

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, June 4, 2019,**  
4 **beginning at 7:00 pm** in the Lindon City Center, City Council Chambers, 100 North  
State Street, Lindon, Utah.

6 **REGULAR SESSION** – 7:00 P.M.

8 Conducting: Matt Bean, Mayor pro tem  
Pledge of Allegiance: Mike Vanchiere  
10 Invocation: Jake Hoyt

12 **PRESENT**

Matt Bean, Councilmember  
14 Carolyn Lundberg, Councilmember  
Van Broderick, Councilmember  
16 Jacob Hoyt, Councilmember  
Mike Vanchiere, Councilmember  
18 Adam Cowie, City Administrator  
Mike Florence, Planning Director  
20 Kathryn Moosman, City Recorder

**EXCUSED**

Jeff Acerson, Mayor

- 22 1. **Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.
- 24 2. **Presentations/Announcements** –  
26 a) **Comments/Announcements from Mayor and Council** – There were no  
announcements at this time.
- 28 3. **Approval of Minutes** – The minutes of the regular meeting of the City Council  
meeting of May 21, 2019 were reviewed.

30 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE MINUTES  
32 OF THE REGULAR CITY COUNCIL MEETING OF MAY 21, 2019 AS  
PRESENTED. COUNCILMEMBER HOYT SECONDED THE MOTION. THE VOTE  
34 WAS RECORDED AS FOLLOWS:

COUNCILMEMBER BEAN AYE  
36 COUNCILMEMBER LUNDBERG AYE  
COUNCILMEMBER BRODERICK AYE  
38 COUNCILMEMBER HOYT AYE  
COUNCILMEMBER VANCHIERE AYE

40 THE MOTION CARRIED UNANIMOUSLY.

- 42 4. **Open Session for Public Comment** – Mayor pro tem Bean called for any public  
comment not listed as an agenda item. There were no public comments.

44

- 46 5. **Consent Agenda Items** – There were no consent agenda items for approval.

**CURRENT BUSINESS**

2       **6. Public Hearing — Amendment to Commercial Farm Zone; Ordinance**  
3       **#2019-9-O.** The City Council will accept public comment as it reviews and  
4       considers approval of Ordinance #2019-9-O amending Lindon City Commercial  
5       Farm Zone Chapter 17.51.130 to reduce landscaping requirements between  
6       parking lots and the street in the commercial Farm Zone. Application is made by  
7       Mike Jorgensen. The Planning Commission recommended approval to the City  
8       Council.

10           COUNCILMEMBER LUNDBERG MOVED TO OPEN THE PUBLIC  
11       HEARING. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL  
12       PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

14           Mike Florence, Planning Director, led this discussion by giving a summary of the  
15       key issues noting the applicant, Mike Jorgensen, made application to amend Title  
16       17.51.130(4) pertaining to proximity of parking to the street right-of-way in the  
17       Commercial Farm zone. He noted current city code prohibits parking spaces from being  
18       located closer than thirty feet from a front property line or street side property line. Mr.  
19       Jorgensen is requesting an ordinance amendment to be able to reduce the 30' parking  
20       setback. The setback that the applicant would like to reduce is on 500 East, directly  
21       across the street from Rocky Mountain Elementary. The setback would be reduced to  
22       approximately 19 ft. Mr. Jorgensen would like to relocate the reduced landscaped area to  
23       the interior of his parking lot. He noted the Planning Commission held a public hearing  
24       on this item on May 14<sup>th</sup> and 28<sup>th</sup> and unanimously recommended approval of the  
25       ordinance amendment.

26           Mr. Florence explained no required parking spaces shall be within thirty feet (30')  
27       of a front property line or street side property line unless approved by the Land Use  
28       Authority. The Land Use Authority may reduce this requirement where an alternative  
29       plan is proposed that meets the design intent of the Commercial Farm Zone while also  
30       maintaining appropriate setbacks and buffers compatible with surrounding properties.

31           Mr. Florence commented the proposed ordinance requires an applicant to provide  
32       an alternate plan if there is a request to reduce the parking setback. The land use authority  
33       must consider whether the changes would be compatible with surrounding properties by  
34       evaluating the intent of the Commercial Farm zone, and setbacks and other buffers on  
35       surrounding properties. The ordinance requires that there be no net loss of the overall  
36       landscape percentage. If landscaping is reduced in one area, the same percentage needs to  
37       be relocated to another. Mr. Jorgensen has provided some concepts of his proposed  
38       changes to reduce the parking setback on 500 East and increase the amount of  
39       landscaping in the parking lot.

40           Mr. Florence noted that Mr. Jorgensen proposed this idea of relocating the  
41       landscaping when he petitioned for the original zone change to the Commercial Farm  
42       zone. Staff has included the planning commission and city council meeting minutes from  
43       2018 in the staff report as well as the planning commission minutes from May 14, 2019.  
44       Current Landscaping along 500 East.

45           Mr. Florence then presented the Proposed Ordinance, Site Plan, Landscape  
46       renderings provided by the applicant, the current approved landscape plan, the 2018  
47       Planning Commission and City Council meeting minutes, and the May 14, 2019 planning

2 commission meeting minutes followed by discussion. He then turned the time over to the  
3 applicant for comment.

4 Mr. Jorgensen explained if they can put the landscaping in the middle it makes  
5 more sense and gives it a higher and better use. He realizes it creates an option for  
6 someone else to come in with the same request (if it meets the qualifications).

