

Minutes of the Riverdale City Council Strategic Planning Meeting held Saturday, May 14, 2016, at 8:00 AM, at the Senior Center, 4433 S 900 W, Riverdale City, Weber County, Utah.

Present: City Council: Norm Searle, Mayor

Brent Ellis, Councilor Gary E. Griffiths, Councilor Braden Mitchell, Councilor Alan Arnold, Councilor Cody Hansen, Councilor

City Employees: Rodger Worthen, City Administrator-participated by conference call

Scott Brenkman, Police Lieutenant

Steve Brooks, City Attorney

Shawn Douglas, Public Works Director Rich Taylor, Community Services Director

Cody Cardon, Business Administrator/Finance Director

Mike Eggett, Community Development

Matt Hennessy, Fire Captain Jackie Manning, City Recorder

Visitors: Larry Hansen visited briefly at 8:38 AM

• Welcome - Mayor Searle

Mayor Searle called the meeting to order and welcomed all in attendance, including all Council Members and members of the staff. Mayor Searle discussed the shorter schedule which will be conducted by Cody Cardon, Business Administration and Steve Brooks, City Attorney. Rodger Worthen, the City Administrator, attended via conference call.

• Budgeting Process- Steve Brooks, City Attorney and Cody Cardon, Business Administration

1. Fiscal Year 2016-2017 Tentative Budget Outline

Mr. Brooks thanked Mr. Cardon for all his hard work on this budget and commended him for his research and efforts towards the budget.

a. Public Hearing for Final Budget for FY 2016-17 June 7, 2016

Mr. Cardon explained the public hearing will be held two weeks before adopting the final budget to allow for any last minute adjustments. Mr. Cardon discussed the future year projections and explained a project benchmark will be discussed at a future meeting when Mr. Worthen can be in attendance.

b. Final Adoption of Final Budget for FY 2016-17 June 21, 2016

The public hearing for this item will be held on June 7, 2016.

• Tentative Budget Review

- 1. Water, Sewer, Storm Water, Garbage Funds Shawn Douglas, Public Works Director
- Mr. Cardon discussed a new state bill that was passed in the 2016 Utah Legislation Session Section 73-10-32.5, pertaining to the structure of Culinary Water Pricing. Mr. Cardon explained the bill requires retail water providers, which Riverdale City is, to establish a culinary water rate structure that incorporates tiers of water usage, with an increase in fee for each tier. Mr. Cardon believes the intent behind this water rate structure is to help motivate water users to conserve more water.
- Mr. Cardon discussed different options for water rates that begin on page 4 of the packet. Each option provides information regarding current rates, with proposed rate changes, tiers for water usage, and provides examples.
- Mr. Cardon discussed the 5 year review he performed on all funds, specifically water rates. He explained the water fund has drastically depleted and currently the City is barely breaking even some months, and losing money other months. He further explained that water rates are enterprise funds, which means they should have a profit motive, not losing money. He discussed different tactics of rate structure. Mr. Cardon presented two different options for the new water rate structure to meet state code. Each option took water infrastructure improvements into consideration to save for the future maintenance and infrastructure needs.

There was a brief discussion regarding active water customers. This information is reflected on page 9 of the packet. Mr. Cardon referred to the municipality utility rate comparison located on page 16 of the packet which shows a water rate price comparison to 12 other cities within Weber County. Riverdale City currently has the lowest water rates of those cities mentioned in the comparison group. Mr. Cardon explained that even with the proposed rate change Riverdale City will still remain lower than most of the cities within Weber County. Mr. Cardon explained the difference in water rates for secondary and culinary. He clarified not all Riverdale residents have secondary water.

Mr. Cardon discussed average usage and cost for Riverdale City residents. Mr. Cardon included the Council members personal water usage. Mr. Cardon explained if the water rates do not change the City will be out of compliance with the new State of Utah law.

There was a discussion regarding radio reading meters. Mr. Douglas estimated that all the water meters would be converted to the new radio meters within a 3 year period. Mr. Douglas expressed the advantages of choosing option one for the new water rates. He discussed the opportunity to find water leaks if meters were read monthly and described better customer service that would provide to the residents.

