

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, May 15, 2018,**
4 **beginning with a Work Session at 6:00 p.m.** in the Lindon City Center, City Council
Chambers, 100 North State Street, Lindon, Utah.

6 **WORK SESSION** – 6:00 P.M.

8 Conducting: Mayor Jeff Acerson

10 **PRESENT** **ABSENT**

Jeff Acerson, Mayor

12 Matt Bean, Councilmember

Van Broderick, Councilmember

14 Jacob Hoyt, Councilmember

Carolyn Lundberg, Councilmember

16 Daril Magleby, Councilmember

18 **STAFF PRESENT**

Adam Cowie, City Administrator

20 Hugh Van Wagenen, Planning Director

Phil Brown, Chief Building Official

22 Josh Adams, Chief of Police

Heath Bateman, Parks and Recreation Director

24 Brad Jorgensen, Public Works Director

Kathryn Moosman, City Recorder

26

1. **Discussion of FY 2019 Proposed Budget.** Lindon City Council will review and discuss the proposed Fiscal Year 2019 budget. The Council will provide direction on specific items.

30

Adam Cowie, City Administrator, stated the City Council will review and discuss the proposed Fiscal Year 2019 budget and provide direction to staff on specific budget items. He noted this is a work session for general discussion on budgetary matters for the upcoming FY2019 budget and no public comment is required at this specific meeting.

34

He noted a straw poll on some budget issues may be taken to ensure the final budget is prepared consistent with the direction of the full Council. He added while general direction may be given, no motion will be necessary and staff will update the final budget as directed by the Council's recommendations and will vote on the Final Budget on June 19, 2018.

40

Kristen Colson, Lindon City Finance Director, was in attendance to present her budget presentation including the budget work session agenda items and the updated Fund Balance sheet and the 2018-2019 Major Budget Issues. She noted Budget Issue #2 will be covered first so Mark Christensen, with JUB Engineers will be present for discussion.

44

46 **Budget Issue #2: Should Lindon City change Water, Sewer and Storm Water utility rates?**

2 **Background:**

Utility rates should not only cover current operational expenses, but also allow reserves to be established over time in order to fund repairing and/or replacing aging system components. JUB Engineers conducted an infrastructure assessment and maintenance evaluation as well as a utility rate study for Lindon City to determine and recommend utility rate increases for water, sewer, and storm water utilities. The 2014 recommendation was to implement an annual increase over five years of 9% for water rates, 4% for sewer rates, and 13% for storm water rates beginning July 1, 2014.

10 Ms. Colson noted JUB Engineers have updated their Utility Rate Study for the 2018-2019 fiscal year and beyond. The Study made the following conclusions.

- 14 • Based on the updated Culinary Water Master Plan and the State of Utah requirement to implement tiered water rates, we recommend maintaining the 9% rate increase for 2 additional years, through the 2020-2021 fiscal year.
- 16 • Due to a correction in water use measurements, we recommend that the sewer usage rate be reduced by 25% and the base rate remain unchanged for the coming fiscal year.
- 18 • We recommend that the storm water annual rate increase continue as previously planned - a 13% increase - for one more year.
- 20 • For Anderson Farms, we recommend a pressure irrigation base rate of \$6.00/month in addition to the existing rate, a usage rate of \$0.55/1000 gallons, and a groundwater pumping rate of \$12.00/month.

24 Mark Christensen, with JUB Engineers addressed the Council at this time. He explained the base rate philosophy and costs. He noted the usage rate is tiered and the blocks are not changing, just the meter size. He also pointed out that water has the greatest replacement cost and has a continued need for revenue increases. Additional information can be found in the May 2018 Utility Rate Study Report.

26 Ms. Colson then went over the recommended rate changes along with the 2017-2018 rates as follows:

32

Culinary Water Utility Fee:

Base Rate	METER SIZE						
	ZONES	1"	1 1/2"	2"	3"	4"	6"
Below North Union Canal	\$20.95 \$22.84	\$37.71 \$29.25	\$60.76 \$46.51	\$230.45 \$174.62	\$419.00 \$221.97	\$777.25 \$332.59	\$1,340.80 \$458.93
Above North Union Canal	\$22.48 \$26.68	\$40.46 \$33.09	\$65.19 \$50.35	\$247.28 \$178.46	\$449.60 \$225.81	\$834.01 \$336.43	\$1,438.72 \$462.77
Upper Foothills	\$34.60 \$42.73	\$62.28 \$49.14	\$100.34 \$66.40	\$380.60 \$194.51	\$692.00 \$241.86	\$1,203.66 \$352.48	\$2,214.40 \$478.82

Usage Rate	BLOCK			
	ZONES	1	2	3
Below North Union Canal	\$1.24 \$1.36	\$1.49 \$1.78	\$1.98 \$2.37	\$2.73 \$3.26
Above North Union Canal	\$1.68 \$1.80	\$2.01 \$2.35	\$2.68 \$3.14	\$3.69 \$4.32
Upper Foothills	\$1.68 \$1.80	\$2.01 \$2.35	\$2.68 \$3.14	\$3.69 \$4.32

34

Groundwater Pumping (where available) ~~\$20.00~~ \$12.00

Secondary Water

Metered secondary water (where available; in addition fee based on lot size)

Base \$6.00

Usage rate per 1,000 gallons

If using treated (culinary water) See Culinary Water Usage Rates and Blocks

If using untreated water ~~\$0.95~~ \$0.55

Sewer

Base \$19.44

Usage per 1000 gal. ~~\$3.43~~ \$2.57

2 Storm Water ~~\$7.89~~ \$8.92

4 Ms. Colson noted the monthly change on a resident's utility bill who lives below
the North Union Canal, has unmetered pressurized irrigation, has a 1" culinary water
6 meter and uses 8,000 gallons would be as follows:

