

Minutes for  
Work Session  
April 5, 2011  
6:00 p.m.

Those present: Mayor Kenneth Romney, James Bruhn, Valerie Shaw, Mark Preece, Craig Howe, Ben White. Dave Tovey, John Baza, and Heidi Voordeckers were excused.

Meeting called to order by Mayor Romney at 6:20 p.m.

1. Review of 20 Year Capital Project List

Ben White referred to a Debt Service and Cash Flow Timeline prepared by Heidi Voordeckers a year ago. It showed when debts would be paid off, and which funds would be impacted. The water bond was borrowed on money already in the general fund, so paying it off will not add to the general fund. However, when they complete sales tax sharing with Thackerey for the Commons, there will be a significant increase to the general fund.

Ben then referred to a list he developed of Unfunded Capital Projects. He listed them in order of priority, putting the streets and pipes in the worst shape at the top. Each project showed the year he expected it to be completed. Then it showed the amount from each fund (water, streets, storm drains) that would be required for each project.

A Capital Projects Funding 20 Year Summary showed General Fund, Streets, Water, and Storm Drains revenues and expenditures from 2011 until 2032, with another column factoring in 7% inflation. The cost of services per household was calculated to be \$215.42 per year, and \$396.99 per year with inflation.

Another spread sheet showed expenses projected for the next 20 years, based on historical increases from one year to the next, and based on a very minimal budget. The top half showed expense projections if operations continued as they are today, with no capital projects. This projection shows they will run in the red until the Commons sales tax agreement falls off.

A. Water

The water list does not include the 400 North project or the well, etc., because those expenses are coming out of the bond. He is doing the well instead of running the pipes under the freeway on 400 North. The water rate is good for four more years, when it will be voted on again. The water fund will run in red starting in 2018. If the current water rate is continued for another eleven years, the fund will be good until 2030.

B. Storm

Storm drains are unfunded all across the city, and they are deteriorating. They will not hold up under the status quo.

C. Streets

Ben has the goal of never putting a new street over a worn out water line, or to replace a water line under a new street. However, there will have to be exceptions. The road on 800 West is not in bad condition but there are frequent water breaks, so he has 800 West scheduled in 2017.

There is nothing in the general fund to fund streets. They are \$400,000 short on the project scheduled in 2013. Heidi suggested an alternative to a property tax increase would be to do a bond in 2019. However, the city does not want to bond again. One problem in planning future expenses is the fact that asphalt has gone up 600% since 1972.

The problems arising from the slurry seal were discussed. The main problem for residents was the gravel that was left. Ben explained there was excess gravel because the project was done late in the season. The gravel was supposed to imbed into the asphalt over time, but the asphalt needed to be warm for this to happen. The weather turned cold one week after the work was done. He still thinks it is the best way to maintain the roads. He wants to continue with slurry seals but he will bid in April rather than July, and he will use smaller gravel. If they do nothing, the roads will all look like the worst roads now.

## 2. Review Funding Sources

In looking at property taxes, an average home in West Bountiful is \$110,000 to \$130,000. An increase would be \$130 per year on an average home. The current average tax is \$173 per home. James asked to see how a tax increase would affect the bottom line over 20 years. Craig pointed out a projection would have to include industrial and commercial properties. Ben estimates it will take a 60% to 65% increase in property tax to do the water repairs needed. Craig said projections with continuing the current water rate are exactly what they expected.

Laura Charchenko asked where West Bountiful compares with other cities in Davis County on property tax. Sunset has the highest property taxes, and West Bountiful comes in about the middle.

## 6. Adjournment – 7:00 pm

  
MAYOR KENNETH ROMNEY

  
HEIDI VOORDECKERS (CITY RECORDER)



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NATHALIE ELLINGFON (SECRETARY)