7 Councilmember Lundberg stated she likes the alternative plan and beautifying the  
8 interior is logical. In this instance we are not losing beautification or landscaping and  
9 there will be a higher and better purpose and no one will be negatively impacted. Also  
10 creating the language that gives the land use authority some creativity is beneficial.

11 Mayor pro tem Bean called for any public comments. Hearing none he called for  
12 a motion to close the public hearing.

13  
14 COUNCILMEMBER HOYT MOVED TO OPEN THE PUBLIC HEARING.  
15 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT  
16 VOTED IN FAVOR. THE MOTION CARRIED.

17  
18 Mayor pro tem Bean called for any further comments or discussion from the  
19 Council. Hearing none he called for a motion.

20  
21 COUNCILMEMBER LUNDBERG MOVED TO APPROVE ORDINANCE  
22 2019-9-O AMENDING LINDON CITY CODE CHAPTER 17.51.130 COMMERCIAL  
23 FARM ZONE AS PRESENTED. COUNCILMEMBER VANCHIERE SECONDED  
24 THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

25 COUNCILMEMBER BEAN AYE  
26 COUNCILMEMBER LUNDBERG AYE  
27 COUNCILMEMBER BRODERICK AYE  
28 COUNCILMEMBER HOYT AYE  
29 COUNCILMEMBER VANCHIERE AYE

30 THE MOTION CARRIED UNANIMOUSLY.

- 31  
32 7. **Discussion Item — FY2020 Budget Items;** The City Council will have  
33 continued discussion on employee Merit and COLA, and Utility Rates Study and  
34 recommended increases (JUB Engineers will present the utility rate study) and  
35 merchant fees for credit card payments. The City Council will provide feedback  
36 for staff's direction.

37  
38 Ms. Colson opened this discussion by stating she will be reviewing the budget  
39 issues to get direction and feedback from the Council as follows:

40  
41 **Budget Issue #1: Should Lindon City provide employees with a 2.0% Cost of Living  
42 Allowance (COLA) increase and provide for a merit increase of 3.0% in January?**

43  
44 Ms. Colson explained the Consumer Price Index (CPI) had an average annual  
45 increase of 2.3% from March 2018 to February 2019 according to US Department of  
46 Labor.

Ms. Colson further explained Merit increases would be effective January 2020 and would be awarded based on performance evaluations. Merit increases would be one step for employees below the mid-range. Employees at or above the mid-range step would receive a 3.0% performance-based merit increase. One-time merit increase payments have also been given to employees who have reached the maximum wage on their range of the pay scale. These employees are still valued for their expertise and are given this one-time payout based on their performance evaluations, but their wage does not increase. The one-time payouts are calculated based on the amount of merit increase they would receive for 12 months. Historically, COLA and merit increases have provided somewhat consistent buying power for the employees and have kept salaries competitive and employee morale high.

Ms. Colson noted Lindon City conducts compensation studies every few years to ensure that employee compensation remains competitive with similar municipalities. In the more distant past, there were many positions that would have to be adjusted to bring them to the midpoint of the surveys. In the past 5 years, this has rarely happened because positions have remained competitive due to the annual COLA and merit increases. Each year, there is an increase in payroll and/or benefits costs to the City. This year, the City is changing the benefits offered to benefitted employees and decreasing the benefit costs.

Ms. Colson then referenced the chart showing the combination of the costs of Benefit Allowance and Pay Increases for insurance and pay for the prior, current and budgeted fiscal years. Ms. Colson also presented a chart showing a history of the COLA increases that Lindon City has provided for the employees.

Ms. Colson indicated the fiscal impact for this proposal of 2.0% COLA effective July 1, 2019 and a one step or 3.0% merit increase effective January 1, 2020 is shown below and included in the Proposed Budget.

	COLA only	Merit only	COLA & Merit
General Fund	\$79,198	\$85,690	\$166,602
Water Fund	\$4,542	\$6,203	\$10,869
Sewer Fund	\$4,247	\$3,730	\$8,052
Storm Water Fund	\$3,073	\$2,253	\$5,371
Recreation Fund	\$5,466	\$5,810	\$11,392
<b>Citywide Totals</b>	<b>\$96,526</b>	<b>\$103,686</b>	<b>\$202,286</b>

Ms. Colson indicated with concerns about continually increasing wages, the City Council has asked for different scenarios for payroll increases and their corresponding impact on the budget.

She noted there are 13 different scenarios listed in the Figure 4 matrix (see below). Six scenarios (colored blue) have different combinations of COLA and Merit increases on employees' wages. Six scenarios (colored tan) have different combinations of COLA and Merit increases on employees' wages as well as a one-time (1x) payout of 1% COLA or 1% Merit pay. One scenario (colored yellow) has a 2% Merit increase, a 1% COLA increase and two 1% 1x payouts, one for COLA in July and one for Merit in January. The matrix below also shows in parentheses the amount of onetime merit pay that would go to employees who have reached the top of their pay ranges.