7	Water	\$3.19
8	Sewer	-\$6.88
	Storm	\$1.03
10	Tax	<u>-\$0.16</u>
	Total	<u>-\$2.82</u>

12 Differential Fiscal Impact:

14	Water Fund	\$164,250
	Sewer Fund	-\$228,800
16	Storm Wtr Fund	\$104,000

18 She noted these changes are reflected in the Proposed Budget.

20 CITY COUNCIL STRAW POLL: YES or NO

22 **Budget Issue #1: Should Lindon City provide employees with a 2.1% Cost of Living**
Allowance (COLA) increase and provide for a merit step of 1.9% increase in January?

24 **Background:**

26 The Consumer Price Index (CPI) had an average annual increase of 2.1% from March
2017 to February 2018 according to US Department of Labor. Performance evaluations
28 are performed annually in January at which time merit increases would be available to
those who meet the pre-determined criteria. Historically, COLA and merit increases have
30 provided somewhat consistent buying power for the employees and have kept salaries
competitive and employee morale high.

- 32 • Comparison of Social Security Cost of Living Allowance, the National Consumer
Price Index, the West Region CPI-Urban, and Lindon City COLA from 2006 to
34 2018. The CPI and CPI-U for 2018 is from the Bureau of Labor Statistic from
March 2017 to March 2018. Social Security COLA is based on the previous 12
36 months, November of 2016 to November 2017.
- 38 • Mountainland Association of Governments (MAG) provided this COLA history
except for Lindon.

- MAG uses the Western Region CPI-U and is proposing 3.0% COLA and 2.5% Merit increases.

4

Ms. Colson then reviewed a history of Lindon City’s Merit and Cola increases since 2005 stating the average combined is 3.78%. She also went over a list of cities (31) surveyed of their Merit and Cola percentages noting the combined average is 3.58%.

Ms. Colson noted the Differential Fiscal Impact as follows:

	COLA <u>only</u>	Merit <u>only</u>	COLA & Merit
General Fund	\$77,578	\$30,374	\$108,590
Water Fund	\$5,160	\$3,792	\$9,032
Sewer Fund	\$4,331	\$2,759	\$7,148
Storm Water Fund	\$3,122	\$1,386	\$4,537
Recreation Fund	<u>\$4,386</u>	<u>\$3,256</u>	<u>\$7,703</u>
Citywide Totals	\$94,578	\$41,567	\$137,010

Ms. Colson noted both the COLA and Merit increases are reflected in the Proposed Budget.

12

Councilmember Broderick spoke on the importance of retaining and motivating employees. He pointed out we have a great compensation package second to none but he also wants to be fair to Lindon citizens. He suggested going up to a 3% compounded and having an additional a one-time bonus (not compounded), mainly merit.

Councilmember Hoyt stated he has concerns of compounding wages and how it keeps going up. He pointed out in roughly 6 to 8 years this will add a million dollars to the budget. He mentioned how hard it has been to come up with 1.2 million for roads; with that said he feels we need to keep our good employees.

22

Councilmember Bean stated he shares some of the same concerns but wants to be fair to the employees. This percentage is a little higher than what he feels comfortable with but he could live with it.

26

Councilmember Lundberg commented the percentage has been brought down to 4% and she feels we should look at the economic status of the city and contributions from the employees (grants, wearing many hats, not hiring extra positions etc.) she feels we should balance the good years and reward the good employees we have. She feels good about the 4% and feels the amount should be kept healthy this year because of what the employees have contributed this year and in recent years.

Councilmember Magleby stated he is in favor of what is being proposed but he also likes what Councilmember Broderick is proposing as well; he is not opposed to thinking it through a little more. However, he feels it is important that we support the employees and give them the richest package we can in good years and re-assess it when the economy turns down.

38

Ms. Colson stated this budget issue will be further discussed in the regular session and will need to be voted on.

Ms. Colson then reviewed other fee schedule changes as follows :

Garbage	\$9.00	\$10.00
First garbage can	\$7.50	\$8.50
Each additional can		
Recycling, per can	\$3.25	\$3.60

Ms. Colson stated Lindon City provides the following health insurance benefits to the regular full-time employees.

Coverage Type	City pays	Employee Pays
Employee Only	Full Medical Premium Full Dental Premium Extra \$50/mo for extra insurance or to invest*	
Employee + Spouse	Full Medical Premium Full Dental Premium Extra \$100/mo for extra insurance or to invest*	
Employee + Family	Full Medical Premium Half Dental Premium	Half Dental Premium

*only for employees hired before 1/1/2015

Ms. Colson also presented a summary of changes in fund balance and Projections for General Fund Unappropriated Fund Balance as follows:

- 2017-2018 Ending Fund Balance of \$2,307,084
 - This is 24.28% of FY2018 projected revenues
 - The state limit is 25%, which would be a maximum balance of \$2,375,200
- 2018-2019 Ending Fund Balance of \$2,328,208
 - This is 24.0% of FY2019 projected revenues
 - The state limit of 25% would be a maximum balance of \$2,425,113
 - Changes we make in the FY2018 Budget will also affect FY2018 fund balance

Capital Expenditures

General Fund

- \$300,000 for City Center remodel to install elevators (\$150k in grant funding)
- \$25,000 for City Center flooring upgrades
- \$550,000 for 13 police vehicles
- \$26,500 for truck for Chief Building Official
- \$24,000 for ADA ramps and traffic calming project with Orem City on 200 S at Oak Canyon
- \$60,000 for 2-ton dump truck with plow for Parks Department

Road Fund

- \$27,000 for Crack Sealing

- \$1,550,000 for major maintenance and/or reconstruction

PARC Tax

- \$100,000 to fix or replace Meadow Park playground

Park C.I.P.

