

# FARMINGTON CITY COUNCIL MEETING

Wednesday, June 12, 2002

---

## CITY COUNCIL WORK SESSION/WEST CONFERENCE ROOM

**PRESENT:** Mayor Connors, Council Members Hale, Hasenyager, Haugen, and Holmes, City Manager Forbush, and Deputy Recorder Chipman. Council member Johnson was excused.

**Mayor Connors** began discussion at 6:30 P.M. The following items were reviewed:

- During the regular City Council meeting, the Council will consider amending the Farmington City budget for fiscal year ending June 30, 2002, and adopting a tentative budget for fiscal year ending June 30, 2003. Mr. Forbush had prepared a Farmington City FY 03 Budget Message, which he briefly reviewed.
- The cost of building the new City Shops has increased over the projected budget.
- Davis County had announced the year's certification tax rate. Mr. Forbush briefly explained the impact the rate would have on the budget.
- The City will be proposing a bond election in November which, if passed, will pay for certain City expenditures, such as expanding the City Hall to provide for performing arts functions, and the construction of the Oakridge Heritage Park.
- The Council was concerned that the budget reflect prudent planning and sound fiscal management while providing for the needs of citizens.

## REGULAR CITY COUNCIL/CITY CHAMBERS/CALL TO ORDER

**PRESENT:** Mayor David M. Connors, Council Members David Hale, Bob Hasenyager, Larry W. Haugen, Susan T. Holmes, City Manager Max Forbush, and Deputy Recorder Jeane Chipman. Council Member Edward J. Johnson was excused. City Planner David Petersen was present later in the meeting.

**Mayor Connors** called the meeting to order at 7:10 P.M. The invocation was offered by **Susan Holmes** and the Pledge of Allegiance was led by **David Hale**.

## ADJOURNMENT TO MUNICIPAL BUILDING AUTHORITY AND REDEVELOPMENT AGENCY OF FARMINGTON CITY

**Susan Holmes** *MOVED* to adjourn the City Council meeting at 7:11 P.M. in order to convene the Municipal Building Authority and the Redevelopment Agency of Farmington City. **David Hale** seconded the motion, which passed by unanimous vote.

**Mayor Connors** reconvened the City Council meeting at 7:31 P.M.

**APPROVAL OF MINUTES OF PREVIOUS MEETING**

The minutes of the June 5, 2002, City Council Meeting were read and corrected. **David Hale** *MOVED* to approve the minutes as corrected. **Susan Holmes** seconded the motion. The voting was unanimous in the affirmative.

**PUBLIC HEARING: CONSIDERATION OF FARMINGTON CITY BUDGET**

**Mayor Connors** commented that the City Council had been working hard for several weeks on the City's budget. There had been serious issues and difficult decisions. The loss of tax revenue because of the Kmart closure had impacted the City budget. It had already been a lean budget, but the Council had to find ways to bring expenditures down. Even after doing so, it was necessary to increase taxes to provide an appropriate level of services for the citizens. The projected increase would amount to about \$4.00 per month on a house worth \$200,000. The average home in Farmington is probably just less than \$200,000. The Mayor said that the Council wanted to receive citizen's input and to consider all view points.

**Mr. Forbush** distributed the Budget Message and reviewed details of the budget. He explained that the FY Budget for 2002 needed to be amended to reflect actual expenses and revenues. The FY 2003 budget would need to be adopted as a tentative budget because a tax increase would require a separate public hearing prior to final approval. Mr. Forbush detailed the General Fund budget, Enterprise Budget Groups (including utilities), and Fiduciary Funds (such as the cemetery budget). Mr. Forbush stated it was City policy to ask new growth to pay for itself. Doing so is a balancing act between protecting citizens interests and being fair to developers by not making them pay for more than their fair share. In regards to tax revenues, the City is concerned about the decrease in sales tax receipts. It is imperative for the City to consider building a revenue base other than property tax. Retail sales are a possibility, but developing commercial sites in Farmington is another balancing act between the financial needs of the City and the level of business activity acceptable to the community.

