement schedule, the base
4 water rate would increase 45% with a 20% overage rate increase. This change would push the
5 average water rate from \$22.60 per month under the 50 year replacement schedule to \$24.95 per
6 month under the 40 year replacement schedule. At \$24.95 per month, only Clearfield, South Davis
7 Water, Farmington, Centerville and North Salt Lake would have lower rates in the 14 city comparison
8 group.

9 Metered Water Sales Revenue for Fiscal Year 2017-2018 is currently shown in the Tentative Budget at
10 \$5,000,000 in support of a 50 year replacement schedule. If the committee desires a 40 year
11 replacement schedule, Metered Water Sales Revenue would be \$5,300,000 instead.

12 Moving to a discussion on capital improvement plans, Paul Rowland mentioned that the long-term
13 capital plan is closely tied to anticipated contractor/developer activity in the City. Mark Slagowski also
14 mentioned that the capital plan includes a new Water Treatment Plant.

15 A motion was made by Committee member Higginson to adopt the Water Department Tentative
16 Budget with a change to a 40 year infrastructure replacement schedule. This motion requires a
17 revision in the rate increase to a 45% increase in base rates and a 20% increase in overage rates which
18 delivers \$5,300,000 in Metered Water Sales Revenue instead of \$5,000,000. Council member Pitt
19 seconded the motion. Committee members Harris, Higginson and Pitt all voted aye.

20 The meeting adjourned at 5:05 p.m. on a motion made by Committee member Higginson and
21 seconded by Committee member Harris. Voting was unanimous with Committee members Higginson,
22 Pitt, and Harris voting "aye".

1 **Minutes of the**
2 **Parks, Recreation & Fine Arts Committee Budget Review Meeting**

3 Bountiful City Hall Planning Conference Room
4 April 17, 2017 (03:00 p.m.)
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6 Present:

7 Committee Members: John Pitt, Randy Lewis, and John Marc Knight
8 City Manager: Gary Hill
9 Assistant City Manager: Galen Rasmussen
10 Department Personnel: Paul Rowland, City Engineer
11 Brock Hill, Parks Department Director
12 Lloyd Cheney, Assistant City Engineer
13 Kent McComb, Golf Professional
14 Thomas Rhoades, Golf Course Superintendent
15 Paul (Geno) Flanary, Cemetery Superintendent
16 Bruce Sweeten, Building Maintenance Supervisor
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19 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
20 the City Hall and providing copies to the following newspapers of general circulation: Davis County
21 Clipper, Standard Examiner, on the Utah Public Notice Website and the Bountiful City Website.
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23 Committee chair John Pitt called the meeting to order at 3:05 p.m., and welcomed those in
24 attendance.

25 **PRESENTATION OF RAP TAX GRANT APPLICATIONS**

26 Committee chair John Pitt asked for presentations by not-for-profit groups that had applied for RAP
27 Tax Grant funding. The first group invited to the table was Jane Joy of the Joy Foundation. Jane
28 reviewed plans for the upcoming Chalk Art Festival which will be held later in May than previous
29 events to improve the chances for better weather conditions. Funding was requested for the
30 following programs of the Joy Foundation:

31 Chalk Art Festival	\$5,700.00
32 Open Mic	\$1,000.00
33 Bountiful's Got Talent/Other	\$1,300.00
34 Total Request	\$8,000.00

35 Next, Sandy Inman of the Bountiful Historical Preservation Foundation made a presentation with a
36 request for \$12,937.20 to move the Historic Cabin from the City Hall Complex to the new History

1 Museum location. Questions were asked about timing for the move and approval to reimburse the
2 Historical Preservation Foundation for expenses incurred on the move since work would commence
3 before funds from Fiscal Year 2017-2018 become available. Approval for reimbursement was given.

4 The next group invited to present was Jansen Davis of the CenterPoint Legacy Theatre. Mr. Davis
5 restated the need for ongoing financial support of the Theatre by original partners Bountiful City and
6 Centerville City. Theatre patrons typically have come 25% from Bountiful City and 63,000 of volunteer
7 time was donated last year by all patrons and supporters combined. The Theatre requested \$50,000
8 (or a lower amount if funding of \$50,000 was not possible) to assist with replacing the existing sound
9 equipment in the auditorium. The sound system replacement project is expected to cost \$150,000 for
10 which the Theatre has received a \$100,000 State of Utah grant.