- \$159,000 for more pickleball courts and windscreen at Hollow Park (Parks & Recreation Director, Heath Bateman addressed this issue including discussion on light and noise pollution associated with the courts)
- \$55,000 for pavilion in upper City Center Park (outside of pool)
- \$130,000 for playground and exercise equipment at Lindon View Park

Capital Expenditures

Water Fund

- \$25,000 for well reconstruction
- \$250,000 for new well, phase 1
- \$50,000 for PRV upgrades
- \$30,000 for secondary water traveling screen rebuild
- \$45,000 for 835 East booster station upgrades
- \$25,000 for water system meter upgrades
- \$150,000 for waterlines in Treasury subdivision and on Geneva Road
- \$15,000 for PI Booster #3 upgrades
- \$652,000 for North Union canal piping (\$300,000 funded by B.O.R. grant)

Sewer Fund

- \$25,000 for truck
- \$35,000 for trailer mounted sewer bypass pump
- \$250,000 for lift stations demolition, 130 S installation, & L.S. #4 & #5 upgrades

Storm Water Fund

- \$25,000 for emergency contingency

Ms. Colson also presented graphs and charts showing Total City Revenues (\$19,950,919) with the net of fund balances and transfers, Lindon City's Major Revenue Sources (10 yr. history & 5 yr. forecast), General Fund Revenues (\$11,641,139), Citywide Expenditures by Object (total expenditures \$21,012,642) and Net of Fund Balances & Transfers and General Fund Expenditures followed by some general discussion.

Ms. Colson stated if there are any questions or comments from the Council regarding the information presented to contact her. Mr. Cowie reminded the Council there will be another public hearing held on June 19th to accept comment on the final budget and the utility funds transfers. Mayor Acerson called for any further comments or discussion from the councilmembers hearing none he moved on to the regular city council session.

Mayor Acerson adjourned the work session at 7:00 pm.

REGULAR SESSION – 7:00 P.M.

Conducting: Jeff Acerson, Mayor

2 Pledge of Allegiance: Spencer Dunn, Boy Scout
Invocation: Matt Bean, Councilmember

4

PRESENT

EXCUSED

6 Jeff Acerson, Mayor
Matt Bean, Councilmember
8 Carolyn Lundberg, Councilmember
Jacob Hoyt, Councilmember
10 Van Broderick, Councilmember
Daril Magleby, Councilmember
12 Adam Cowie, City Administrator
Kathryn Moosman, City Recorder

14

1. **Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.

16

2. **Presentations/Announcements** –

18

a) **Comments/Announcements from Mayor and Council** – There were no announcements at this time.

20

b) **Presentation** – The Miss Pleasant Grove Royalty and Strawberry Days Rodeo Royalty. Pleasant Grove Strawberry Days, June 16th – 24th.

22

The Miss Pleasant Grove Royalty and Strawberry Days Rodeo Royalty were in attendance to present information on the upcoming Strawberry Days events. Taryn Christensen, 2018 Miss Pleasant Grove, presented general information about the upcoming Strawberry Days festival and introduced her attendants: Bailey Sherriff, Morgan Carlson and Jenacie Boren who each mentioned an individual event including some of the following: Huck Finn Days, Concert in the Park, Baby Contest, Princess Party and the Grand Parade. Ms. Christensen then turned the time over to the Rodeo Royalty to present details of the Strawberry Days Rodeo.

24

Mckell Wall, 2018 Strawberry Days Rodeo Queen, introduced her attendants, Grace Green and Jaycee Carter. They presented information about the Strawberry Days Rodeo noting the Rodeo starts at 7:00 pm (pre-show) and is held Wednesday through Saturday with many fun events including mutton bustin, bull riding, and the great fireworks show. They invited the Mayor and Council out to the Rodeo noting it is a very fun event for the entire family.

26

Ms. Christensen then thanked the Council for all the support Lindon shows to the pageant and to the program. They also presented the Mayor and Council with a strawberry cheesecake and invited them to come out and enjoy the week long Strawberry Days events and festivities. Mayor Acerson thanked the Royalty for the invitation and the cheesecake noting the Council always looks forward to the Strawberry Days Celebration.

28

3. **Approval of Minutes** – The minutes of the regular meeting of the City Council meeting of May 1, 2018 were reviewed.

30

32

COUNCILMEMBER BRODERICK MOVED TO APPROVE THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF MAY 1, 2018 AS WRITTEN.

2 COUNCILMEMBER MAGLEBY SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

4 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
6 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
8 COUNCILMEMBER MAGLEBY AYE
THE MOTION CARRIED UNANIMOUSLY.

10 4. **Consent Agenda** – No items

12 5. **Open Session for Public Comment** – Mayor Acerson called for any public
14 comment not listed as an agenda item. There was no public comment.