With regards to the increase in the water billing, it was evident that the community had done a great job conserving water supplies. However, because water usage was down, revenues were also down, thus creating a shortfall in needed funding for water service. The City Staff had proposed an minimal increase in the base price for water service plus increases in overages charges. Hopefully, the increase will have a low impact on low and fixed income households. Mr. Forbush also briefly reviewed proposed water charges to Lagoon Corporation.

**Mayor Connors** stated the City had expended a great deal of money on the water system during the last year. Because of large increases in west Farmington development, it was necessary to build a new 2 million gallon water reservoir, drill a new well, install water transmission lines, and

construct a new pump house. Whereas the developer had funded most of the expense, the City still had to pay its pro-rata share to upgrade water lines and other water-related facilities. These large expenditures have caused a decrease in City financial reserves. Having done that, the City is now interested in building the reserves again over the next few years. The City wants to provide quality water service while encouraging conservation by the users.

The Mayor stated the business before the Council was as follows:

1. Amend the City's budget for fiscal year ending June 30, 2002 to reflect actual amounts.
2. Adopt a tentative budget for the fiscal years ending June 30, 2003. The budget will be tentative because tax increases by law require a public hearing meeting. That public hearing has been scheduled for August 7, 2002.
3. Set a proposed certified tax rate.
4. Adopt an ordinance specifying public officials' compensation. The Mayor commented that the compensation schedule had not included any raise for the Mayor or City Council members. It did include a cost of living increase for full-time staff.

The Mayor opened the meeting to a *PUBLIC HEARING*.

**Harlow Wilcox** (1140 South 200 East) raised several questions regarding the budget. He asked why the certified rate had increased. He also wanted to know why there was what seemed to be a 40 percent increase in the total tax budget. He noted there had been an increase in expenditure projects when there should be a decrease because of the tight economic times. He also noted that the Planning Department had a significant budget increase despite what he thought was a lower volume of building activity. Employees in the City should be reduced to help offset costs. Mr. Wilcox also asked if the decrease in the fire department budget would increase citizen cost for fire insurance. He said the country had been in a boom situation for several years, but that would not last. The City should be responsible and decrease the expenditures planned. He felt there were many services and projects that were not necessary. He cited the budget for trail improvements as an example. He raised several questions about recent post office plans. He felt the delay in building due to the change in location had cost the citizens a new building. The land acquired for the post office was also much more expensive than land would have been closer to the fire station. He felt that public expenditures were the responsibility of everyone, even if the expenditures were not that of Farmington City itself. Also, because the City will not always have building impact fees, officials should plan for the eventual loss of that revenue. The impact fees are so high that developers do not view Farmington in a favorable light. Mr. Wilcox noted that the proposed moratorium on multi-family housing in Farmington would eliminate the possibility of older citizens staying in the City. He felt the City needed a change in attitude to allow for more affordable, senior housing.

**Bob Wisner** (936 Mountainside Circle) also asked several questions regarding the budget. He stated his feeling that when the City saw a bad year coming, they should have started planning for it ahead of time. He said he was a CPA and had read the newsletter article which didn't seem to be a full disclosure of all the facts. The items needed to be broken out so that citizens could understand exactly where money was being spent. In a bad financial year it was not a good idea to give employees a 6 percent increase in pay, which is what the budget called for. (The initial budget is a 5% overall budget.) The State of Utah set an example by not giving any raises and by eliminating several positions. Mr. Wisner stated there would be an increase in his property tax just because of the rise in property valuation, let alone the increase in tax percentages that was planned. He also asked why there was a increase in the Planning Department budget when building was slowing. He suggested implementing a temporary tax increase that would be eliminated once the need had been met.

**Paul Hayward** (1663 South 1470 North) felt that the current challenges were the results of prior planning. The City has in the past purposely not pursued economic developments and therefore is now experiencing lower revenues. The City has preferred open space and a rural atmosphere and has been negative towards commercial enterprises. It seems the City has finally recognized the need for economic development. As far as the cost of city employees, Mr. Hayward felt that there was no city in the area that had padded personnel. He felt there was no real obligation to follow the example of the State since they are in a different situation. It would be helpful to citizens, however, to know what position received what pay scale. It was somewhat concerning to Mr. Hayward that the Planning Department was being funded more than the fire department. He did support a prudent tax increase as needed. He also discussed the rating system of the fire insurance companies and said that Farmington met requirements to provide citizens with the lowest fire insurance costs available.