- Mr. Cardon discussed the current tracking system for water rates the city uses to estimate the usage in the winter months when the rates are not read. Mr. Douglas described the different history usage reports available with the new radio meter readers.
- Mr. Cardon discussed the various costs/fees that increase for the city every year. Mr. Cardon explained the city has been subsidizing rather than increasing rates to residents. He provided various examples, one of which was the water assessment from Weber Basin.
- Mr. Cardon discussed the variables used for the municipal cost index, developed exclusively by the American City and County's, which is designed to show the effects of inflation on the cost of providing municipal services. The state and local government officials rely on this information to stay on top of price trends, monitor increases, and plan budgets intelligently. This document has been referred to since 1998.
- Mr. Cardon explained the current water rates are not keeping up with the annual increased amounts. Which in turn is limiting the funds available for future water infrastructure. He discussed the option of possibly having small annual increases contingent upon the increases that are charged annually to the city from the various water entities. He explained if there was a year that the outside entities rates did not increase, then the city would not increase their rates.
- Mr. Douglas discussed recycling and the potential for the recycling collector to begin charging the city for services. He stated currently the city is breaking even. There was a discussion regarding the recycling industry with an emphasis on different pricing and methods of operation throughout Utah.

There was a discussion regarding expenditures concerning the wells. Mr. Douglas discussed the engineering involved with wells. Mr. Douglas gave a history of past maintenance on water lines and explained that Riverdale City has never had to bond for maintenance. He expressed the importance of continuing that trend to save money for future infrastructure needs. He discussed the maintenance schedule which is contingent upon saving. Mr. Douglas discussed the water rates in relation to saving for future infrastructure.

There was a discussion regarding various pipes located throughout the city, the pipe maintenance methods, and replacement options with an emphasis on the expense and timing of these projects.

Councilor Hansen expressed he was more in favor of option one, but would like more information regarding the price index from the American Cities and Counties. Mr. Cardon explained the price index is available on the American Cities and Counties website and anyone is welcome to sign up to view the information. There was a discussion regarding a small gradual rate increase to help keep up with maintenance costs, as well as expenditure rate increases, versus varied large lump sum water rate increases every few years.

There was a continued discussion regarding water rates, maintenance project needs, meter readers, and Weber Basin, with an emphasis on increased operation cost and increased water usage.

The council took a straw poll and was unanimous in favor for the option one presented by Mr. Cardon pertaining to water rates. The Council requested a 10 year history and comparison of water rates and municipal cost index figures.

2. General Fund Revenue and Expenditure Review-ALL

Mr. Cardon referred to the chart regarding general fund revenues, which offers a detailed comparison of the general fund. The chart summarized the following changes:

Sales Tax Property Tax

Class "C" Road Funds 21.2% Licenses & Permits 9.6% Fines & Forfeitures -10.9%

Other 19% (Class "C" rollover, ambulance billings, state liquor)

Mr. Cardon referred to the chart regarding the budget detail comparative for expenditures by department. Mr. Cardon explained that health insurance increased 8% and Workers Compensation increased 27%. The chart summarized the following changes:

Mayor/Council -3.8% Legal 10.5% City Administration 1.3% Business Administration -9.0% Non-Department 62.1% Police 3.5% Fire 5.5% Community Development 5.0% Streets 55.0% Parks -1.8% Community Services 1.6%

Mr. Cardon explained that the changes in various departments are due to retirement, new employees, benefits, personal department equipment needs, trainings, step increases in wages, and new activities for the Community Services Department.

There was a discussion regarding the police department and the continuous recruitment of Riverdale Officers from Salt Lake City. Lieutenant Brenkman explained they are down officers due to this recruitment issue and are currently doing everything they can to replace the officers. Lieutenant Brenkman discussed the changes in structure for the police department consisting of One Lieutenant and four Sergeants. He discussed the different benefits to the new structure with rotating investigation options.

There was a discussion regarding the Strike Force in Weber County. Lieutenant Brenkman felt it was beneficial to have the Strike Force and felt they had great services and was a great asset to the City.

There was a discussion regarding the fire department in relation to the FLSA (Fair Labor Standards Act). Mr. Cardon explained the current policy for fire fighters in relation to comp time and over time, and he explained the proposed change from Chief Sholly. The change is to help meet the need to ensure that shifts are always filled adequately. There was a discussion regarding the requirement and cost for the Spillman program for the fire fighters and the impact it had on the fire budget. There was a discussion regarding the fire chief's vehicle with an emphasis on purchase and intent for vehicle usage. There was a brief discussion regarding the types of cancers fire fighters can acquire in their line of service.