16 **CURRENT BUSINESS**

18 6. **Public Hearing — FY 2019 Transfer of Enterprise Funds to General Fund.**

20 The City Council will accept public comment as it reviews and considers
proposed transfer of enterprise funds to the general fund as part of the fiscal year
(FY) 2019 budget. The proposed transfers are as follows: Water Fund \$256,850
22 (8.7% of fund expenditures); Sewer Fund \$195,250 (9.4% of fund expenditures);
Solid Waste Collection Fund \$17,940 (4.0% of fund expenditures); and Storm
24 Water Drainage Fund \$96,360 (9.9% of fund expenditures); and
Telecommunications Fund \$2,700 (5.0% of fund expenditures). These transfers
26 are primarily intended to cover administrative costs and overhead of operating the
enterprise funds but will also be used in supplementing such city services as fire,
28 police, street maintenance, parks & recreation, and other city functions. Similar
transfers have been made annually from the enterprise funds to the General Fund
30 in order to help maintain low property taxes in Lindon. No motions will be made
as this hearing is to only receive and consider public comment on the proposed
32 enterprise fund transfers.

34 COUNCILMEMBER HOYT MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL PRESENT
36 VOTED IN FAVOR. THE MOTION CARRIED.

38 Adam Cowie, City Administrator, led this discussion by explaining Lindon City is
proposing to transfer an 11% “administrative charge” from the identified enterprise
40 funds. He stated during the Great Recession the City increased the Admin charge to 14%
to help cover losses of revenue from other sources. However, due to healthy sales tax
42 growth and General Fund balance in the City, and desire to grow utility fund balances,
Staff is recommending a return to the smaller 11% transfer instead of 14%. The transfer
44 percentage (11%) is broadly determined to cover overhead costs and is similar to rates
charged by other local government entities. He noted this process has been done every
46 year for decades to charge the utility funds and administrative overhead charge, and this

2 year staff is proposing an 11% fee (lower percentage). He stated this process is very
transparent.

4 Mr. Cowie noted an exact calculation for such overhead costs has not been
completed for each specific enterprise fund. State Code requires significant public
6 outreach for the intended transfer of funds including a mailed notice, email, social media,
website, and typical posting and newspaper noticing for a public hearing. He pointed out
8 while a public hearing is required in order to receive comment on the proposed transfers,
no decision is made in this hearing and any final decision or motion on the enterprise
10 fund transfer is made during the budget hearings but no motion is needed as this public
hearing is only to accept comment.

12 Mayor Acerson called for any public comments. There was a resident in
attendance who expressed his opposition to this action noting he feels there is no
14 accountability. Mr. Cowie explained the accountability process associated with the
transfer noting this is very transparent and other cities also utilize this process.

16 Mayor Acerson pointed out the Council moves forward in a way that benefits the
city and all citizens. There is also accountability and oversight in place to ensure we are
18 doing what we should be doing; audits are done every year in the city to look at these
transfers and they make sure the appropriate checks and balances are in place so there is no
20 misuse; financial statements are also provided monthly and everything is accounted for.

22 Mayor Acerson called for any further public comments. Hearing none he called
for a motion to close the public hearing.

24 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
26 VOTED IN FAVOR. THE MOTION CARRIED.

28 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he moved on to the next agenda item.

- 30
- 32 **7. Public Hearing — FY 2019 Proposed Budget; Resolution #2018-13-R.** The
City Council will accept public comment as it reviews and considers adoption of
its FY 2019 Proposed Budget. The Council will give direction on major budget
34 issues including consideration of utility rate adjustments, capital improvement
expenditures, PARC tax allocations, and other city-wide budgetary issues. The
36 final FY 2019 budget will be adopted on June 19, 2018.

38 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER MAGLEBY SECONDED THE MOTION. ALL
40 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

42 Mr. Cowie led this discussion by stating Lindon City Finance Director, Kristen
Colson, will present the Proposed Budget and review significant budget items for
44 FY2019. He noted staff is asking that the City Councilmembers provide firm direction
on FY2019 budgetary matters or address any concerns and proposed changes prior to
46 adoption of the final budget in June. He also pointed out that Lindon City also holds an
additional public hearing than what is required by state code. Public hearings are held for

the tentative budget, the proposed budget and another hearing to adopt the final budget. The state only requires two public hearings (on the tentative and the final budgets). He then turned the time over to Lindon City Finance Director, Kristen Colson, to present the Proposed Budget and review significant budget items for FY2019.

Kristen Colson, Finance Director, opened the discussion by referencing the resolution and budget documents previously discussed in the work session. She noted the Proposed Budget should be adopted after receiving public input and providing any desired changes or suggestions. The Final Budget will be presented and adopted on June 19, 2018. She then reviewed the key issues and any remaining items to be finalized prior to adopting the Final Budget on June 19th as follows:

Budget Issue #1: Should Lindon City provide employees with a 2.1% Cost of Living Allowance (COLA) increase and provide for a merit step of 1.9% increase in January?

Background:

The Consumer Price Index (CPI) had an average annual increase of 2.1% from March 2017 to February 2018 according to US Department of Labor. Performance evaluations are performed annually in January at which time merit increases would be available to those who meet pre-determined criteria. Historically, COLA and merit increases have provided somewhat consistent buying power for the employees and have kept salaries competitive and employee morale high.

- Comparison of Social Security Cost of Living Allowance, the National Consumer Price Index, the West Region CPI-Urban, and Lindon City COLA from 2006 to 2018. The CPI and CPI-U for 2018 is from the Bureau of Labor Statistic from March 2017 to March 2018. Social Security COLA is based on the previous 12 months, November of 2016 to November 2017.
- Mountainland Association of Governments (MAG) provided this COLA history except for Lindon.
- MAG uses the Western Region CPI-U and is proposing 3.0% COLA and 2.5% Merit increases.

Ms. Colson then reviewed a history of Lindon City’s Merit and Cola increases since 2005 stating the average combined is 3.78%. She also went over a list of cities (31) surveyed of their Merit and Cola percentages noting the combined average is 3.58%.