COLA on Wages	Merit on Wages			Mix of Merit 2% + 1% 1x
	3.0%	2.5%	2.0%	
2.0%	\$202,286 (\$19,561)	\$190,487 (\$16,329)	\$178,689 (\$13,097)	\$220,776 (\$19,561)
1.5%	\$177,636 (\$19,424)	\$165,895 (\$16,208)		\$196,035 (\$19,424)
1.0%	\$152,986 (\$19,286)			\$171,295 (\$19,286)
Mix of COLA 1% + 1% 1x	\$200,286 (\$19,286)	\$188,603 (\$16,086)	\$176,920 (\$12,886)	\$218,894 (\$19,286)

Amount in parentheses is the cost of the 1x merit payout for maxed employees and is included in the amount above it

2

4 Ms. Colson noted additional information was included in the staff report from the  
 5 May 21<sup>st</sup> meeting to aid in this discussion as follows:

6

- 2018-2019 Lindon City position schedule
- 2018-2019 Lindon City pay scale
- 8 • A review of how employee performance evaluations impact their merit increases
- Average employee performance evaluation scores by department for the last 5
- 10 years
- List of increases that other entities are proposing
- 12 • Table which shows how long it would take an average employee to reach the top  
 of their pay range with different average merit increases

14

16 Mayor pro tem Bean commented on the options/history for COLA followed by  
 17 discussion. He asked, based on the diagram, if the council feels we are tied to any specific  
 18 number, (especially for COLA) and if there are options. The council agreed there are options  
 19 on COLA. Mayor pro tem Bean stated he feels it is good to calculate it and to understand  
 20 where we are and to not necessarily rely on the general fund balance to determine merit. The  
 21 general fund balance itself can be impacted greatly based on decisions of the council that  
 22 impact employees either positively or negatively. This has concerned him for some time and  
 23 those on the budget committee are aware of that and have thought of ways to determine that  
 24 and have not yet come to a conclusion as to what that ought to be. Councilmember Broderick  
 stated he uses that as a point of reference and information to know and to also get a feel as  
 to what is in the bank.

26

Mr. Cowie stated in 2013 when we started looking at that it was a gauge to give  
 them the capacity to do other things financially. Councilmember Lundberg pointed out in  
 28 looking at the history and going back to 2005 each year is different from year to year and  
 29 questioned if there should be something a little more consistent. We have not given much  
 30 foundational direction and questioned if it should it be something predictable; it seems it  
 swings without rhyme or reason.

32

Councilmember Hoyt questioned if we can bind a future council or if as a city  
 council can we cap it? Mr. Cowie stated the council has full discretion and clarified if there  
 34 is a cap staff would need a number tonight as we are at the deadline. He added a future  
 council could just change the ordinance. Mr. Cowie then explained the competitive rates  
 36 and market adjustments and how they determine the level of financial gauging.

2 At this time Mayor pro tem Bean suggested looking at the scenarios presented and  
3 assess where the council feels comfortable.

4 Councilmember Broderick proposed using a 2% Merit and a 1% percent COLA  
5 (ongoing) and a 1% bonus for those who work the entire year so a total of 4% with the 3%  
6 compounded. He added given our history, he is pleased to suggest these numbers. There  
7 was then some general discussion regarding Councilmember Broderick's proposal.

8 Councilmember Bean stated he would be more comfortable with a 2.5% Merit and  
9 a 1.5% COLA (total of 4%) and yet he would be open to discuss something further that  
10 moves people in the pay scale.

11 Councilmember Hoyt stated he likes both ideas, but once we get above 4%, he gets  
12 nervous, however, this is one of our best years and we are hitting our financial goals, so he  
13 would agree to go with the 2.5% Merit and 1.5% COLA proposal.

14 Councilmember Vanchiere also agreed with Councilmember Bean's proposal with  
15 the 2.5% Merit and a 1.5% COLA.

16 Councilmember Broderick said he agrees Councilmember Bean's proposal would  
17 be a good option as health insurance costs have come down; he feels he could get on board  
18 with his proposal.

19 Councilmember Lundberg commented it is not a real difficult bar to reach with  
20 merit; it is achievable and would meet the objectives; we have good people who meet the  
21 objectives. She would be on board with the proposed combined 4%.

22  
23 At this time Mr. Cowie took a straw poll vote on Budget Issue #1 with a proposed 2.5%  
24 merit and 1.5% COLA. The straw poll vote was recorded as follows:

25 **Councilmember Bean - Aye**

26 **Councilmember Lundberg - Aye**

27 **Councilmember Hoyt - Aye**

28 **Councilmember Broderick - Aye**

29 **Councilmember Vanchiere - Aye**

30 **The straw poll vote showed unanimous support.**

31  
32 **Phil Brown:** Chief Building Official, commented as staff and department heads got  
33 together, they feel the council should support the 5% increase based on long history and the  
34 financial health of the city and he is not sure why the council has to cut that down. He  
35 asked if it is just the number the council doesn't feel good about and if it is arbitrary. Mr.  
36 Brown said he not just speaking for himself but is speaking for a lot of employees that have  
37 concerns too.

38  
39 Councilmember Bean commented this is a tough issue to deal with and he  
40 mentioned some data points, factors and combined history over 15 years. He added in  
41 fairness, if you pull some years out you would find 4% or lower; most cities are averaged at  
42 4%. From their own experiences (municipalities are different than the private sector), but  
43 most of those in the private sector rarely see anything much above 3%.

44 Councilmember Hoyt expressed that the council wants to keep our great employees  
45 pointing out we offer a benefit package second to very few. The city council tries to weigh  
46

2 the heavy burden to the taxpayer and maintaining a 23-million-dollar budget. He agreed  
with Councilmember Bean that the private sector never gets a 4% raise.