11 The final RAP Tax Grant applicant presentation was by Emma Dugal of the Bountiful Davis Arts Center
12 (BDAC). Emma was joined by Joe Johnson, Board Chair, and Alysa Revell from BDAC. The BDAC is
13 planning a two phase approach to bringing more recognition to downtown Bountiful. Phase 1 of the
14 proposal is requested this year with Phase 2 being pursued for next year with Bountiful City and other
15 potential donors. The request is Phase 1 was for \$34,000 which included funding for an outdoor
16 sound system, outdoor seating, window treatments and removal of an interior staircase from the
17 BDAC building which is owned by Bountiful City Redevelopment Agency. The staircase removal was
18 projected to cost \$15,000 and was not recommended by City Staff due to concerns with fire code and
19 access which will still need to be studied.

20 Committee member Knight recommended that BDAC seek several funding sources for their Phase 2
21 items and that \$15,000 be removed from their Phase 1 request for the staircase project pending
22 further evaluation by City staff. Further discussion was entertained on available funding for RAP Tax
23 Grants. A total of \$58,000 is available in the Fiscal Year 2017-2018 budget and there is \$24,305
24 remaining from the prior year that could be allocated for a total of \$82,305. Several options for
25 allocation of available funds were discussed with a motion by Committee member Lewis to reduce all
26 grant applications by an equal percentage to meet available funding. This motion did not receive a
27 second. A motion was then made by Committee member Knight to fund RAP Tax grants as follows:

28 Bountiful Davis Arts Center	\$19,000.00
29 Bountiful Historical Preservation Foundation	\$12,937.20
30 CenterPoint Legacy Theatre	\$42,367.80
31 Joy Foundation	\$8,000.00

32 Council member Pitt seconded the motion. Committee members Pitt and Knight voted aye with
33 Committee member Lewis voting nay.

1 **GOLF FUND BUDGET REQUEST**

2 Committee chair Pitt called for a review of the Golf Fund budget request for Fiscal Year 2017-2018.
3 Kent McComb and Brock Hill introduced the budget request which includes a proposed \$1.00 increase
4 in fees per nine-hole round to be effective January 1, 2018. No changes in fees for cart rentals are
5 proposed. Comparisons of the current and proposed fee structure were made with local golf courses
6 and courses in St. George with a conclusion that Bountiful City’s Golf fees are very reasonable. Larger
7 capital expenses budgeted for Fiscal Year 2017-2018 includes a \$40,000 parking lot overlay and
8 restriping and \$55,000 for Pro Core Aerators. A discussion was also held on options for marketing the
9 course to additional corporate entities and other events. It was noted that the current Point of Sale
10 system at the course offers some options for marketing but additional efforts can be made as well.

11 Comments were made by Gary Hill and Brock Hill regarding a planned operational study by the firm of
12 Lewis Young Robertson and Burningham, Inc. The study will examine the revenue structure of the
13 Golf Fund and ways to improve the financial results after the effects of depreciation. It was noted
14 that the Golf Course is supported entirely by fees and no tax revenues.

15 **CEMETERY FUND BUDGET**

16 Brock Hill and Geno Flanary reviewed operations at the Cemetery. Fee increases will be needed to
17 recover and replenish monies used from the Cemetery Perpetual Care Fund for recent land acquisition
18 at the Cemetery location. This recovery brings a need to increase fees for grave openings to \$145 per
19 burial and all rates and fees in the Cemetery Fund will be revisited with a revision in the fee schedule
20 for adoption by the City Council with the budget. Brock Hill reviewed some additional areas of the
21 budget request and highlighted the need to add a line item for tuition reimbursement for an
22 employee that will be attending college under the City’s existing tuition reimbursement policy.

23 **GOVERNMENT BUILDINGS DEPARTMENT BUDGET**

24 Brock Hill and Bruce Sweeten noted that the Government Buildings Department budget has no
25 increases from the current year. A report was given on repair of the fountain in the front of the Public
26 Safety Building and on funds budgeted for renovation of the existing City Hall (costs for this project fall
27 under the Legislative Department budget).