Ms. Colson noted the Differential Fiscal Impact as follows:

	COLA only	Merit only	COLA & Merit
General Fund	\$77,578	\$30,374	\$108,590
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Citywide Totals	\$94,578	\$41,567	\$137,010

Ms. Colson noted both the COLA and Merit increases are reflected in the Proposed Budget.

2 Councilmember Broderick reiterated his previous suggestion of the 3% compounded and
4 the additional 1% one-time bonus (not compounded) as it would still add up to 4% which
is still more than most people receive and would be sustainable; this is similar to what is
done in school districts.

6
7 Councilmember Hoyt stated he is leaning towards Councilmember Broderick's proposed
8 option as he has concerns of compounding wages and how quickly it can get out of hand.
4% is extremely good compared to the rest of the world. He realizes it is different for
10 public vs. private, but he wants the best for employees as to keep good employees, but to
not let it get too far out of hand.

12
13 Councilmember Magleby stated he is leaning towards what is being proposed. He
14 supports the efforts of staff to come to this conclusion and supports what they have
presented. He also feels it is important that we support the employees.

16
17 Councilmember Lundberg commented she is open to trying Councilmember Broderick's
18 model. She mentioned the overall benefit is 5% when the medical benefit is factored in.
She feels we can watch this hybrid and doesn't feel we are tinkering with much here as
20 the total is still 4%.

22 Councilmember Bean commented he is in favor of Councilmember Broderick's proposed
3-1 option.

24
25 There was then some general comments by employees and others in the audience
26 regarding the options presented. Mr. Cowie stated staff would like to come up with a plan
that is not arbitrary.

28
29 Following some additional general discussion by the Council the straw poll vote
30 regarding Budget Issue #1 was recorded as follows:

32 COUNCILMEMBER BRODERICK MADE THE STRAW POLL VOTE FOR
33 BUDGET ISSUE #1 WITH THE 3-1 OPTION (2.1% COLA, .9% MERIT ADDED TO
34 A WELL PERFORMING EMPLOYEES PAYROLL AND A 1% ONE TIME
35 PAYOUT) FOR A TOTAL OF 4% AS REQUESTED. THE STRAW POLL VOTE
36 WAS RECORDED AS FOLLOWS:

37 COUNCILMEMBER BEAN	AYE
38 COUNCILMEMBER LUNDBERG	AYE
39 COUNCILMEMBER BRODERICK	AYE
40 COUNCILMEMBER HOYT	AYE
41 COUNCILMEMBER MAGLEBY	NAY

42
43 **Budget Issue #2: Should Lindon City change Water, Sewer and Storm Water utility
44 rates?**

46 **Background:**

2 Utility rates should not only cover current operational expenses, but also allow reserves
 4 to be established over time in order to fund repairing and/or replacing aging system
 6 components. JUB Engineers conducted an infrastructure assessment and maintenance
 8 evaluation as well as a utility rate study for Lindon City to determine and recommend
 utility rate increases for water, sewer, and storm water utilities. The 2014
 recommendation was to implement an annual increase over five years of 9% for water
 rates, 4% for sewer rates, and 13% for storm water rates beginning July 1, 2014.

10 Ms. Colson noted JUB Engineers have updated their Utility Rate Study for the
 2018-2019 fiscal year and beyond. The Study made the following conclusions.

- 12 • Based on the updated Culinary Water Master Plan and the State of Utah
 14 requirement to implement tiered water rates, we recommend maintaining the 9%
 rate increase for 2 additional years, through the 2020-2021 fiscal year.
- 16 • Due to a correction in water use measurements, we recommend that the sewer
 usage rate be reduced by 25% and the base rate remain unchanged for the coming
 fiscal year.
- 18 • We recommend that the storm water annual rate increase continue as previously
 planned - a 13% increase - for one more year.
- 20 • For Anderson Farms, we recommend a pressure irrigation base rate of
 22 \$6.00/month in addition to the existing rate, a usage rate of \$0.55/1000 gallons,
 and a groundwater pumping rate of \$12.00/month.

24 Ms. Colson then went over the recommended rate changes listed below along
 26 with the 2017-2018 rates as follows:

Culinary Water Utility Fee:

ZONES	METER SIZE						
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ZONES	BLOCK			
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Upper Foothills	\$1.68 \$1.80	\$2.04 \$2.35	\$2.68 \$3.14	\$3.69 \$4.32

Groundwater Pumping (where available) ~~\$20.00~~ \$12.00

Secondary Water

Metered secondary water (where available; in addition fee based on lot size)
Base \$6.00
Usage rate per 1,000 gallons
If using treated (culinary water) See Culinary Water Usage Rates and Blocks
If using untreated water ~~\$0.95~~ \$0.55

Sewer

Base \$19.44
Usage per 1000 gal. ~~\$3.43~~ \$2.57

2 Storm Water ~~\$7.89~~ \$8.92

4 Ms. Colson noted the monthly change on a resident’s utility bill who lives below
6 North Union Canal, has unmetered pressurized irrigation, has a 1" culinary water meter
and uses 8,000 gallons would be as follows:

8 Water \$3.19
Sewer -\$6.88
10 Storm \$1.03
Tax -\$0.16
12 Total -\$2.82

Differential Fiscal Impact:

14 Water Fund \$164,250
Sewer Fund -\$228,800
16 Storm Wtr Fund \$104,000

18 Ms. Colson noted these changes are reflected in the Proposed Budget.

20 Ms. Colson then reviewed other fee schedule changes as follows :

Garbage ~~\$9.00~~ \$10.00
First garbage can ~~\$7.50~~ \$8.50
Each additional can
Recycling, per can ~~\$3.25~~ \$3.60

22 Following some additional discussion by the Council the straw poll vote
regarding Budget Issue #2 was recorded as follows:

24 THE STRAW POLL VOTE FOR BUDGET ISSUE #2 WAS RECORDED AS
26 FOLLOWS:

28 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
COUNCILMEMBER BRODERICK AYE
30 COUNCILMEMBER HOYT AYE
COUNCILMEMBER MAGLEBY AYE

32

Ms. Colson went on to explain Lindon City provides the following health insurance benefits to the regular full-time employees.

