

FARMINGTON CITY COUNCIL MEETING
May 3, 2016

WORK SESSION

Present: Mayor Jim Talbot, Council Members Doug Anderson, John Bilton, Cory Ritz and Brett Anderson, City Manager Dave Millheim via teleconference, Assistant City Manager Keith Johnson, Parks and Recreation Director Neil Miller, City Recorder Holly Gadd and Recording Secretary Melanie Monson.

Brigham Mellor is excused from the meeting today.

Farmington City Gym Admission Fees

Neil Miller said they decided to postpone the opening of the gym until later this summer due to the building and road construction schedule and delays. He introduced **Daily Gardner**, the new gym manager. She reviewed the gym hours, rental fees, membership and admission fees, etc. **Doug Anderson** asked if the hours would remain the same during the summer. **Daily Gardner** answered that they do plan to remain closed 10 am- 3 pm during the summer, but will have the option to open if there is demand for it. **Cory Ritz** asked how many courts would be open, and she replied that they plan to leave one court open at all times for free play. **Mayor Talbot** asked how she came up with the fees, and she responded that they called around to other gyms from Logan to Provo to compare rates and came up with pricing that was competitive and reasonable. However she pointed out that other facilities have different dynamics, such as agreements with school districts, and/or offering more programs. She said the cost for renting a court is \$80/hour, which is less than private gyms but more than some other City gyms. She said the Diamond membership is a family pass that includes both pool and gym memberships. Several Councilmembers referred to numerous requests from residents for a pool at the new gymnasium facility. Because the City just passed a bond for this facility a pool is not in the immediate future. **Dave Millheim** suggested having the entire Council walk through the gym before it opens.

Mayor Talbot said the last few months have been a struggle working with Hogan Construction. While initially they were great to work with, there have been significant delays. The City has informed them that it will not pay any further bills until the gym is complete. He said he is pleased with how the complex as a whole is turning out.

Continue to Review the Draft 2016/2017 Budget

Keith Johnson said last week they discussed that the intent of this year's budget is to slow down the growth of expenditures. He said in the last 5 years, revenues have grown by 31% and expenditures have grown by nearly 43%. However, revenues will flatten out, which necessitates the curbing of expenditures.

The General Fund balance is proposed to end at \$1.6 million. They cut budget requests down to \$1.3 million. Their goal is to keep \$1 million or more in the fund balance. The City has experienced almost 42% growth, with little change in property taxes and a \$400k increase in sales taxes. This year the City has over \$900k in building permits; however next year it will be down to \$500k, so the increase in sales tax just evens things out. Next year the

City does not have a lot coming on in terms of building permits. The City should receive about \$50k this year and \$300k next year in Prop 1 funds to go toward roads. In the end, revenues are staying flat, which necessitated cutting expenditures. Some of the revenues are still unknown, such as the exact amount of sales tax revenues from Cabela's.

Expenditures have decreased slightly, but are still 56% higher than 5 years ago. The operating budget for the General Fund is growing at a 5% rate. The big change is in the transfers out. He reviewed the tentative budget that the Council is passing tonight, and reminded the Council to set the date for the public hearing as June 21st when they make a motion. He said they approved about 40% of department requests in terms of increases. He said the increase in benefits was about 3.5%, which is a minimal cost to the City. The City proposes a 4% overall salary increase. He said they recommended an increase in the Mayor's and Councilmembers' salaries, which has not been increased since 2001. He reviewed the out of state travel request list. He referred to a chart showing that the Police Department is the largest department with 20 employees, and that the Fire Department has doubled in the last few years. He showed a chart demonstrating that taxes are over 80% of the City's revenue. Police and Fire are over 1/3 of the City's budget. **Mayor Talbot** asked where streets will go on the budget in the future, which **Keith Johnson** said will be discussed later in his presentation.

REGULAR SESSION

Present: Mayor Jim Talbot, Council Members Doug Anderson, John Bilton, Cory Ritz and Brett Anderson, Assistant City Manager Keith Johnson, City Recorder Holly Gadd and Recording Secretary Melanie Monson.

CALL TO ORDER:

Roll Call (Opening Comments/Invocation/Pledge of Allegiance)

The invocation was offered by Councilmember **John Bilton** and the Pledge of Allegiance was led by Boy Scout **Porter White** from troop 453.