28 **PARKS DEPARTMENT BUDGET**

29 Brock Hill noted increases in the Personnel Services budget category primarily to adjust the hourly
30 rate paid for seasonal employees. It has been difficult to attract qualified workers with the lower
31 hourly rate paid currently. An adjustment in the budget for Fiscal Year 2017-2018 will allow paying
32 qualified workers between \$10.50 and \$11.50 per hour which should allow full staffing. Questions
33 were asked about the status of the Creekside Park development given issues with the contractor hired

1 originally to complete the work. Brock indicated that Travelers Insurance (the original contractor's
2 bonding company) has stepped forward and is working with management to arrive at a solution to
3 complete the project. Emphasis is being placed on ensuring that prior subcontractors will be paid for
4 work completed. Work at the site should again commence by June 1.

5 A motion was made by Committee member Lewis to approve the budget proposals of the Golf Fund,
6 Cemetery Fund, Government Buildings Department and Parks Department and send these budgets to
7 the full City Council for approval. Committee member Knight seconded the motion. Voting was
8 unanimous with Committee members Pitt, Knight and Lewis voting aye.

9 The meeting adjourned at 5:05 p.m. on a motion made by Committee member Lewis and seconded by
10 Committee member Pitt. Voting was unanimous with Committee members Pitt, Knight and Lewis
11 voting "aye".

1 **Minutes of the**
2 **Public Safety & Public Relations Committee Budget Review Meeting**

3 Bountiful City Public Safety Building
4 April 17, 2017 (10:00 a.m.)
5

6 Present:

7 Committee Members: John Marc Knight, Randy Lewis, Richard Higginson
8 City Manager: Gary Hill
9 Assistant City Manager: Galen Rasmussen
10 Department Personnel: Tom Ross, Police Chief
11 Ed Biehler, Assistant Police Chief
12 David Edwards, Lieutenant
13 Troy Killian, Lieutenant
14 Kathy Lovoi, Administrative Assistant
15 Macall Adams, Dispatcher
16 David Gill, Officer
17 Michael Sheldon, Officer
18 Jeff Bassett, Fire Chief – South Davis Metro Fire Service Area
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22 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
23 the City Hall and providing copies to the following newspapers of general circulation: Davis County
24 Clipper, Standard Examiner, on the Utah Public Notice Website and the Bountiful City Website.
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26 Committee chair John Marc Knight called the meeting to order at 10:15 a.m., and welcomed those
27 attending.

28 **PRESENTATION OF BUDGETS**

29 Committee chair John Marc Knight asked Chief Jeff Bassett to outline the budget request for the City's
30 contribution amount as a member of the South Davis Metro Fire Service Area.

31 Chief Bassett distributed a paper copy of a Power Point presentation regarding budget needs of the
32 Fire Department. The Power Point noted the following items in relation to the Fire Department's
33 financial position:

- 34 1. Need exists for further staffing to meet fire service standards
35 2. Renovation of the Centerville station and Mueller Park station are needed
36 3. Replacement of the 100 foot ladder truck is proposed (current truck is 26 years old and in need
37 of replacement). A new truck is projected to be \$1,500,000 with an 18 month delivery time.
38 4. Air packs (\$430,000) are needed to replace 15 year old units for meeting national standards.

1 5. Refunding of existing bonded debt will be completed to reduce interest costs. This refunding
2 transaction recognizes and reimburses Bountiful City for its upfront capital contribution at
3 inception of the Fire Department.

4 Committee chair Knight thanked Chief Bassett for the presentation and asked if there were any
5 questions from the Committee members as to the budget request for \$2,140,000 in City Fiscal Year
6 2017-2018. Seeing no questions, Committee chair Knight asked Chief Tom Ross to outline the budget
7 request for the Police Department in Fiscal Year 2017-2018.

8 A document containing an overview of Police Department operations, goals, and statistics was
9 distributed by Kathy Lovoi to those present. The statistics primarily compared 2015 to 2016 for
10 categories of crime in the City. Goals of note were the following:

- 11 1. Upgrade of the communications center
- 12 2. Restructuring of management duties and responsibilities
- 13 3. Participation in a UVU study of Drones (joint study with Orem City)
- 14 4. Supervisor and Employee development programs
- 15 5. Emergency Preparedness Program enhancements
- 16 6. Implementation of results from compensation survey

17
18 Changes between 2015 and 2016 in key statistics were discussed including the following:

- 19 1. Reduction in rape cases (down 35.3%)
- 20 2. Reduction in robberies (down 75%)
- 21 3. Fraud cases increased by 14%
- 22 4. Weapons violations increased by 41.7%

23 Discussion ensued in regards to maintaining the ability to incarcerate individuals in the Davis County
24 Jail. Concerns have been expressed to the Davis County Sheriff that he not allow excess inmates to be
25 housed from Salt Lake County or other areas.