Coverage Type	City pays	Employee Pays
Employee Only	Full Medical Premium Full Dental Premium Extra \$50/mo for extra insurance or to invest*	
Employee + Spouse	Full Medical Premium Full Dental Premium Extra \$100/mo for extra insurance or to invest*	
Employee + Family	Full Medical Premium Half Dental Premium	Half Dental Premium

*only for employees hired before 1/1/2015

Ms. Colson noted in the past the city has allotted employees (8-10 employees) to have more subsidy for the difference in insurance costs only for those hired before 1/1/2015. Following discussion by the Council the majority were in agreement to sunset this benefit as it is unseen anywhere else. The straw poll vote was 4-1 to sunset this benefit to June 30, 2019 with Councilmember Magleby voting nay.

Ms. Colson then presented a summary of changes in fund balance and Projections for General Fund Unappropriated Fund Balance as follows:

- 2017-2018 Ending Fund Balance of \$2,307,084
 - This is 24.28% of FY2018 projected revenues
 - The state limit is 25%, which would be a maximum balance of \$2,375,200
- 2018-2019 Ending Fund Balance of \$2,328,208
 - This is 24.0% of FY2019 projected revenues
 - The state limit of 25% would be a maximum balance of \$2,425,113
 - Changes we make in the FY2018 Budget will also affect FY2018 fund balance

Capital Expenditures

General Fund

- \$300,000 for City Center remodel to install elevators (\$150k in grant funding)
- \$25,000 for City Center flooring upgrades
- \$550,000 for 13 police vehicles
- \$26,500 for truck for Chief Building Official
- \$24,000 for ADA ramps and traffic calming project with Orem City on 200 S at Oak Canyon
- \$60,000 for 2-ton dump truck with plow for Parks Department

Road Fund

- \$27,000 for Crack Sealing
- \$1,550,000 for major maintenance and/or reconstruction

PARC Tax

- \$100,000 to fix or replace Meadow Park playground

Park C.I.P.

- 2 • \$159,000 for more pickleball courts and windscreen at Hollow Park (Parks & Recreation Director, Heath Bateman addressed this issue including discussion on
- 4 light and noise pollution associated with the courts)
- \$55,000 for pavilion in upper City Center Park (outside of pool)
- 6 • \$130,000 for playground and exercise equipment at Lindon View Park

8 **Capital Expenditures**

Water Fund

- 10 • \$25,000 for well reconstruction
- \$250,000 for new well, phase 1
- 12 • \$50,000 for PRV upgrades
- \$30,000 for secondary water traveling screen rebuild
- 14 • \$45,000 for 835 East booster station upgrades
- \$25,000 for water system meter upgrades
- 16 • \$150,000 for waterlines in Treasury subdivision and on Geneva Road
- \$15,000 for PI Booster #3 upgrades
- 18 • \$652,000 for North Union canal piping (\$300,000 funded by B.O.R. grant)

Sewer Fund

- 20 • \$25,000 for truck
- \$35,000 for trailer mounted sewer bypass pump
- 22 • \$250,000 for lift stations demolition, 130 S installation, & L.S. #4 & #5 upgrades

Storm Water Fund

- 24 • \$25,000 for emergency contingency

26 Ms. Colson also presented graphs and charts showing Total City Revenues
 (\$19,950,919) with the net of fund balances and transfers, Lindon City’s Major Revenue
 28 Sources (10 yr. history & 5 yr. forecast), General Fund Revenues (\$11,641,139),
 Citywide Expenditures by Object (total expenditures \$21,012,642) and net of fund
 30 balances & transfers and General Fund Expenditures followed by some general
 discussion.

32 Mr. Cowie mentioned that overall the city is in a healthy position and has had the
 best financial year we have had (last 12 months) and they are projecting that will
 34 continue over the next fiscal year. He noted this will come back as a public hearing on
 June 19th for approval of the Final Budget.

36 Mayor Acerson called for any public comments. Hearing none he called for a
 motion to close the public hearing.

38
 40 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
 HEARING. COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL
 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

42
 44 Mayor Acerson called for any further comments or discussion from the Council.
 Hearing none he called for a motion.

46 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2018-
 13-R APPROVING THE FY2019 PROPOSED BUDGET WITH THE

2 RECOMMENDATIONS MADE BY COUNCIL. COUNCILMEMBER MAGLEBY
3 SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

4 COUNCILMEMBER BEAN AYE
5 COUNCILMEMBER LUNDBERG AYE
6 COUNCILMEMBER BRODERICK AYE
7 COUNCILMEMBER HOYT AYE
8 COUNCILMEMBER MAGLEBY AYE
9 THE MOTION CARRIED UNANIMOUSLY.