Mr. Hayward spent time discussing the water rate system and what he felt was an unfair system. He said that a household of six had the same base rate for water usage as a household of one. He felt that the system was unfair to families and should be studied. The current system is causing a class distinction. He felt there should be a per capita system in place. He also felt that those who had invested in the secondary water system (Weber water) should be given preference.

**Beverly Wisner** (936 Mountainside Circle) said she had been a real estate agent for several years. She had not experienced such a high rate in her dealings with the cities in the area. She said she would pay if she had to to maintain balance in Farmington. She stated she loves Farmington and likes it the way it is. However, there is a need to be very careful especially in a recession year. She knew of several people who had been recently laid off from their employment. It would be a better idea to have 0 percent raises for employees in the City. And expenses really do have to be cut. She said the property tax is already too high and that she could not sell her house for what it is valued. She asked if something couldn't be done to check on the accuracy of the County assessors office. Such a project needs to become an action item. Suggestions from citizens should become a list of items to be accomplished, not just comments in the records. Ms. Wisner also said there is nothing wrong

with growth and that the City needs to have businesses in the area to help serve the citizens. She mentioned that she missed the grocery store in downtown Farmington.

With no further comments, **Mayor Connors** *CLOSED* the public hearing. He and members of the Council and City Staff addressed questions asked by the citizens and commented on the budget in general, including the following points:

- The certified tax rate as set by Davis County decreases every year.
- Salaries of City personnel have been carefully analyzed over the last several months. It was found that the staff was not being paid commensurate to similar positions in similar communities. It had been decided to bring the salaries into mid range of comparative situations over the next few years. The actual total increase is 5% not 6%.
- The Mayor and Mr. Forbush explained that the location of the new post office building had been chosen by the Federal government after presentation of suggestions by the City. The Master Plan calls for the post office to stay in the downtown area. Several issues were involved in the decision, including fixing the dangerous five-way intersection. The Mayor agreed that public expenditures were the responsibility of everyone, no matter the source or the project. Mr. Forbush stated the suggested location for the post office on the north side of the fire station was opposed strongly by the local residents.
- The moratorium on multiple dwellings being proposed is a temporary six-month action to allow citizens and staff time to create an appropriate overlay ordinance for a specific area in the downtown area. It was not intended to eliminate affordable housing. The City had recently approved a senior living center in northern Farmington, which included affordable units.
- The City is working very hard to attract another business to the Kmart building.
- The figures given for the tax increase include projected growth rates. The actual increase is about 29.6 percent. It is easy to misinterpret the property taxes. Farmington's portion of the County assessed tax is around 13-14 percent of the total.
- Mr. Hasenyager stated the actual cost will be about \$4.00 per month or around \$48 per year on a \$200,000 home.
- Fire insurance is figured on a point system. Farmington is rated a ■6,• which means that citizens are receiving the best possible rate. If the City slipped to a ■7" then the rates would increase.