4 Councilmember Broderick asked Mr. Brown why he thinks the council is being  
arbitrary on the 4% and why he picked 5% and if that is an arbitrary number. Mr. Brown  
6 stated he looking at his department and is trying to attract good people for the future of his  
department and needs those numbers (that may need to be higher) to attract those great  
8 people to come and work in his department.

10 Councilmember Vanchiere pointed out that is different issue that we are talking  
about. We would need to look at salary comparisons for different positions to attract good  
employees to certain positions. Councilmember Lundberg stated we have already adjusted  
12 position wages to be competitive. Councilmember Bean stated there are precedents for that  
in this city and the council would be open to look at competitive wages; the city has been  
14 generous with their total compensation package.

16 Councilmember Lundberg commented that the employees are very important to the  
city but the council also answers to neighbors and constituents. She has never had a 4%  
increase and the council must do what is good for the city as there will be a future recession  
18 sometime and we must not get ahead of ourselves; it is tough to be pulled in many  
directions. We have to look at retirement and benefits too; they have looked at the data and  
20 we want to retain our awesome employees.

22 Councilmember Vanchiere expressed that he feels 4% is fair pointing out that the  
city council is looking to the future and building for the future for when times get tough. He  
added if we continue to be wise stewards, we may be in a position to still give raises even  
24 in a recession.

26 **Jake Woodcox:** Mr. Woodcox commented that he is happy with the 4%, but at the same  
time with the healthiest budget the city has seen, even to see the dock in the 5% (even  
28 though it was at 5.3% total) and then brought down to 5%. He added in a healthy budget  
year that would seem to make sense. The city employees do a great job and everyone wants  
30 to make the best living for their family that they possibly can. He is glad for the  
compounding and not the one-time payout and he understands the points made.

32 **Jen Wakeland:** Ms. Wakeland expressed that she is incredibly grateful for any increase,  
34 but if city is doing better than they have ever done she would question why not be as  
generous as you can to take care of the people you are entrusting to take care of the city,  
36 especially in a banner year; make it a banner year for everyone. She believes the council  
can be responsible of the budgets and still take care of our employees. Generosity to the  
38 people you entrust to make things work will ever go unappreciated or detrimental to the  
future success of this city. She loves her department and her team is amazing, and if we can  
40 be responsible stewards we should be.

42 Councilmember Hoyt commented the city council doesn't want to let people down  
but to be frank, he does not think a 5% would have been approved. They need to be better  
44 at setting expectations and will do a better job at that. He appreciates the work of everyone  
and the comments heard tonight. Councilmember Broderick agreed with that statement  
46 noting he also appreciates the comments heard tonight.

2 Councilmember Bean stated the council appreciates the comments heard tonight.  
He also expressed that it would be beneficial if Lindon had a more reliable tax base as we  
4 are not on the same playing field as some other entities. He also pointed out that we have  
not had to cut wages in bad years; there are many factors to consider.

6  
**Chief Josh Adams:** Chief Adams stated he has lost 1/3 of his department this year and not  
8 because of wages but it is something to consider as they are competing against other public  
sectors and they are recruiting. He does not have a problem with the 4% but in a year where  
10 the city has zero claims on risk management and when they have done a lot of good things  
it would make sense to recognize that. Some officers have left because the long-term  
12 trajectory does not move. In his profession good people will leave for 50 cents an hour.  
They are extremely stable because their people do an exceptional job but the retention  
14 factor is an issue as they can make more in the private sector.

16 Councilmember Lundberg commented she is hearing that we need is to be attentive  
to individual positions staying competitive on an as needed market basis. We also need to  
18 be attentive and responsible across the board year after year.

20 Ms. Colson then went on to Budget Issue #2 as follows:

22 **Budget Issue #2: Should Lindon City increase Water, Sewer, Storm Water, Garbage**  
**and Recycling utility rates?**

24  
Ms. Colson state Mark Christensen from JUB Engineers is here to present the  
26 final utility rate study. Mr. Christensen noted each year they try to estimate what  
expenses the city will incur and how much revenue the city will see in different utility  
28 accounts. For these reasons they have prepared this study to identify the financial needs  
of the water, sewer, and storm water funds and recommend a change in rates to better  
30 meet the needs of each utility. This study is an update to the last rate study update  
completed in 2018.

32 Mr. Christensen explained the results of this update will enable the City to  
identify the existing deficiencies in each of the three utility funds and see the required  
34 revenues needed to maintain a high level of service for the residents and businesses. This  
study identifies future utility operating, maintenance, capital and replacement costs such  
36 that the utility funds will be able to meet future financial obligations.

38 Mr. Christensen noted the object of this study is to identify the needed revenues to  
cover future expenses without the requirement of debt. They accomplished this by using  
historical revenues and expenditures to project future operating and maintenance needs.  
40 They used existing costs for current and planned capital projects and debts. Last, they  
inventoried the complete utility network and estimated an annual replacement and  
42 maintenance cost using respective lifespans for each utility feature. The total of these  
three items for each utility is the needed future revenue. In 2014, we proposed an  
44 increase for each utility rate by an annual percent increase over a 5-year period until the  
future financial needs were met. He pointed out that this study will adjust rate change  
46 recommendations to meet expense projections.