10
11 **8. Recess to Lindon City Redevelopment Agency Meeting (RDA)**

12
13 COUNCILMEMBER BEAN MOVED TO RECESS THE MEETING OF THE
14 LINDON CITY COUNCIL AND CONVENE THE MEETING OF THE LINDON CITY
15 REDEVELOPMENT AGENCY AT 9:37 P.M. COUNCILMEMBER LUNDBERG
16 SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION
17 CARRIED.

18
19 BOARDMEMBER MAGLEBY MOVED TO ADJOURN THE MEETING OF
20 THE LINDON CITY RDA AND RE-CONVENE THE MEETING OF THE LINDON
21 CITY COUNCIL MEETING AT 9:40 P.M. BOARDMEMBER HOYT SECONDED
22 THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

23
24 *At this time Mr. Cowie requested to move to agenda item #10 and resume the*
25 *regular agenda item following review. The Council was in agreement to amend the*
26 *agenda order.*

- 27
28 **9. Review & Action — Indemnification & Use Agreement.** The City Council will
29 review and consider an Indemnification and Use Agreement between Lindon City
30 and Carlos Chavez to allow continued agricultural use on the future cemetery
31 expansion property located at approximately 120 East 600 North consisting of
32 approximately 4-acres.

33
34 Mr. Cowie referenced the agreement that has been negotiated between the City
35 and Carlos Chavez. He noted Mr. Chavez has been associated with farming the future
36 cemetery expansion property for many years. He now owns the company that farms the
37 property and has been a good steward of the land on behalf of the City. In prior years he
38 has not paid any lease money for use of the land or water, but he understands the need for
39 liability protection and payment for use of the land that is publicly owned. He noted an
40 annual payment to the City for use of the land is set at \$1,000 annually, to be collected in
41 the fall each year.

42
43 Mr. Cowie mentioned if this agreement is approved by the Council, staff would
44 also like to discuss a possible use for the annual revenue to build a small indigent
45 cemetery plot and/or headstone fund as the City has a few graves that do not have
46 headstones installed due to lack of funds by families. He noted the revenue from this
annual lease may be a good opportunity to build up a small fund that could be used for
indigent families or persons through a simple application process. Following discussion,

2 the Council was in agreement to allow Mr. Chavez to continue to use the property for
4 agricultural use and to utilize the revenue for an indigent cemetery plot and/or headstone
fund.

6 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

8 COUNCILMEMBER HOYT MOVED TO APPROVE THE
INDEMNIFICATION & USE AGREEMENT BETWEEN LINDON CITY AND
10 CARLOS CHAVEZ FOR CONTINUED AGRICULTURAL USE OF THE FUTURE
CEMETERY EXPANSION LAND WITH THE FUNDS BEING USED FOR FUTURE
12 INDIGENT NEEDS. COUNCILMEMBER BEAN SECONDED THE MOTION. THE
VOTE WAS RECORDED AS FOLLOWS:

14 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
16 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
18 COUNCILMEMBER MAGLEBY AYE
THE MOTION CARRIED UNANIMOUSLY.

20 **10. Continued Public Hearing — Consideration of Offer on Sale of Real**

22 **Property; Resolution #2018-12-R.** This item was continued from the May 1,
2018 meeting. The City Council will review and consider an offer received on
24 nine acres of surplus real property located at approximately 2100 West 600 South,
Lindon (portion of Utah County Parcel ID #17:023:0012). The property has been
26 listed for sale by the City since the fall of 2015. The nine-acre section of this
parcel was officially declared by the City Council as surplus real property through
28 Resolution #2017-15-R.

30 COUNCILMEMBER LUNDBERG MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL
32 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

34 Adam Cowie, City Administrator, led this discussion by explaining the
background information and dates of some more recent public meetings and public
36 hearings regarding the disposal of this property that are outlined in the attached
Resolution #2018-12-R. He stated the Lindon City Council previously declared this land
38 as surplus real property in June of 2017 and, having an offer near the listing price, is now
able to accept public comment on the offer and sale. He noted the property is zoned as
40 Light Industrial.

Mr. Cowie further explained the City Council will accept public comment and
42 consider an offer received from the City of Vineyard for purchase of real property owned
by Lindon City. Vineyard City submitted the draft offer to Lindon on April 26, 2018 and
44 the Lindon Council considered the draft offer on May 1, 2018 and continued the item to
this meeting. He went on to say the Vineyard City Council met and approved the current
46 purchase offer on May 9, 2018. The listed asking price on the nine-acre parcel is \$4.75
per square foot. The offered price is \$1,822,926 as calculated at \$4.65/sq. ft. of deeded

2 land. Earnest money is listed at \$50,000 with proposed closing by June 12th (assuming
4 supplemental inter-local agreements for a boundary change can be completed by this
date).

6 Mr. Cowie went on to say the Town of Vineyard is considering purchase of the
entire 9-acre parcel for their future public works facility and yard on the site. Vineyard
8 has listed as a condition of the sale that the city boundary between Lindon and Vineyard
will be changed. He indicated in prior negotiations with the Vineyard Mayor and City
10 Manager that they seem willing to accept the 600 South roadway as part of any boundary
changes so that the road will also become part of Vineyard and removed from Lindon
City limits.

12 Mr. Cowie pointed out with this updated offer Lindon is not responsible to
provide water or other utility services to the site. There is potential that Vineyard will not
14 need all of the 9-acres for public works uses and at some point, they may sell the surplus
land. Lindon City is concerned about loss of potential taxable land, therefore, to protect
16 Lindon's interests in keeping taxable land within its boundaries, it appears to be feasible
to enter into an Inter-local Agreement between Lindon and Vineyard and also record a
18 deed restriction on the property so if Vineyard sells the surplus property the boundary
line between cities must be changed back prior to the sale so that the taxable properties
20 are moved back within the Lindon City limits. Mr. Cowie further explained if Lindon
accepts the offer with the condition regarding the boundary line adjustments between the
22 cities a separate process is required to be followed in order to change city boundaries and
complete an Interlocal Agreement.