26 As to the budget request for 2017-2018, Chief Ross outlined the following areas of note:

- 27 1. Operations and Maintenance category increased primarily for general and property insurance
28 along with the rising cost of Animal Control Services which are moving toward a 50/50 sharing
29 of costs between cities and the county
- 30 2. Reserve officer funding dropped due to reduction in officers from 10 to 3
- 31 3. Discussion was held on the completion of a comprehensive compensation study:
32 a. Labor market conditions were attracting officers to move to other jurisdictions

- 1 b. Survey noted that Bountiful City's hourly compensation was competitive with the
- 2 marketplace but the time between entry level step and top out step on the salary schedule
- 3 was longer than other entities
- 4 c. Overriding goal was to revise the compensation plan to retain employees.
- 5 d. Costs for personnel services are largely driven by a 49.33% allocation of salaries to meet
- 6 Utah Retirement System costs. This high percentage is driven by the resulting longevity of
- 7 retirees in the retirement system and the movement of the current employee base.
- 8 e. Adjustments made by management in the compensation system include:
- 9 1. Moving the time needed to reach the top out step down from 21 years to 11 years
- 10 2. Instituting the ability to match pay for officers up to 5 years of experience
- 11 3. Increasing pay level for Dispatch and Records Supervisor positions
- 12 4. Funding of the adjustments (\$141,000 cost) came from reductions in budgeted
- 13 overtime and compensatory time in addition to other personnel areas

14 Discussion of the overall culture and work environment of Bountiful proceeded. It was noted that
15 Bountiful City offers an enjoyable work environment; appreciative organization culture with a
16 citizenry that supports police.

17 A motion was made by Committee member Richard Higginson to adopt the South Davis Metro Fire
18 Service Area budget allocation and the Police Department Tentative Budgets as presented.
19 Committee member Randy Lewis seconded the motion. Committee members Knight, Lewis and
20 Higginson all voted aye.

21 The meeting adjourned at 11:29 a.m. on a motion made by Committee member Lewis and seconded
22 by Committee member Higginson. Voting was unanimous with Committee members Knight, Lewis,
23 and Higginson voting "aye".

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3 **Minutes of the**
4 **Finance, Administration and RDA Committee**
5 **Budget Review Meeting**

6 Bountiful City Hall Planning Conference Room
7 April 18, 2017 (10:00 a.m.)

8 Present:

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10 Committee Members: Randy C. Lewis, Beth Holbrook and Kendalyn Harris
11 City Manager: Gary Hill
12 Assistant City Manager: Galen Rasmussen
13 Department Personnel: Clint Drake, City Attorney
14 Shannon Cottam, Human Resources Manager
15 Alan West, Information Technology Director
16 Tyson Beck, Finance Director
17 David Burgoyne, Assistant Finance Director
18 Ted Elder, City Treasurer
19 Paul Rowland, City Engineer
20 Lloyd Cheney, Assistant City Engineer
21 Chad Wilkinson, City Planner / RDA Director
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23 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
24 the City Hall and providing copies to the following newspapers of general circulation: Davis County
25 Clipper, Standard Examiner, and on the Utah Public Notice Website.
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27 Committee chair Randy Lewis called the meeting to order at 10:00 a.m., and welcomed those in
28 attendance.

29 **PRESENTATION OF BUDGETS**

30 Legislative Department

31 Gary Hill presented the budget proposed for the Legislative Department and reviewed key changes in
32 budget line items between the current fiscal year and the proposed fiscal year of 2017-2018. Changes
33 in part-time salaries are being funded by a reduction of Council Contingency funds. Medical insurance
34 increases citywide will come in at around a 5% increase for the new fiscal year. Other changes in the
35 budget include a \$35,000 reduction in spending related to the Stoker School and a \$70,000 increase to
36 fund both a Primary and General Municipal Election in late calendar year 2017.

37 A general review of economic conditions and overall budget parameters were also provided. Sales tax
38 and property tax trends were outlined along with the effect of recently losing a large sales tax paying

39 entity. Gary mentioned that the overall budget contemplates funding of merit increases for
40 employees that qualify. Market studies were completed during the year on both the Police and Water
41 Department staff positions to ensure that Bountiful stays competitive with the labor market. These
42 studies resulted in changes being made to the compensation structure for Police and Water.
43 Additionally, the top pay step in the overall City compensation plan was adjusted from a 3.85% step
44 increase to a consistent 5.00% since all other steps are 5.00% increases. No cost of living raise is being
45 proposed this year, however, due to compensation adjustments being made; over 73% of the
46 employee base will see an increase in their compensation for Fiscal Year 2017-2018.