Mayor Talbot welcomed Emily Hess, Ben Jardine, and Jessica Stevens from the Youth City Council.

OLD BUSINESS:

Continue to Review the Draft 2016/2017 Budget

Keith Johnson continued the budget discussion from the work session. For the benefit of the residents in attendance, he explained that the General Fund is where all the taxes and revenues come into, and is where all City services are paid for, such as Police, Fire, Parks, Streets, etc. He also explained that there are Enterprise Funds, where utility fees for water, sewer and garbage services go.

Because there is not a lot of revenue from the gymnasium yet, the City will be using some of the money from the Recreation Fund (about \$40k) to cover this year's costs. The remainder (about \$20k) will come from the General Fund. The projected costs for next year

are a little over \$200k. The City does not have a good projection for how much revenue the gym will bring in, and so the budget includes a very conservative calculation (a \$170k transfer from the General Fund to subsidize it). The City anticipated subsidizing the gym, but hopes that it will eventually pay for itself (similar to the pool). There is potential for a significant amount of revenue from gym rentals.

The RAP tax is estimated to bring in about \$305k by June, and the bond payment is \$390k. The budget proposes a transfer of \$30k from the General Fund and a transfer of \$56k from the GO Bond to finalize the bond payment. Next year, the budget proposes a \$50k transfer from the General Fund to make the bond payment. They hope to pay the money back into the General Fund in the future. **Mayor Talbot** asked if there was a spike in revenues from Lagoon last year due to their new ride. **Keith Johnson** said there was definitely an increase from that, and this will be the first full year of revenues reflecting the new rides.

He said the City anticipates getting about \$50k this year and \$300k next year in Class C money from Prop 1 for road improvements. The City will also get more money due to the increase in gasoline taxes. The goal is for the City to get over \$1 million annually for road improvements, in order to get ahead with maintenance. **Dave Millheim** pointed out that Prop 1 is a 10 year tax, which can be renewed.

Sales taxes have skyrocketed due to Station Park, and the increase in other taxes is due to growth. Sales taxes have doubled since 2011. The City has not increased taxes. Direct sales in Farmington has more than doubled due to Station Park. The taxes are projected to level off as most of the stores are built out; new sales taxes will come in from Cabela's, the Mercedes dealership, etc.

The Council will amend this year's budget in June and approve next year's budget at that time. This year's fund balance will end around \$1.6 million, which is about \$200k more than what was budgeted. The big change is in building permits, which was significantly higher than projected. About 75% of the revenue in the General Fund is from taxes. He reiterated that Police and Fire take up more than 1/3 of the budget.

He explained that the money that comes into the water fund and other enterprise funds has to be spent in that area. He reviewed the budget requests for the water fund, storm drain fund, and ambulance fund. **Mayor Talbot** asked if they have established where the new well will go. **Keith Johnson** said they are still in the process of researching it, but it will be drilled this year, with the hope that it will be up and running in the summer. They anticipate ending this year with \$670k in the water fund, and to end next year with \$830k in the water fund (due to focusing on the new well and not on replacing existing systems). After next year, the City will be negative in the water fund, and may have to consider a water bond.

He reminded the Council of the final budget meeting next Tuesday at 6pm. **Dave Millheim** emphasized that we do not know exactly how much we will need for the water fund, and he wants to potentially bring this back in January. He said if the City needs to go after a water bond, he wants to bring that to people's attention sooner and not at the last minute.

NEW BUSINESS:

Resolution adopting the Tentative Budget for Fiscal Year 2016-2017

Motion:

Doug Anderson made a motion to approve the enclosed resolution adopting the tentative budget for fiscal year 2016 to 2017 and set a public hearing date as June 21, 2016.

Cory Ritz seconded the motion which was unanimously approved.

Farmington City Gym Admission Fees

This item was discussed during the work session.

SUMMARY ACTION

Minute Motion Approving Summary Action List

1. Baseball Field Rentals
2. Approval of Minutes from April 19, 2016
3. Declare two Vehicles as Surplus Property

Motion:

Brett Anderson made a motion to approve the items on the Summary Action List 1-3.

Doug Anderson seconded the motion which was unanimously approved.