2 Mr. Christensen indicated this study also recommends pressure irrigation and  
4 groundwater rates for the Anderson Farms development, as required by their  
development agreement with Lindon City. Average residential water use appears to have  
decreased slightly since tiered water rates were enacted.

6 Mr. Christensen stated they recommend the following rate changes for the  
upcoming 2019-2020 fiscal year:

8 **Culinary Water:** Base rate increase of 9%; increase in usage rates and blocks varies

10 **Pressure Irrigation:** No change

**Sanitary Sewer:** Base and usage rates increase of 4%

12 **Storm Water:** Continue annual rate increase of 13%

**Anderson Farms Groundwater:** No change

14 **Anderson Farms Pressure Irrigation:** Increase base rate to \$6.20/month (in addition to  
the existing rate) and increase usage rate to \$0.57/1000 gallons.

16  
18 Mr. Christensen stated they also recommend that all utility rates continue to be  
adjusted to keep up with inflation. The recommended rates include the estimated increase  
for inflation.

20 Mr. Christensen then gave a brief background noting utilities operated by Lindon  
City consist of culinary water, secondary water, sanitary sewer, and storm water, and in  
22 one area, groundwater. The cost of system operation, maintenance, and replacement  
varies for each utility. Lindon City has established criteria for determining the cost of  
24 each of these utilities for their users as follows:

26 Culinary Water

In 2016, legislation passed by the State of Utah required the use of a tiered water system  
28 to promote water conservation. Ideally, culinary water base rates should cover fixed costs  
associated with managing the system, and usage rates should cover variable costs. In an  
30 effort to promote water conservation, a tiered rate structure assesses one usage rate for  
the first given amount of water and successively higher usage rates for increasingly larger  
32 amounts of water usage. In Lindon, usage rates cover the variable costs and some of the  
fixed costs; otherwise, usage rates would be so low that they would not encourage  
34 conservation.

36 Secondary Water

Secondary water is available in some locations of Lindon City. Since secondary water is  
38 not metered in most areas at the point of use, utility rates are a function of lot size, as  
water use loosely correlates to lot size. This rate has remained constant for many years,  
40 possibly since the system was constructed in the early 1990's. There has been hesitation  
to change the rate as some residents have reported being told the rate would not change  
42 when the system was built. They will need to change when the system is metered. Power  
costs associated with secondary water are added to the culinary rates.

44 Sanitary Sewer

46 For areas with pressure irrigation, the City bases the sanitary sewer rates on monthly  
culinary water consumption. For areas without pressure irrigation, the City bases sanitary

2 sewer rates on average culinary water consumption from December to March. Again,  
4 ideally, base rates are a function of fixed costs and usage rates are a function of variable rates.

6 Storm Water

8 Since 1997, when Lindon City instituted storm water utility rates, Lindon City has based  
10 storm water utility fees on impervious area. Basing the storm water rates on impervious  
12 area allows the City to distribute the cost in a reasonable way amongst all users. Lindon  
14 City determined the average contributing impervious area of a typical residential lot to be  
16 2820 square feet, thus defining 2820 square feet of impervious area as one equivalent  
18 residential unit (ERU). In non-residential areas, the City bases the fee on the number of  
equivalent ERUs. Since 1997 owners of new and substantially modified non-residential  
land developments have been required to limit the storm water runoff rate to 0.2 cubic  
feet per second per acre by detaining storm water on their site. Owners of non-residential  
developments whose site configuration limits the storm water runoff rate accordingly  
receive a 50% credit on their storm water utility fee.

20 Mr. Christensen went on to say this study uses historical data from rate studies for  
22 fiscal years 2004-05 to 2017-18, and more recent data provided to J-U-B Engineers by  
24 the City. We identified historical revenues from utility rates and the expenditures they  
fund for each utility (as opposed to other revenue and expenses such as those associated  
with impact fees). We projected utility fund expenses five years into the future based on  
historical trends, known upcoming projects, and anticipated replacement costs.

26 Mr. Christensen noted the revenue from user rates is fairly consistent and  
28 predictable, though the recent introduction of tiered water rates has resulted in a water  
conservation trend, which appears to be resulting in some conservation. The rate revenue  
depends upon the number of service connections, base and usage rates, and the volume of  
30 water used. We estimated the quantity of future service connections using a projected  
growth rate of 1.5% per year over the next five years, which is based on past estimates  
provided by the Planning Department.

32 Mr. Christensen commented that the miscellaneous revenue sources include  
34 sundry and interest revenues, connection fees, fixed asset disposal, and other  
miscellaneous sources. The miscellaneous revenue is very inconsistent and minimal  
36 compared to the rate revenue, so we did not use miscellaneous data in future projections  
for this study.

38 Mr. Christensen noted they derived the rate revenue slightly differently for each  
40 utility. Each of the three utilities has a fixed base monthly rate. Usage rates exist for the  
water systems and the sanitary sewer system. We estimated future water and sanitary  
42 sewer usage based on historical trends. In the case of the water fund, there are separate  
base rates for properties in the easterly two pressure zones, since service to them requires  
additional pumping. The groundwater pumping expenses and revenue are combined into  
one account on the City's books.

44 Mr. Christensen stated they categorized expenses into four areas: operating and  
46 maintenance (O&M) expenses, capital improvements from rates, replacement costs, and  
impact fee projects. Operating and maintenance expenses are the basic costs to keep the  
system running; they cover employees, materials, equipment and services related to

2 taking care of the system, fixing problems as they occur, and collecting payment from  
4 account holders. We projected future operating and maintenance items using trends in  
the historical data. We did this on a line item basis, as some expenses change over time at  
different rates than others.

