KAYSVILLE CITY COUNCIL
May 28, 2016

Minutes of a special meeting of the Kaysville City Council held May 28, 2016 at 7:00 a.m. in the City Council Chambers of the Kaysville City Municipal Center, Kaysville, Utah.

Council Members present: Mayor Steve Hiatt, Susan Lee, Chris Snell, Larry Page, David Adams and Jake Garn.

Others present: Finance Director Dean Storey, City Recorder Maria Devereux, Shayne Scott, Katie Witt, and Lorene Kamalu.

REVIEW AND DISCUSSION OF FY 2017 BUDGETS

John Thacker, City Manager, stated that they will be discussing City budgets and items the City staff has been given direction to review. He noted that this includes fire services and protection funding and provisions in conjunction with Fruit Heights City.

John Thacker explained that the General Fund, is a balanced budget, with no new programs or positions being introduced with the exception of the Fire Department upgrade and the need to hire additional full time personnel. He gave an overview of the funds.

John Thacker explained that staff was asked to research how to accelerate the development of Pioneer Park and stated they have looked into a revenue bond. He noted that information has been provided for bonding and park development as discussed in a previous meeting. He explained that the Parks impact fees expenditure, from reserves, is $300,000 since the fees have already been collected. He noted that $225,000 is set aside for the Barnes Park restroom. He stated that they will utilize Parks impact fees to build the restroom and associated improvements. He stated that $75,000 has been budgeted for the Heritage Park entrance sign as previously discussed.

John Thacker explained that the City has postponed purchase of the HVA system and video sound system until design has been completed on the building and will wait to move forward before purchasing that item. He noted that $160,000 has been budgeted toward design and that the City will need to decide what will be done with this building and vacant library building.

Council Member Lee noted how grants can offset some of the costs.

John Thacker noted that initial plan was to rehabilitate the building and noted that another suggestion is to replace building. He suggested the City decide what they want to do, and once the design has been completed they move forward with researching grant funding sources.

Dean Storey, Finance Director, explained that the line item for the Document Imaging System includes software, and storage capacity. He then explained that a committee will convene to evaluate departmental needs and design a system accordingly.

Dean Storey explained that in regard to Pioneer Park, the proposal is to utilize the sales tax revenue bonds. He suggests issuing sales tax revenue bonds and make the debt service payment with Park impact fees, collateral only, with a 7 year amortization. He directed staff to a report that lists impact fees.

Council Member Snell suggested that a committee be formed to assist in the design, with people in the neighborhood, and staff. He explained that from the Parks Department perspective, that Heritage Park was initially not completed the way they wanted it due to expansion and gradual tear out. He noted the need for west side restrooms to complete Heritage Park. He clarified that they are not suggesting a tax hike.

Mayor Hiatt noted that matching funds for Pickleball courts are not included in the budget. He cautioned the Council in amending the budget, to incorporate this line item, at a later date.

John Thacker explained staffing needs in the Fire Department and stated that three full time Captains are needed. He explained that this came about when a neighboring city asked how Kaysville City utilizes fire services. He explained that when three full time captains are on duty the coverage and response is much better and that the level of service has increased. He then explained that the cost has increased from the current year budget for the purchase of breathing apparatuses.

Dean Storey noted that the Operations budget is similar to the current year's budget. In regard to the Fire Department, they project $230,000 to go toward Operations and $200,000 for breathing apparatuses. He stated that they have discussed balanced budgets with Fruit Heights City.

Mayor Hiatt explained that he spoke with Fruit Heights City and discussed an increase in their fire service charges. He explained that Fruit Heights is being charged more based upon an established formula when emergency calls have decreased. He noted that Kaysville City provides expedient fire response, an elevated level of service and noted that there is a growth component. He stated that if the amounts are not regulated that Fruit Heights may end the partnership.

Dean Storey gave an explanation of the budget for roads. He advised there is $888,000 from Class C funds budgeted for roads to cover street improvement projects.