GOVERNING BODY REPORTS:

City Manager – Dave Millheim

1. Property Trade with Jerry Preston for Trail Head Parking Lot: He said if the Council is comfortable with this item, it will be on the Summary Action list in the future. The plat approval is tied to the annexation of the subject property, which cannot happen without a dedication of City property. He wants to avoid getting down to the last minute because if the Council does not approve the property trade, this whole thing will unravel. He said there is a water tank above the property. The City owns a little over 3 acres, and there are trail easements the City is trying to resolve. Mr. Preston has agreed to give the City the trail access either way, and it is not part of the property trade. When the trail is complete at the end of that street, the City wants to have it double as a parking lot with actual parking stalls. This will also allow for a good staging area in the event of an emergency situation. The plan is for Mr. Preston to give up a potential lot in trade for the City owned property. There will be a property trade, which includes two important clauses that will be beneficial to the City. There will be a cash transfer as part of the transaction. The Council were all comfortable with the proposed trade.
2. Report on Wind Storm: **Keith Johnson** said he got word that the sewer district was willing to leave the green waste facility on Shepard Lane open until 7:30 pm to accept green waste from the City. They will accept green waste until Friday. **Dave Millheim** said he will be in contact with them on Friday afternoon, to see if they will allow people to continue to bring loads over the weekend. He said the City has learned to not over react to wind storms and make promises it cannot keep. He said the City just

completed its spring cleanup, hauling over 600 truckloads of green waste, which was helpful to get that debris out of the way. The most serious damage was to the Mercedes dealership site. Some of the walls may have to be torn down and rebuilt. The budget had forecast revenues including the Mercedes dealership opening on time, however if the walls have to be rebuilt, it will affect the opening date and the actual revenues. **Mayor Talbot** said he has received calls from residents about the diameter of branches, and **Dave Millheim** confirmed that the information is on the website. He said the City posted a warning on its Facebook page and it had over 100k views as of yesterday. He said the majority of the City's cleanup efforts are done.

3. He referenced an email to the Council. At the next Council meeting on the 17th, officials from the County will arrive at 6:30.
4. At the retreat in St. George, they discussed the office park and he said they got back a market study. He is proposing a special meeting or a work session meeting to discuss it. The three things they want to do are to review the market study, discuss the analysis of the CDA, and discuss the overview of the project. He proposed holding this meeting as a special work session on the 17th at 5pm. The Council voted to hold it during the first Council meeting in June at 5pm.

City Council

Doug Anderson: He said at 75 West Joy Drive in West Farmington, there is a pile of sticks in the road that is 4-5 feet high. He followed up with the resident who lives there, who said neighbors in that area canceled church on Sunday and picked up all the debris in the neighborhood that day and piled it in the road. He said he would be willing to rent a truck and pick it up himself, but wondered what the City can do since there was an official weather advisory. **Dave Millheim** said there have been numerous calls of a similar nature, and the City cannot be responsible for picking them up without extending that to many other private debris piles in the City. **Doug Anderson** said he would take care of it.

Mayor Jim Talbot

1. Dave Petersen got a call from Chad Bessinger, who is with Henry Walker homes. They have a development on the border of Farmington and Kaysville. They would like an easement of about 50 yards to get access to a manhole during construction. Dave Petersen said the request could be problematic for several reasons, and he suggested letting Dave Petersen follow through with it.
2. He said when the City was working with Garbett Homes, there was some ground next to the Maverick for a trailhead which the City declined at the time. They were going to turn it over to Maverick. Garbett Homes said they would be willing to give the City the ground fee simple, and that Maverick would maintain it. **Mayor Talbot** said he would like to own and control the property. **Keith Johnson** said there is a resident of Garbett Homes who says the trail connection is not ADA compliant, and has been pushing the City to make it ADA compliant. Trails are not required to be ADA compliant. He is concerned that if the City owns the trail access, this resident will push the City to make it ADA compliant, which will be expensive. **Dave Millheim** said there were reasons the City did not take that on, and he wants to go back and look at what those reasons

were. He asked Holly to put a note on his desk to remind him to look up the notes on that decision. **Mayor Talbot** agreed they can go back and look at it with Dave Petersen and get back to the Council with what they find.

Council members **Cory Ritz**, **Brett Anderson**, and **John Bilton** did not have anything to report at this time.

ADJOURNMENT

Motion:

At 8:23 p.m., **Cory Ritz** made a motion to adjourn the meeting. **Doug Anderson** seconded the motion which was unanimously approved.



Holly Gadd, City Recorder
Farmington City Corporation