6 Mr. Christensen explained that capital improvement maintenance and replacement  
projects expenses are funded by rates (these do not include capital improvement projects  
8 needed to accommodate growth, which may be funded by impact fees). Under this  
expense we included past and current projects that are financed and require repayment,  
10 projects paid for in cash, and planned future projects. We also identified projects that can  
be funded using impact fees. If a project is 100% impact fee eligible, we expect that no  
12 funds from rates will be used to construct it. In instances in which the project is partially  
eligible for impact fee funding, we estimated the portion that will be funded using utility  
14 enterprise funds.

16 Mr. Christensen noted replacement costs represent expenses associated with  
replacing components of the utility system as they reach the end of their useful life. These  
costs include past replacement project debts and the projection of future replacement  
18 costs of any element within the utility system beginning with fiscal year 2018-19. For  
this study, they have used a 25-year annual average replacement cost for each utility. This  
20 annual average cost will account for any replacement needs foreseen in the next 25 years  
and average them over those years.

22 Mr. Christensen then referenced Appendices A-C that contain a breakdown of  
various historical costs and estimated future expenses as well as the method of estimating  
24 them. They also include a listing of projects planned for the near future and the  
anticipated funding sources, as well as the projected costs of replacement projects.

26 Mr. Christensen stated that historically, the Water Fund has been able to generate  
the revenue to cover costs. Water Fund Revenues and Expenses. The total rate revenues  
28 and total capital improvement costs have trended very closely. The only reason there has  
been increasing fund balances year to year is due to miscellaneous revenues which have  
30 been very minor with a spike between 2006 and 2007. This is an example of why we did  
not use these revenues for future projections. It should be noted that the years with  
32 overall costs significantly greater than the total rate revenue were due to replacement  
costs. For instance, in years 2006-07 and 2010-11, replacement costs were \$306,812 and  
34 \$471,016 respectively. As the utility network ages, there will be future yearly costs  
similar to these. Most planned capital improvement projects for the water systems (not  
36 including projects funded by impact fees) have been completed.

38 Mr. Christensen noted that the water utility consists of a culinary water system  
and a secondary water system. Historically they have operated from a single water fund,  
with culinary rates being adjusted and secondary rates being constant (we expect that  
40 they will change as PI metering becomes widespread).

42 Mr. Christensen indicated that the State has passed legislature requiring the use of  
tiered water rates to promote water conservation. This has necessitated the complete  
reevaluation of the culinary water rates, which was initially completed for the 2017-2018  
44 fiscal year. The 2019 study includes a change in the meter size factors from what was  
historically used in Lindon to meter size factors that are based on Safe Maximum  
46 Operating Capacity in the AWWA standards (AWWA C-700, C-701 and C-702). The  
standards establish the ratio that is a measure of meter capacity of different size meters

2 relative to a 1” meter. This change brings the factors used in Lindon more in line with a  
4 standard that is commonly used in the United States. The previous factors had been in use  
6 for many years and may have been related to the diameter of the opening in a particular  
8 valve. These new factors are the basis of recommended culinary water (and metered  
10 secondary water) base rates for different meter sizes, as well as the volume of  
12 water within the usage blocks for different meter sizes.

8 Mr. Christensen stated that historically, the sanitary sewer fund has been able to  
10 operate profitably. Total rate revenues and total capital improvement costs have trended  
12 very closely in part due to substantial rate increases over the last several years needed to  
14 pay for necessary sewer treatment plant expansion projects. Miscellaneous revenues are  
16 minimal. He noted tabulations of the historical number of culinary water connections,  
18 which are the basis of sanitary sewer billings, as well as historical sewer rates.

14 Mr. Christensen stated the cost of managing the storm water system has steadily  
16 increased with growth and maintenance. For most years, revenue barely covered the  
18 costs of operating and maintenance, and has fallen short in some years, with the fund  
20 having recovered from having a negative balance just a few years ago.

18 Mr. Christensen stated the expenses and revenue associated with the groundwater  
20 pump station and associated collection system are part of the storm water utility fund.  
22 The rates are set to cover the operation, maintenance, and replacement costs of the  
24 infrastructure. Annual revenue in the groundwater fund will increase as more users are  
26 added to the system until buildout of the groundwater system is reached, which is  
28 expected to be in FY 2026-27.

24 Mr. Christensen indicated this Anderson Development timeline reflects  
26 development dates estimated at the time of the development agreement, modified by the  
28 submittal of development applications for the various phases of the development. While  
30 there are no units associated with the park. Due to this increasing number of connections  
over several years, we do not anticipate a need for rate changes during that time. We  
expect that when the system is built out, increases that maintain pace with inflation may  
be adequate for quite a long time.

32 Mr. Christensen stated the estimated costs for the operation and maintenance of  
34 utilities grows moderately for each year projected. The sanitary sewer fund shows little  
36 or no capital expenses over the projected years. The storm water and water funds have  
38 some capital expenses for each year. Beginning in fiscal year 2018-19, replacement and  
40 long-term maintenance costs are projected. Replacement and long-term maintenance  
42 costs are very significant and require a rate increase for each utility. The first few  
44 projected years include known replacement projects as well as the 25-year annual average  
46 replacement and long-term maintenance costs. We have assumed an inflation rate of 3%  
for the purposes of estimating future replacement costs. Typically, utility rates will need  
to increase yearly at a level matching the rate of inflation in order to preserve the ability  
of rate revenue to meet expenses.