- Susan Holmes commented that part of the increase in salaries is due to the change in the way the fire department is being paid.
- Planning Department cost increases are due in part because of the technical and professional support needed to allow that department to function correctly. Attorney's fees, engineering fees, the hiring of seasonal help, the hiring of an intern to aid with the GIS system, clerical help, and technological updating are the reasons for the needed increase. The amount of money spent on technical and professional support is directly related to the amount of development expected. It is very difficult to come up with budget figures.
- There is a real need for appropriate economical development. The City Council has recently been involved in strategic planning sessions, in part to look at such possibilities. Leaders from other communities had been invited to make presentations to help find solutions to the issues. The City has recently become a member of Economic Development Corporation of Utah, which is a non-profit organization that aids communities to find appropriate economic development prospects. The City hopes to take advantage of opportunities while being sensitive to citizen desires to maintain Farmington's unique character through reasonable and responsible economic development.
- Ms. Holmes commented that there are also Federal and State non-funded mandates that have been imposed on the City which require budgeted monies. These mandates are compulsory.
- Mr. Forbush stated that recent negotiations with UDOT have been very difficult. The City is working very hard to maintain access to the Smith's area. If access is not available, Farmington will lose Smith's. The City has been forced to spend a lot of money on traffic consultants to protect the City's interests as UDOT plans for regional transportation facilities.
- The City auditors were asked to preview the budget and see if there existed any problem areas. The auditors did find the water funds to be a problem area and thus the City is proposing a hike in water rates. The action is intended to keep fiscally sound procedures in place.
- A public hearing will be conducted in August specifically regarding the tax increase. It should be noted that there were areas that were cut from the budget, projects that were denied, and requests not granted.
- The property tax impacts as recently modified with updated information received by staff are estimated as follows: 1) \$4.40/month or about \$3/year (figured on a

\$200,000 home), 2) \$2.15 increase for the average home owner on the water bill, 3) the possible increase due to the bonding issue being placed on the ballot in November which will cost the owner of a \$200,000 home about \$2.50 per month or \$30/year.

- Mr. Hasenyager stated he was concerned about the constituency. In his dealings with the citizens of Farmington they have communicated to him their desire to keep Farmington a quiet rural area without big businesses. They had commented that they were willing to pay more in taxes to protect Farmington's ambiance. He also commented that Farmington was lucky to have a very fiscally responsible city manager who is very careful with City funds.
- Mr. Hale stated that large governments have very large employment bases and it would be much easier for them to reduce their work force. Small cities, such as Farmington, would experience a impact much more negative with the loss of crucial personnel that it does with the cost of the salary. The City would have a difficult time replacing some of the trained personnel it has if it were to cut people at this time. Such a move would be irresponsible. He said that in talking to citizens he found that they enjoyed the clean atmosphere of the City, the quality of fire and police protection, and the open space that has been preserved. He also felt that the new City Shop building was an excellent investment for the City.
- Mr. Haugen stated his firm belief that the City needed more businesses. Officials should become even more active in creating a solid tax base from which the City could function and provide for its citizens. Services cannot be cut any further than they already have been. He stated he was very hesitant to raise taxes but it had come to a point where there was not other choice. A tax increase was overdue to help protect Farmington. He stated he loved the community and wanted it to move forward.
- Susan Holmes stated she was sorry to have to raise taxes, but she felt all right about it if they were needed, which they were. She would personally liked to have seen more money given to the Fire Department, the Police Department, and the Public Works Department. The tax increase was essential. Ms. Holmes said she had been involved in the work of the Council since January and was aware of their keen interest in economic development. Staff and officials had spent thousands of extra hours working on priority issues regarding the financial needs of the town. People have been working without pay to accomplish the goal. She stated she felt it was very important to maintain quality personnel. She also stated that the bond issue was equally as important as the tax increase.

**Bob Hasenyager** *MOVED* to adopt Ordinance No. 2002-27, an ordinance amending the

municipal budget for fiscal year ending 6-30-02; adopting a tentative municipal budget for fiscal year ending 6-30-03; adopting a compensation schedule for City officials and employees, and adopting a proposed property tax for fiscal year ending 6-30-03. **Larry Haugen** seconded the motion, which passed by unanimous vote.

The Mayor stated that Council Member Ed Johnson very much wanted to be in attendance, but was unable. He was excused. He thanked everyone for their input.

#### **BOND ELECTION RECOMMENDATIONS AND CONSIDERATIONS (Agenda Item #4)**

**Susan Holmes** reported committee recommendations regarding proposed parks and recreation bond election items to be placed on the ballot in November. The Heritage Park located in the Oakridge area would receive capital improvements such as playground, lighting, and landscaping, which would amount to an estimated \$900,000. A community center and/or addition to City Hall to be used by the performing arts center would cost about \$400,000. Repairs and replacements for City parks boweries would be around \$240,000. Adding water playground equipment to the City's swimming pool would be \$75,000. Needed replacement for playground equipment would cost \$50,000. And a telemetry sprinkler system would be \$85,000. The total for the bond issue would be \$1,900,000. The growth projection in Farmington's Park impact fees was also discussed. Ms. Holmes stated that preparing a bond election was a very time consuming procedure and the staff would probably need clearance to begin work very soon.