24 Mr. Cowie also mentioned the City also received a back-up offer on May 9, 2018
from Anderson Development. This offer indicates they would be purchasing only 7 out of
26 the 9 acres (excludes the power line easement) at a price of \$1,448,370 as calculated at
\$4.75/ sq. ft. and excludes any jurisdictional wetlands that may be found. Earnest money
28 is listed at \$25,000 with a proposed closing 90-days after acceptance. He suggested if the
current offer from the Town of Vineyard is not accepted, the Council should review and
30 consider this back-up offer from Anderson Development.

32 Jared Hunt, real estate agent on the property, was in attendance to address the
Council. Mr. Hunt stated this appears to be a very straightforward offer with no
financing contingency with a relatively quick closing time table. He noted it is his
34 understanding that Vineyard has the funds currently available, so they don't have to
negotiate payment; this takes a lot of the variables out of the real estate transaction so it
36 will be a pretty secure transaction. Councilmember Hoyt questioned why this item was
not discussed in a closed session due to the fact if the Council wanted to discuss a
38 counteroffer as the Vineyard City Manager is in the audience. Mr. Cowie stated this is the
same offer that was previously discussed. He added if there are other issues the Council
40 feels need to be further discussed in a closed session it can be scheduled. If that is the
case he would recommend continuing this item.

42 There was then some general discussion by the Council regarding the proposed
offer including issues of providing police services, the proposed boundary line change,
44 contract deadlines, possible uses of the surplus property (park) and maintenance of the
road. Councilmember Lundberg suggested Vineyard provide police services (oversight)
46 with the remaining Lindon portion to be included in the interlocal agreement. The
Vineyard City Manager stated there is already a strong police presence and patrolling in

2 the area. Councilmember Broderick suggested a joint partnership with Vineyard to turn
4 the surplus land into a park may be something to consider in the future as it would benefit
6 both cities. Councilmember Bean pointed out when you start to put too many
contingencies you may delay the transaction over time as the city has made the decision
to sell the property. Councilmember Magleby stated he feels this is a good opportunity to
sell to a sister city and to move forward and find the best way to utilize the revenue.

8 Following discussion, the Council agreed these issues/details could be discussed
10 further post the sale of the property, but they want to ensure they work out all details and
to give it the best consideration possible. Mr. Cowie re-iterated the offer is accepted with
12 the condition regarding the boundary line adjustments between the cities and a separate
process is required to be followed in order to change city boundaries and to complete an
Interlocal Agreement with a public hearing.

14 Mayor Acerson called for any public comments. Hearing none he called for a
motion to close the public hearing.

16
18 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
HEARING. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

20
22 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion.

24 COUNCILMEMBER BEAN MOVED TO APPROVE RESOLUTION #2018-12-
R ACCEPTING THE PURCHASE OFFER BY THE TOWN OF VINEYARD.
26 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

28 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
30 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
32 COUNCILMEMBER MAGLEBY AYE
THE MOTION CARRIED UNANIMOUSLY.

34 11. COUNCIL REPORTS:

36 **Councilmember Hoyt** – Councilmember Hoyt reported the Historic Preservation
38 Commission has started the Yard of the Month program; the recipients will receive pool
punch passes. He also mentioned the recent tragic Pleasant Grove accident involving an
40 employee who was under the influence of opioids, and questioned liability and what city
policy is for random drug testing. Mr. Cowie stated there is a policy in place for alcohol
42 and drug use and the city does random drug testing twice a year (those with a CDL are
tested more often). Councilmember Hoyt suggested doing the random testing more
44 frequently and to perhaps have more dialogue on this issue.

46 **Councilmember Broderick** – Councilmember Broderick reported he met with the
County Assessor, Chris Poulson, along with Mr. Cowie and Mr. Van Wagenen regarding

2 new growth and funding. He noted their intent is to try and bring in consistent revenue.
He added the city does a great job of reporting new building permits.

4
6 **Councilmember Bean** – Councilmember Bean noted there has been some feedback from
the Planning Commission application on the city website and they will be doing
interviews.

8
10 **Councilmember Lundberg** – Councilmember Lundberg reported the Arbor Day
celebration was well attended and a great event. She noted the Tree Board worked hard
and did a great job.

12
14 **Councilmember Magleby**– Councilmember Magleby reported the Police Recognition
Night will be held Thursday, May 17th at the Community Center at 6 pm.

16 **Mayor Acerson** – Mayor Acerson had nothing further to report.

18 12. **Administrator’s Report:** Mr. Cowie reported on the following items followed by
discussion.

20 **Misc. Updates:**

- April newsletter
- June newsletter article: Brad Jorgensen - Article due to Kathy Moosman last week
in May
- Misc. Items

26 **Upcoming Meetings & Events:**

- May 17th at 6:00pm – Lindon Police Dept. Recognition Dinner at Community
Center
- May 28th – Memorial Day Ceremony at Lindon City Cemetery Monument to
Freedom
- May 28th – City offices closed for Memorial Day

32
34 Mayor Acerson called for any further comments or discussion from the Council.
Hearing none he called for a motion to adjourn.

36 **Adjourn** –

38 COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING
AT 11:15 PM. COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

40

Approved – June 5, 2018

42

44

Kathryn Moosman, City Recorder

46 _____
Jeff Acerson, Mayor