42 Mr. Christensen then presented the Graphs of Historical and Future Revenues and  
44 Expenses. Mr. Christensen noted the graphs illustrate historical and future expenses  
(separated into operation and maintenance expenses, capital costs, and replacement costs)  
and revenues (separated by revenue from rates and revenue from miscellaneous sources).  
46 He noted that the expenses are stacked in order to illustrate the total of the three  
categories. The revenues are also cumulative, in order to show total revenues.

2 There was then some general discussion regarding the presentation and the  
4 recommended increases. Mr. Cowie noted Lindon's average base rate is about average  
6 compared to other comparable cities. The Council thanked Mr. Christensen for his good  
8 work and valuable information.

At this time Mr. Cowie took a straw poll vote on Budget Issue #2. The straw poll vote  
was recorded as follows:

**Councilmember Bean - Aye**

**Councilmember Lundberg - Aye**

**Councilmember Hoyt - Aye**

**Councilmember Broderick - Aye**

**Councilmember Vanchiere - Aye**

**The straw poll vote showed unanimous support.**

Ms. Colson then discussed Budget Issue #3 as follows:

**Budget Issue # 3: Should Lindon City charge a service fee when customers pay with a credit card?**

Ms. Colson explained Lindon City is taking more payments by credit card and we  
are paying 45% more in credit card merchant fees than 2 years ago. Credit card payments  
are taken through multiple portals and via face-to-face, phone and online channels.  
Lindon City also currently charges a convenience fee to accept court payments online  
(\$2.00) over the phone (\$1.50). We do not charge any other fees to use a credit card for  
payments. We also limit credit card payments in the Community Development  
department to no more than \$300.

Ms. Colson noted there are two types of fees: Convenience Fees and Service Fees  
as follows:

**Convenience Fees**

- Flat rate
- Cannot be charged on  
(Building Permits)  
Auto pay transactions
- Must be charged on ACH payments also  
(electronic checks)

**Service Fees**

- Flat rate or percentage based
- Cannot be charged on utility payments
- Can be charged to just credit card payments

Ms. Colson stated Lindon City would need to work with our credit card vendors  
in order to set up these fees and must be approved by Visa and the process could take  
about 60 days.

Ms. Colson noted the survey of service fees charged by other organizations is  
included in the staff report. She pointed out that taking credit cards is a convenience for  
both Lindon City and the customers. Lindon City has been able to cover merchant fees  
with our revenue, however, some of Lindon's fees have not increased to include the  
increasing amount of merchant fees we are being charged. She pointed out that  
recreational sports registrations are now all online. She noted merchant fees are not  
calculated into Building permits. She added if we start charging a service fee, this could  
increase the number of returned checks. She mentioned we can't set a maximum on the

2 amount against visa regulations, but we can choose what to charge a service fee on and  
4 build it into the fees (3.08% is the highest we can be charged). She would recommend  
using a 3% fee and select certain things to not charge it on.

6 Following some general discussion, the council agreed this is a good starting  
point to see how things go.

8 At this time Mr. Cowie took a straw poll vote on Budget Issue #3. The straw poll vote was  
recorded as follows:

10 **Councilmember Bean - Aye**

**Councilmember Lundberg - Aye**

12 **Councilmember Hoyt - Aye**

**Councilmember Broderick - Aye**

14 **Councilmember Vanchiere - Aye**

**The straw poll vote showed unanimous support.**

16  
18 Mr. Cowie noted they will hold a separate public hearing on the enterprise funds  
and then a public hearing to adopt the final budget and RDA based on prior discussions.

20 Mayor pro tem Bean called for any further comments or discussion from the  
Council. Hearing none he moved on to the next agenda item.

- 22 **8. Review & Action — Adoption of Wildfire Preparedness Plan; Resolution**  
24 **#2019-16-R;** The City Council will review and consider approval of Resolution  
#2019-16-R adopting the Wildfire Preparedness Plan for Lindon City. Chief  
Adams will present.

26  
28 Chief of Police, Josh Adams, was in attendance to present the Community  
Wildfire Preparedness Plan. Chief Adams began by giving an overview explaining on  
June 15, 2017, Lindon City Council adopted Resolution 2017-14-R, approving a  
30 cooperative agreement between the Utah Division of Forestry, Fire, and State Lands and  
Lindon City for wildfire management effective that date. This agreement included that  
32 Lindon City would participate in wildfire management activities and prepare a Wildfire  
Preparedness Plan (CWPP).

34 Chief Adams explained he coordinated the creation of this document with the  
Orem Emergency Manager, and the Orem Fire Department and all compliance  
36 requirements, including the fire mitigation goals have been followed. This preparation  
took place between June 2017 and March 2019, with assistance and input from Katie  
38 Gibble, Wasatch Front WUI Coordinator with Utah Division of Forestry, Fire, and State  
Lands.

40 Chief Adams noted two areas within Lindon City were qualified as wildfire  
mitigation areas: the Utah Lake Waterfront on the western boundary of Lindon City, and  
42 the Foothills Area along the eastern boundary of Lindon City. Lindon City had  
previously designated these two areas as fireworks restricted areas for the same reasons  
44 they qualify for CWPP area designation. The CWPP document was finalized in April of  
2019, and presented to the Lindon City Council for adoption on June 4, 2019.