**Susan Holmes** *MOVED* to approve the bond election proposal at 1.9 million dollars to be placed on the ballot in November of 2002. **David Hale** seconded the motion. In discussion of the motion, Mr. Hasenyager asked why Butler and Evans had been the only recommendation as the architect, to which Mr. Forbush replied that Butler and Evans had built City Hall and were familiar with the structure. The company would only be used for conceptual design work at this point. A vote was taken on the motion, which was unanimous in the affirmative.

**The Mayor** asked that the City Manager prepare information regarding a time line for work on the bond in the packet for the next City Council meeting.

#### **DRAFT ■ ASSUMPTION OF RISK AND INDEMNIFICATION AGREEMENT • (Agenda Item #5)**

**Mr. Forbush** reported that in regard to the road damage manifest on Clark Lane, The Boyer Company assumes no responsibility and the Layton Construction Company (who had hired Reynolds Brothers Construction, Inc., to bring in fill material) feels the damage was created prior to their use and only manifested itself recently. A geo-technical report has been requested and should be submitted very soon.

**Mr. Hale** reminded those in attendance that the City Council was not talking in terms of placing blame on any party. Actions taken by the Council were intended to protect citizens of Farmington with indemnification and assumption of risk agreements.

**Mr. Hasenyager** requested information regarding alternatives open to the Layton Construction Company which would not hamper their efforts to begin construction on the new elementary school.

**Mayor Connors** stated that until the City receives more information, for example the geo-technical report, the City Council could not alter alternatives already presented, including the authorization of the ■Assumption of Risk and Indemnification Agreement• already presented to Reynolds Brothers Construction, Inc. The tight schedule faced by the School District and the fact that the next City Council meeting would not be held for 29 days prompted the Mayor to reiterate his suggestion that a special City Council meeting could be held at such time that information and alternatives become apparent. The Mayor offered to meet with Lynn Trenbeath of the Davis School District at her convenience.

**RESOLUTION AMENDING AND INCREASING RESIDENTIAL, COMMERCIAL, AND LAGOON WATER RATES (Agenda Item #6)**

**Mayor Connors** stated issues involved in the agenda item had already been discussed earlier in the meeting. It was appropriate that Lagoon be asked to pay their share of the increased revenues needed to maintain water service.

**Mr. Hales** wanted to make sure that Lagoon was being treated with equity and asked several questions regarding their billing rates.

Both the **Mayor** and **Mr. Forbush** stated that a water study had been conducted in previous years and that the rates had been deemed equitable and appropriate. After a brief discussion and by consensus, the City Council directed that a separate public hearing be scheduled for July 10<sup>th</sup> regarding the Lagoon water rates. Decisions approved at that meeting could be made retrospect to July 1<sup>st</sup>.

**CONSIDERATION OF A RESOLUTION FOR ADOPTION OF A LEASE PURCHASE AGREEMENT WITH ZIONS BANK TO FINANCE WATER SYSTEM IMPROVEMENTS (Agenda Item #7)**

Information contained in the packet indicated that permission was being request for the City to obtain a loan in the amount of \$300,000. It would be a temporary loan to cover capital costs associated with he Boyer/Greens related projects. Farmington Greens would not record the first phase of their subdivision until after July 1, 2002. Because of that, the loan is necessary.

**Bob Hasenyager** *MOVED* that the City Council adopt a resolution authorizing the line of credit financing for \$300,000 in the water fund. **Larry Haugen** seconded the motion, which passed by unanimous vote.