47 Gary also addressed capital projects planning for the department. While plans for movement of City
48 Hall to the downtown area have been terminated, the City still intends to develop the downtown
49 parcel currently occupied by the Stoker School into a plaza. Additionally, there is money in the budget
50 to renovate the existing City Hall but detailed plans for this work will not take place until the Plaza
51 development is underway, possibly into the later part of Fiscal Year 2017-2018.

52 Executive Department

53 Gary Hill introduced the Executive Department budget. Money for hiring of interns has been removed
54 from the budget as an overall measure to help fund staffing in other General Fund departments.
55 Questions were asked by the committee on plans for improving and supporting the City's social media
56 presence. Gary noted that Annette Hansen is currently working on public relations projects along
57 with social media to assist in improving the existing programs in place. The Council has also had
58 desires to implement systems for public surveys from the Utah firm, Qualtrix. The Legislative
59 Department budget includes funding for Qualtrix services.

60 Human Resources Department

61 Shannon Cottam noted no significant changes in the Human Resources budget between the current
62 and proposed budget years. She addressed the current quotes received for dental coverage (34.2%
63 increase) and a 5% increase in health insurance coverage.

64 Information Technology and Computer Replacement Fund

65 Alan West presented the budget for the Information Technology Department and the Computer
66 Replacement Fund noting a small change in Personnel Services between years for the Information
67 Technology Department which is due to changes in medical insurance costs and merit increases. The
68 budget includes replacement of the Uninterruptible Power Supply (UPS) unit to increase capacity and
69 add sensors. The Computer Replacement Fund budget provides funding for a 5 to 6 year equipment
70 replacement cycle. This translates into replacement of 20 to 30 computers in the upcoming budget
71 year.

72

Finance Department

73 Tyson Beck and David Burgoyne provided an overview of the Finance Department organizational
74 structure along with key budget changes. Three employees will qualify for merit increases due to the
75 newness of the department staffing. Audit costs citywide were reduced by \$11,000 from the previous
76 audit contract through bidding out this service recently. Tyson provided a brief explanation for the
77 “Administrative Services Reimbursement” budget line item which is a cost reimbursement to the
78 General Fund by Enterprise Funds for services provided by the General Fund such as payroll,
79 budgeting, customer service, billing, legal services, etc.

80

Debt Service and Municipal Building Authority Funds

81 Galen Rasmussen asked Tyson and David to also comment on the budgets for Debt Service and the
82 Municipal Building Authority. Mention was made of the special assessment district which surrounds
83 the Renaissance Towne Center property and the debt associated that will be paid off in 2017. Due to
84 the City’s primary funding mechanism being “pay-as-you-go” through accumulating reserves to pay
85 for large capital expenditures, the City has very low levels of debt. After 2017, the City will only have
86 one debt issue (accounted for in the Power Fund) and that is the revenue bond issued in 2010 to fund
87 the Power Department’s natural gas generators and related building improvements.

88 The Municipal Building Authority has no debt outstanding. The only budget item of significance is
89 receiving debt service payments from the State of Utah to complete a prior deferred debt obligation
90 of the State negotiated with the City several years ago. This obligation will be completed within the
91 next two years.

92

Treasury Department

93 Ted Elder introduced the Treasury Department budget and commented on the staff organization and
94 changes. Due primarily to retirements and employees shifting departments to take other open
95 positions the department has been staffed by many new faces over the last three years. Comments
96 were also made on plans to promote more use of emailed utility bills, web payments and direct
97 customer payments through Electronic Funds Transfer (EFT) to reduce operational costs.

98

Legal Department

99 Clint Drake noted that in the Legal Department Personnel Services are lower by a considerable
100 amount due to the retirement of the former City Attorney and the departure of the former City
101 Prosecutor last year. The current City Attorney and City Prosecutor were hired at a lower point in the
102 salary schedule which resulted in lower costs between years. Clint noted that a grant is being applied
103 which will fund a Victims Advocate position in the City Prosecutor’s Office. The position is not

104 currently in the Tentative Budget but approval is being sought with an anticipated May 18th approval
105 date.