46 Chief Adams stated over 600 of Utah's communities have been classified as "at risk" of  
wildfire. The safety of the citizens of any community and the protection of private

2 property and community infrastructure is a shared responsibility between the citizens; the  
owner, developer or association; and the local, county, state and federal governments.  
4 The primary responsibility, however, remains with the local government and the  
citizen/owner.

6 Chief Adams indicated the purpose of wildfire preparedness planning is to  
accomplish the following:

- 8 • Motivate and empower local government, communities, and property owners to  
organize, plan, and take action on issues impacting the safety and resilience of  
10 values at risk
- 12 • Enhance levels of fire resilience and protection to the communities and  
infrastructure
- 14 • Identify the threat of wildland fires in the area
- 16 • Identify strategies to reduce the risks to structures, infrastructure and commerce in  
the community during a wildfire
- 18 • Identify wildfire hazards, education, and mitigation actions needed to reduce risk
- Transfer practical knowledge through collaboration between stakeholders toward  
common goals and objectives

20 Chief Adams stated outcomes of wildfire preparedness planning is to facilitate  
organization of sustainable efforts to guide planning and implementation of actions:

- 22 1. Fire adapted communities
- 24 2. Resilient landscapes
3. Safe and effective fire response

26 There was then some general discussion following the presentation, the Council  
thanked Chief Adams for the valuable information and hard work on the project noting it  
28 is crucial to have this preparedness criteria in place in the event of a wildfire in or near  
the city limits.

30 Mayor pro tem Bean called for any further comments or discussion from the  
Council. Hearing none he called for a motion.

32  
34 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION 2019-16-R  
ADOPTING THE COMMUNITY WILDFIRE PREPAREDNESS PLAN FOR LINDON  
CITY AS PRESENTED. COUNCILMEMBER LUNDBERG SECONDED THE  
36 MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

38 COUNCILMEMBER BEAN	AYE
COUNCILMEMBER LUNDBERG	AYE
COUNCILMEMBER BRODERICK	AYE
40 COUNCILMEMBER HOYT	AYE
COUNCILMEMBER VANCHIERE	AYE

#### 42 COUNCIL REPORTS:

44  
46 **Councilmember Hoyt** – Councilmember Hoyt reported the PG/Lindon Chamber of  
Commerce will be holding a fundraiser for the Pleasant Grove high school Deca Club  
on June 6<sup>th</sup>. The Chamber is also having their annual party at the Lindon Aquatics Center

2 on June 12<sup>th</sup> and the Council is invited. He was also approached by someone to serve on  
the planning commission.

4 **Councilmember Broderick** – Councilmember Broderick mentioned the Memorial Day  
6 service and how nice the ceremony was. He noted these types of events are awesome and  
go a long way in promoting the city.

8 **Councilmember Bean** – Councilmember Bean reported on items related to the planning  
10 commission opening. He noted the commissioners are appointed by mayor with the city  
council advise and consent.

12 **Councilmember Lundberg** – Councilmember Lundberg reported she attended the  
14 Memorial Day ceremony and it was a wonderful event. The police department represent  
veterans and fallen officers so well and it is such a nice event. She also attended the  
16 farewell party for John Lloyd. She also mentioned the upcoming Chamber of Commerce  
party at the pool from 7:30 to 10:30 on June 6<sup>th</sup>.

18 **Councilmember Vanchiere** – Councilmember Vanchiere reported he will be attending a  
20 Lindon Days meeting tomorrow. There was then some discussion regarding the grand  
marshal candidates for Lindon Days. He will also be attending a meeting on Friday at the  
22 North Pointe Solid Waste District. He reported they are making progress on the RFP for  
parks and the master plan and will be contacting citizens to be on the committee. He also  
24 mentioned a member of planning commission whose term is coming up and what the  
process is for reappointment. Mr. Cowie explained the re-appointment process.

26 **Mayor Acerson** – Mayor Acerson was absent.

28 **Administrator's Report:** Mr. Cowie reported on the following items followed by  
30 discussion.

32 **Misc. Updates:**

- 34 • June City newsletter
- 34 • July newsletter article: Van Broderick - Article due to Kathy by end of June
- 36 • Mayor out of town Wed, May 8<sup>th</sup> – Sat, June 8<sup>th</sup>. Mayor pro tem is Matt Bean
- 36 • Lindon Days Grand Marshal name
- 38 • Desire for joint meeting with the Alpine School District Board?
- 38 • Misc. Items

40 **Upcoming Meetings & Events:**

- 42 • Candidate Filing Period: Begins June 3<sup>rd</sup> and ends June 7<sup>th</sup> at 5:00 pm
- 42 • Employee Summer Party – Wednesday, July 17<sup>th</sup> at 6:30 pm at the Aquatics  
Center

44  
46 Mayor pro tem Bean called for any further comments or discussion from the  
Council. Hearing none he called for a motion to adjourn.

2 **Adjourn** –

4 COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING  
6 AT 10:15 PM. COUNCILMEMBER VANCHIERE SECONDED THE MOTION. ALL  
8 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

8 Approved – June 18, 2019

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12

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Kathryn Moosman, City Recorder

14

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16 Matt Bean, Mayor pro tem