**AN ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM PERTAINING TO MULTI-FAMILY HOUSING UNITS IN THE OLDER PART OF FARMINGTON (Agenda Item #8)**

**David Petersen** reviewed the agenda item for the City Council. He said citizens in the proposed overlay area had met three times and were making progress regarding their ordinance. One concern they identified as general in nature among all the residents of the area involved multi-family dwellings. Citizens did not oppose basement apartments as long as the home maintained a single-family home appearance. Citizens wanted time to thoroughly consider all ramifications of the ordinance being created and had asked the City to impose a moratorium on the proposed overlay area.

**Mr. Haugen** raised issues of concern regarding the exact location of the overlay area. He felt the boundary of the moratorium had to be precisely identified and should go down the center of streets and not through back yards. He was also concerned that the ■Rock Chapel• area would obtain a moratorium on that property, and then the next area may want to do the same, thus imposing one moratorium after another on the entire downtown area.

**Mr. Petersen** stated the moratorium, if approved, would be specifically identified by tax I.D. number. After discussion and by consensus, the Council agreed that a moratorium on multi-family dwelling units could be placed on property from 100 North to 300 North and from the Lagoon property to the mountain.

**Larry Haugen** *MOVED* that Ordinance No. 2002-30, an ordinance establishing temporary zoning regulations pertaining to zoning and development of multi-family housing projects within Farmington City, Utah, from 100 North to 300 North and from the Lagoon property boundary to the east City limits. **Susan Holmes** seconded the motion, which passed by unanimous vote.

**REPORT FROM THE FIRE CHIEF ON THE FOOTHILL ACCESS ISSUES AND OTHER MATTERS (Agenda Item #9)**

**Fire Chief Larry Gregory** presented pictures of the foothill area east of the Hughes Estates Subdivision. Boulders had been placed in the roadway and portions of the road dug out to impede vehicle passage. It was evident that motorcycles had traversed the area. The Chief stated that there would be no way for an emergency vehicle to access the area. He also said that people on motorized vehicles do use the area and are sometimes injured, making it necessary for the City's emergency personnel to make rescue attempts in very difficult circumstances. The Chief also showed pictures

of vandalized gates and other evidence of destroyed property. He listed several safety concerns due to the blocked access, including fire fighting access, EMS response, and natural disaster access. He also said residents of Little Valley may need a secondary exit in case of an emergency.

**Mayor Connors** suggested the Council take a field trip to the area and survey the situation for themselves. June 24, 2002, at 5:45P.M. was chosen for the Council to look at the area.

### **REQUEST FOR MAYORAL PROCLAMATION (Agenda Item #10)**

**Bob Hasenyager** *MOVED* that the City Council authorize Mayor Connors to proclaim July 31, 2002, as **■Gordon Van Fleet Day•** in Farmington. **Larry Haugen** seconded the motion, which passed by unanimous vote.

### **MISCELLANEOUS**

**Susan Holmes** reported that the Utah Legislative Policy Committee had discussed a wide range of potential legislative issues including watershed protection, pedestrian safety, and taxes. She asked if Council members had any additions to the list she distributed.

She stated Neils Plant had concerns regarding the roads in west Farmington and the load they are being asked to bear. He suggested the City raise the standard of road construction in such areas.

Ms. Holmes reported the meeting held with a parks task force to consider uses in Woodland Park and the sound problems experienced by neighbors. More information will be forthcoming.

**David Hale** was concerned that the Oakridge Golf Club would be removing trees along 1500 West and erecting a screen for the golf club.

**Max Forbush** stated City attorneys hoped to obtain insurance monies for the failure of the old City Shop. He also commented that efforts are moving ahead to research feasibility of joining UTOPIA.

**Susan Holmes** expressed a concern about the fiber optic system which may be outdated soon. In discussion of the issue, the City Council felt there would be not commitment on the part of the City until a full study had been conducted. Also, the companies using the system would be at risk, not the City.

**Mr. Forbush** report negotiations with UDOT in trying to secure access in the Smith's area. The slip ramp going south would not be possible. Beginning July 8<sup>th</sup>, UDOT will begin a massive construction project which will cause huge delays along I-15.

### **ADJOURNMENT**

**Bob Hasenyager** *MOVED* that the meeting adjourn at 11:25 P.M.

---

Margy Lomax, City Recorder  
Farmington City