Break-----9:33AM-----End of Recording 1

- Mr. Cardon continue the budget detail comparative for expenditures from the general fund by the department. Mr. Cardon explained the new line item for the Planning Commissioners and explained the IRS requirements. Mr. Cardon explained the difference in the streets line item greatly due to the new funds that will be coming available through the recently approved Proposition One, which allocates extra taxes from gasoline sales to cities.
- Mr. Cardon discussed the garbage enterprise fund and the new employee allocation of Mr. Douglas's wage, because he is doing routine customer service for garbage services (example: missed cans, broken cans, etc.). This in turn decreased full time wages for the streets department, but increased the expenses a little in the garbage fund.

There was a discussion regarding tree removal. Mr. Douglas discussed trees that currently over hang homes surrounding the park. There was a discussion regarding residents encroaching on City owned property. Mr. Brooks stated the City Staff has notified the residents that are encroaching. The City Staff is hoping to do a survey in an effort to identify the property line, with the future intention of installing a fence.

- 3. Other Governmental Funds Revenue and Expenditure Review ALL
- Mr. Cardon discussed the RDA budget. He discussed the changes of the budget which arose from a property purchase, as well as budgeting for various studies for the 550 West RDA. Mr. Cardon discussed fund 30, which is the Senior Housing Facility Fund. He explained the difference in this fund is due to salaries and wages, equipment and maintenance, tax increments decreasing, management and operation.

There was a discussion regarding the Riverdale Road RDA, Mr. Eggett explained there would not be any additional

revenue generating from this RDA beginning next year. Mr. Eggett discussed retaining positive fund balances for future projects, such as infrastructure needs within the Riverdale Road RDA. Mr. Eggett explained the City may hold onto fund balances indefinitely until the RDA area is officially closed.

a. Capital Projects Fund

- Mr. Cardon discussed the grant received from WACOG for the 4400 South project. He stated the construction is estimated to begin fiscal year 2016-2017.
- Mr. Cardon discussed miscellaneous projects, such as the generator for the Civic Center, various equipment for the fire department, and back-up computer and phone services. Mr. Cardon discussed building remodels, such as the doors at the Community Center.
- Mr. Cardon discussed the water funds and reallocation to staff wages for the utility clerks. He discussed Weber Basin annual increased rate. Mr. Cardon discussed the various public works equipment, usage, and costs as it pertains to the water fund budget.
- Mr. Douglas asked if there would be a consensus to increase the water budget a hundred thousand dollars to acquire more radio water meter readers. There was a unanimous consensus from the Council to increase the water budget for new radio water meter readers.

There was a discussion regarding the purpose of a well located within Riverdale City with an emphasis on the age of the well and the maintenance/repairs. With the current issues of the well it is not feasible to use it as a water source back-up.

b. Enterprise Funds

- Mr. Cardon discussed fund 52, which is sewer funds. He discussed the increases due to salary increase, employee benefits, Central Weber Assessment, professional services URMMA now requires video scheduling, insurance, and depreciation, equipment needed for the department.
- Mr. Cardon discussed fund 53, which is storm water funds. He discussed the increases due to salary increase, employee benefits, equipment, depreciation, motor pool. Mr. Douglas discussed the new storm water regulations which impact the budget. There was a discussion regarding the street sweeper. Mr. Douglas reviewed the mileage and maintenance of the vehicle and felt it was cheaper to keep running the vehicle, and is hoping to get another years use out of the vehicle. He explained the vehicle is approximately \$300,000. He discussed the maintenance as minimal for this vehicle.
- Mr. Cardon discussed the garbage fund, highlighting a few items, such as salary allocation, fuel costs, and additional projects as needed. Mr. Cardon explained there wasn't a need to build a fund balance for garbage.
 - 4. Internal Service Funds
 - Mr. Cardon discussed capital equipment purchases associated with streets and other vehicles.
 - a. Motor Pool

Councilor Hansen inquired about the usage of police trucks, the Tahoe's, specifically as it pertains to the police department reselling the vehicles internally. Mr. Cardon explained the transaction process of the vehicles, specifically the research of value, and the sale was conducted as if the police would have sold it to anyone. Mr. Cardon described the money saved as a result of the method used.

b. Information Technology

Mr. Cardon explained the correction for the lease/support revenue amount in the Information Technology fund. He stated the funds have been fairly consistent, with a minor increase in equipment. He discussed the police laptops needs and the expense. Mr. Cardon described the new approach for the police laptops to allow for cheaper laptops covered under warranty for 3 years.