106 Liability Fund and Workers Compensation Fund

107 Clint Drake provided an overview of the Liability and Workers Compensation Funds of the City. The
108 Liability Fund claims history shows a decline in claims paid but there has been an increase in excess
109 liability insurance premiums of \$11,000. Committee member Holbrook recommended more
110 interaction being sought with State lawmakers to improve dialogue on important issues.

111 Due to moderating claims experience, there were no significant budget matters to review on the
112 Workers Compensation Fund.

113 Engineering Department

114 Paul Rowland and Lloyd Cheney provided a brief overview of the Engineering Department and it's
115 interconnection to other public works related departments such as Water, Streets, Storm Water,
116 Landfill and Sanitation. The budget for Fiscal Year 2017-2018 contains no funding for interns to assist
117 with key summer projects. This reduction is viewed as temporary and was made to fund other
118 needed General Fund department requests for staffing in Fiscal Year 2017-2018.

119 Planning Department

120 Chad Wilkinson outlined the Planning Department budget. The budget for Fiscal Year 2017-2018
121 includes a new full-time position that was funded by reductions in other General Fund department
122 budgets. The new position in Planning is needed to keep pace with increasing work demands related
123 to code enforcement, zoning determinations, and changes brought about by recent legislation from
124 Senate Bill 232 on land use amendments. A new fee is being proposed to help cover the cost of
125 addressing zoning determinations.

126 Redevelopment Agency

127 The Redevelopment Agency (RDA) budget was outlined by Chad Wilkinson noting the changes in how
128 property tax increment is shown and the dollar amount assigned to Special Projects. The RDA Special
129 Projects budget will help address downtown plaza development plans as well as other
130 planning/redevelopment projects in the City.

131 Committee member Holbrook made a motion to accept the tentative budgets of all departments and
132 funds, as presented. Committee member Harris seconded the motion. Voting was unanimous with
133 Committee members Lewis, Holbrook and Harris voting "aye".

134 The meeting adjourned at 11:40 a.m. on a motion made by Committee member Holbrook and
135 seconded by Committee member Harris. Voting was unanimous with Committee members Lewis,
136 Holbrook and Harris voting "aye".

137

1 **Minutes of the**
2 **Power Department Committee Budget Review Meeting**
3 **(Joint with Power Commission)**

4 Bountiful City Power Department
5 198 South 200 West, Bountiful, UT
6 April 18, 2017 (8:00 a.m.)
7

8 Present:

9 Committee Members: Beth Holbrook, Richard Higginson, John Marc Knight
10 Power Commissioners: John Cushing, Susan Becker, Dan Bell, David Irvine, Jed Pitcher
11 City Manager: Gary Hill
12 Assistant City Manager: Galen Rasmussen
13 Department Personnel:
14 Allen Johnson, Light & Power Director
15 Jess Pearce, Superintendent of Operations
16 Alan Farnes, Generation Superintendent
17 Jay Christensen, Accountant
18 Luke Veigel, Power Systems Electrical Engineer
19 Nancy Lawrence, Recording Secretary
20

21 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
22 the City Hall and providing copies to the following newspapers of general circulation: Davis County
23 Clipper, Standard Examiner, and on the Utah Public Notice Website.
24

25 Power Commission chair John Cushing called the meeting to order at 8:00 a.m., and welcomed those
26 in attendance.

27 **PRESENTATION OF BUDGET**

28 Jay Christensen presented the Fiscal Year 2017-2018 budget for the Light and Power fund with
29 comments and clarification being provided by Allen Johnson, Alan Farnes, Jesse Pierce and Luke
30 Veigel. An overview of goals was given (safety, reliability and remaining a low cost provider) followed
31 by an overview of major capital improvements made during the past ten year period. This included:

- 32 1. \$26 million invested in the current Power Plant (FY2008 to FY2013)
- 33 2. \$2.1 million for 138K Substation improvements (FY2007 to FY2013)
- 34 3. \$3.3 million invested in transmission lines (FY1997-to FY2017)
- 35 4. \$3.9 million spent on the Southwest Substation (FY2014 to FY2016)
- 36 5. 860 distribution power poles replaced of 4,000 total poles in the system
- 37 6. SCADA system upgrades and the recent office remodel