Shayne Scott advised that Utah LTAP has resources that may be able to assist with prioritizing roads that need repair within the City.

In regard to personnel, Dean Storey stated the City is recommending a 1% market adjustment to the plan. He noted the department head can give a step increase and also a market adjustment if warranted and noted that raises are typically given once a year. He explained that the City Manager's salary has not been updated but will be updated since the negotiation and hiring of the new City Manager.

Council Member Garn explained pay grades and pay range usage is common within government.

Dean Storey explained the General Operations fund and noted that $75,000 was proposed to be used for any vehicle that may need to be replaced within the departments this budget year.

Council Member Adams stated that $75,000 vehicle item could potentially go to roads if no new vehicles needs to be purchased. He stated that he would like to find funds to channel to the roads budget item. He suggested that instead of cutting budgets in the future, the Council ask our department heads to help make cuts and place the savings in an account until the end of the year.

Shayne Scott explained that he had previously asked all department heads to propose their budgets with budget cuts. He suggested letting staff know the City's vision when striving for cuts in the budget.

Council Member Garn cautioned the Council to make assessments and analyze data before jumping in with little aforethought.

Council Member Lee stated that she would like to move the $75,000 vehicle replacement item and transfer the funds to the roads budget.

Council Member Snell suggested that research was needed before transferring the entire line item to roads without first determining that there are no pressing needs.

Dean Storey explained utility funds and services stated that there are two ways to make interfund transfers for utility services. One is the direct cost method where services are provided to governmental funds and a cash transfer is made to the enterprise funds. The other way is a non-cash transfer where expenditures are itemized and revenue is included as other financing sources on the balance sheet.

Dean Storey explained that at times during the year it is necessary to amend the current budget. He noted that the first item which is in the General Fund, the City Manager line item was increased by $16,250. He noted that at the time they put the budget together they were not aware of John Thacker's retirement and stated that a vacation buy-out element exists, as well as recruitment expenses. He explained that the Administrative Services line item is similar, he stated that when Linda Ross retired the City paid out 240 hours of vacation and 80 hours of comp time.

Dean Storey explained that primary elections were done without cost sharing and the City carried that cost and needs to be amended.

Dean Storey explained that the line item for Class C roads and street improvement projects were approved in April 2015 and since there is a timing issue with invoicing, they need to amend the budget. He stated that two vehicles were hit and damaged but were covered by the third party insurance and stated that revenue came in but they need to allocate the third party expenditure.

Dean Storey explained that an amendment is needed in regard to wages and benefits since most was earned the past year, and noted that $265,000 will be moved to the current budget year and explained it is simply a timing issue since the pay period is on July 1st.

Dean Storey proposed to pay off two existing loans by July 1st to prevent interest from accruing.

In regard to Capital Projects fund, and Public Works projects, Dean Storey stated that design work has been started on Burton Lane and they need to account for that as well. He noted that these budgetary items will be included at the hearing on Thursday.

Council Member Snell explained that there has been discussion of having a full time attorney versus having a contracted attorney and asked if it would merit to have a full time attorney. He stated that $140,000 was paid this fiscal year.

Mayor Hiatt suggested that if the City would like to hire a new City Attorney, it may be more feasible the next fiscal year or suggested the Council discuss the matter with the new City Manager. He suggested the City evaluate their need for an attorney.

Council Member Page noted that legal services can be contracted out and finds that this may be a more cost effective measure.

Council Member Lee noted that a Public Works Director can also be an Engineer and noted the efficiency of that position having accredited skills.

Council Member Lee noted that the recreation budget has increased and noted that she would like to try to get the budget lowered. She asked for clarification.

Dean Storey noted that revenue has gone up and explained that program costs are tied to the program revenue. He noted that he would provide a copy of the cost sheet that shows General Fund revenue and program revenue.

Mayor Hiatt suggested that having another level of transparency by having the City Manager sign off on any promotions or wage increases within each department may be beneficial.

Council Member Snell made a motion for adjournment at 11:58 a.m., second by Council Member Page and passed unanimously.