Councilor Hansen expressed he would like to explore the option of video streaming of the City Council meetings. Mr. Cardon compared instant video streaming to body cameras. He explained the technical issues that may arise. Mr. Cardon explained that Mr. Worthen was exploring video streaming as a potential in the future. Mr. Cardon estimated the cost to be approximately five thousand dollars.

5. Future Budget Challenges

Mr. Cardon discussed upcoming future budget impacts, some mandated by the State of Utah. Mr. Cardon expressed concern regarding the growth in state mandates which impact local municipalities. Mr. Cardon highlighted a few items to be considered in the near future budget: replacement the doors located at the Community Center, maintenance on the Senior Center, and pipe maintenance.

Mr. Cardon discussed sales tax revenue with an emphasis on the "hold harmless" agreement with the State of Utah. Mr. Cardon stated the guarantee for sales tax is going away as a result. He explained the decrease in sales tax revenue, and explained this year it was at 73 percent of the Riverdale City Budget. Mr. Cardon discussed a meeting he attended through the Utah Government of Finance Officers Association (UGFOA) where the representative from the state gave a presentation regarding various taxes. The representative emphasized the decrease in sales tax revenue, which makes the other governmental taxes very important to help maintain the municipal budget. Mr. Cardon discussed how heavily Riverdale City is currently relying on sales tax revenue. He expressed the need for a strategic plan to help mitigate drastic changes to sales tax revenue to allow for the municipality to continue if the sales tax were to decline.

Mr. Cardon discussed the Senior Center. He explained the Senior Center was created by a one-time fund revenue that will not be available 5 years from now. He discussed the debt service for the Senior Center. Mr. Cardon explained there are not enough funds in the general fund to subsidize the Senior Center. He expressed the need for a new funding source. He emphasized the need to diversify the general fund to help prepare for the future. Mr. Cardon explained the city is ultimately a service provider.

There was a discussion regarding the sales tax allocations from vehicle purchases made in Riverdale City, with an emphasis on state legislature attempting to change the way the taxes are allocated. Mr. Cardon explained the purpose of franchise taxes and the safety net they may provide in case of state legislature changes that could heavily impact sales tax.

Mayor Searle discussed the cost of services to the city, such as water, and explained property taxes are lower than most cities in Weber County. Mayor Searle discussed how internet sales have impacted sales tax revenue.

Discretionary Items

Mayor Searle discussed Utah Military Academy and explained their student enrollment is at full capacity and they have almost outgrown their facility. He felt the academy was good for the community with all of their service projects they do throughout the city.

There was a discussion regarding new developments and the different requirements the city can implement regarding curb and gutter.

Mayor Searle informed the Council of the new doors for the Civic Center. Mayer Searle briefly discussed 4400 South project bid and stated it was bid higher than anticipated. He explained Utah Department of Transportation (UDOT) has continued to add new requirements than what was originally discussed which has impacted the cost. The City will return to the County to see if there is a possibility of acquiring more funding for this project. The construction of the bridge is behind a few weeks due to the additional changes mandated by UDOT.

Mayor Searle invited the Council to the grand opening of Sweeto Burrito. Mayor Searle informed the Council that Denny's restaurant will be replacing the Pelican Station and has started construction.

There was a discussion regarding the new Maverik coming to Riverdale City. Mr. Eggett explained he has been working with Utah Transit Authority (UTA) and Wal-Mart to relocate the bus stop that is currently near the anticipated Maverik.

Mayor Searle thanked all the city staff, specifically Rodger Worthen and Cody Cardon in all their research and efforts to the City budget.

Adjourn

The meeting adjourned at 11:25AM	
Norm Searle, Mayor	Jackie Manning, City Recorder