38 A review of the budget request from the Power Department included the following:

- 39 1. Current cash balances of \$25,773,173 (\$20,452,243 in operating funds).
- 40 2. Bonds outstanding of \$11,420,000. An option to pay off the bonds early exists after November
41 1, 2020 with an \$8,630,000 amount due after that date.
- 42 3. As mentioned last year, budgets will now consider a 2% to 5% increase in rates annually to
43 fund major needed maintenance items, to offset lost revenue or to save for future needs.
- 44 4. The fiscal year 2017-2018 budget request was outlined in the following categories:
 - 45 a. Personnel Services – 34 full-time employees and 5 part-time employees. Merit increases
46 apply for 13 of the employees.
 - 47 b. Operations and Maintenance – Transmission expenses are proposed at \$925,000;
48 Distribution expenses at \$1,075,166; and Substation expenses at \$278,467.
 - 49 c. Non-Operating – Primarily driven by amortization changes in principal and interest on
50 bonds outstanding.
 - 51 d. Capital – Alan Farnes noted that the requested budget is up \$1.6 million over the current
52 year and comprised of work on the 138KV Substation in Centerville at \$1.5 million to
53 upgrade the transformer; \$600,000 in buildings for asphalt paving and work to develop the
54 site of the former Harrison property north of the Power Department office; and \$500,000
55 to replace the program logic controller at the Echo hydro. Luke Veigel mentioned testing
56 and replacement activities on transmission poles in the system. There are 314
57 transmission poles (174 of which have been rebuilt over the last 20 years). Jess Pearce
58 mentioned \$500,000 to rebuild phase 7 of the transmission system; \$450,000 to rebuild
59 feeder #575; \$415,000 to replace a Digger Derrick and a Compressor; installation of an AMI
60 system (\$200,000) in the Distribution System to enable remote connect and disconnect for
61 customers as well as monitoring for tampering and outages; \$100,000 is planned for
62 rebuilding the 1209 North Main Street crossing area and \$102,000 is budgeted for street
63 light and pole replacement.
 - 64 e. Operating Transfers - \$4,919,500 will be utilized by the Power Department from retained
65 earnings to fund capital work planned.

66 Comment was made on power purchase agreements in place which stretch through September 2022.
67 All contracts are below the IPP average of \$60 per MW. Mention was also made of the City's
68 involvement in studying nuclear project possibilities with UAMPS in partnership with NuScale.

69 Discussion of the commission and committee members focused next on the impacts of solar
70 customers. Solar offers a source of "Green Power" and certain values to customers. However, due to
71 the structure of solar rates and connection methodologies, the Power Department loses funds each
72 year for maintenance of core systems and loses franchise tax that would have been distributed to the
73 City.

74 The Power Department currently has 138 residential solar customers which represents 0.9 MW of
75 installed system capacity. Staff estimates an annual loss of \$41,918 in contributions to fixed system
76 costs plus contributions to the City from the current structure of rates and connections. A
77 restructuring of rates to reflect time-of-day metering and pricing is needed to correct imbalances in
78 the rate structure. Staff recommends for the Net Metering Rate Schedule that: no new customers be
79 accepted; all existing customers 'grandfathered'; and rates are subject to change. Staff also
80 recommends the creation of a new Feed-In Tariff rate structure be created for all new power
81 generating systems (photovoltaic or other). Net Metering uses just one meter to capture the net of
82 generation and consumption by customers; Feed-in-Tariff would separate consumption and
83 production meters with time of day pricing to limit over paying for solar produced power at non-peak
84 times.

85 Planned fee changes were reviewed including an increase of \$2.00 in monthly customer fees and a
86 Feed-in-Tariff rate structure with credits paid to the customer based on three time blocks of 12:00
87 a.m. to 12:00 p.m. (\$0.0400 per KWH rate); 12:00 p.m. to 4:00 p.m. (\$0.0600 per KWH rate) ; and 4:00
88 p.m. to 12:00 a.m. (\$0.0925 per KWH rate) with an energy charge at the current \$0.0925 rate. Various
89 fees are also proposed to be raised by \$5.00.

90 The total tentative budget for the Power Department is proposed at \$32,595,385 which includes an
91 overall increase in rates of 1.7% along with the new Feed-in-Tariff rate plan and no new net metering
92 customers.

93 Committee member Richard Higginson made a motion to accept the tentative budget of the Power
94 Department, Committee member John Marc Knight seconded the motion. Voting was unanimous
95 with Committee members Holbrook, Higginson and Knight voting "aye".

96 The committee meeting portion of the Power Commission Meeting adjourned at 9:45 a.m. with
97 Power Commission continuing.