

Minutes of the West Bountiful City Council **work session** held on **Tuesday, March 4, 2014** at West Bountiful City Hall, 550 N 800 West, Davis County, Utah.

Those in attendance:

**MEMBERS:** Mayor Kenneth Romney, Council members James Ahlstrom, James Bruhn, Kelly Enquist, Debbie McKean, Mark Preece

**STAFF:** Duane Huffman (City Administrator), Steve Doxey (City Attorney), Heidi Voordeckers (Finance Director/Recorder), Ben White (City Engineer), Steve Maughan (Public Works Director), Cathy Brightwell (Deputy Recorder/ Secretary)

**VISITORS:** Alan Malan, Corey Sweat

Mayor Romney called the meeting to order at 6:35pm.

Duane Huffman summarized the history of water rates and the FY 2011 through 2014 budget sheets. He used an interactive spread sheet that lists projected new connections, base rate, and revenue totals for the next twenty years. The expenditure projections over the same time period included figures for operations and maintenance, debt service and capital projects. Using this sheet, different rate options were inserted to view the impact on available funding over twenty years.

The options reviewed for the base residential rate included retaining the current rate of \$63, and lowering it to \$60, \$55, or \$50, respectively.

Based on the projections, Council member Bruhn that he would be comfortable going down to the \$50 rate. Council member Ahlstrom reminded the group about our ailing roads and asked how these changes would affect our ability to improve facilities. Do the inclusions get us to where we want to be or just keep us getting by? James Bruhn responded that this would keep us at a reasonable rate of improvement.

Mayor Romney asked how many feet of existing pipe could go bad in 5 years. Ben White responded that we will still have metal pipe in some areas and a long section of pipe along 500 South that needs to be replaced. The expenditure projections identify key needs and attempts to put the City on a maintenance schedule. Council member Ahlstrom is concerned that if the rate is adjusted down too quickly the City will have to deal with another increase, and he does not want to limp along any longer. Duane Huffman reported that in addition to pipe infrastructure, an unknown future cost is the supply of water. Mayor Romney asked about storage capabilities. Ben responded that we now have excess capacity for storage.

Duane Huffman offered to prepare options below \$50 if the Council would like to see them. Council members McKean and Bruhn said they didn't want to go that far. James Ahlstrom commented that a small reduction could be made now and a further reduction after the bond is paid off. He said we are here now because no one looked at capital needs in the past. Mayor Romney likes \$55 with another look at it again in 5 years. Debbie McKean said she likes that we're self-sustaining and doesn't want

to put a future Council in a similar situation. She continued that if we never intend to bond again we should maintain a relatively higher surplus. James Bruhn does not like having a higher surplus without a reasonable reduction. He is concerned it may be seen as unfair. James Ahlstrom asked about a rainy day plan. Council member McKean is also concerned that if they go too far, rates may have to increase again. She is okay staying at \$63. The City has a history of poor planning and she does not want to be a Council that gets the city in a similar position again. Council member Bruhn believes it would be unfair to residents to not reduce something. He suggested a \$10-15 reduction would help a lot based on resident's comments to him.

James Ahlstrom said he hasn't heard a lot of complaints about the current rate but understands that not reducing rates may be difficult for older residents on a fixed income. Council member Preece said many people complain that our rates are higher than other cities, but it is not fair to compare our rates to other cities because it costs more to bring water to West Bountiful.

Duane commented that the storm drain situation is similar to where we were with water a few years ago. He said we could reduce water rates and increase storm drain fees. James Bruhn commented that under that scenario, total rates could go to \$53 with a \$13 decrease in water rates and an increase of \$3 for storm drain resulting in a net decrease of \$10. James Ahlstrom is not a fan of \$50, he believes it is too low and suggests \$60 with a further reduction later. Council member Enquist stated that he likes \$50. He said our head is above water now and we could reduce rates in 5 years if necessary. He doesn't think raising rates in the future will be as bad as before. He believes the public is anticipating a decrease, some as much as the full \$23.

As it was time to begin the regular meeting, the Council ended the discussion with the understanding that further discussion was needed. Duane thanked Heidi for her help in preparing this information.

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***The foregoing was approved by the West Bountiful City Council by unanimous vote of all members on Tuesday, April 1, 2014.***

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HEIDI VOORDECKERS (CITY RECORDER)