

**MINUTES OF LAYTON CITY
COUNCIL WORK MEETING**

FEBRUARY 6, 2020; 6:14 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR JOY PETRO, ZACH BLOXHAM, TOM
DAY, DAWN FITZPATRICK, CLINT MORRIS,
AND DAVE THOMAS**

STAFF PRESENT:

**ALEX JENSEN, GARY CRANE, CHAD
WILKINSON, TIM WATKINS, LON CROWELL,
TERRY COBURN, STEPHEN JACKSON, TRACY
PROBERT, ED FRAZIER, AND KIM READ**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Petro opened the meeting and turned the time over to Staff.

AGENDA:

**ANNEXATION AND REZONE – 1700 WEST – A (AGRICULTURE) AND R-S (RESIDENTIAL
SUBURBAN TO R-1-10 (SINGLE FAMILY RESIDENTIAL) – ORDINANCE 20-01 AND 20-02 –
APPROXIMATELY 1700 WEST 800 SOUTH TO 950 SOUTH**

Chad Wilkinson, Community and Economic Development Director, explained the annexation request was to bring some private property into the City boundary, which included the Rocky Mountain Power corridor and some City property. He explained the property owner desired to annex a small portion of property for residential development and Staff suggested annexing the other parcels. He pointed out there was a rezone included with the private property annexation.

Councilmember Fitzpatrick inquired about the cement structure located on the property and a discussion took place.

Mr. Wilkinson briefly reviewed the other annexation coming before the Council during the Regular Meeting, known as the Redford Annexation, located at approximately 1868 West and 1000 South. He explained property was being annexed to facilitate development similar to adjacent residential developments. He pointed out there was also a rezone included with this annexation, as well. He mentioned the small sliver of property proposed for annexation was intended to be conveyed to the respective property owners.

He asked if there were any questions.

Councilmember Bloxham requested clarification if the Planning Commission weighed in on annexation requests. Mr. Wilkinson responded the annexation had been explained to the Planning Commission during its review and recommendation of the rezone. He clarified State Law didn't require the Planning Commission to make a recommendation to the Council specific to the annexation.

Councilmember Day asked why the property hadn't been annexed when the road (1800 West) was constructed. Mr. Wilkinson didn't have any knowledge regarding that. Stephen Jackson, City Engineer, responded the City believed future development would take place and determined it would wait until it was part of a larger parcel as opposed to carving out separate pieces with a road through the middle. Gary Crane, City Attorney, explained the City was in a better position to wait until approached by a developer for development for parcels outside of the City.

OVERVIEW OF WATER STUDY AND WATER RATE ANALYSIS

Mr. Jackson reviewed the Water Master Plan and Rate Study with the Council. He mentioned the Impact Fee Analysis also needed to be updated and was completed as part of the that analysis and explained the process initially began in 2014 due to State Law. He reported the Master Plan looked forward to 2040 He stated it included the following:

- City's existing water system
- Supply and demand projections
- Peak supply and demand projections
- Distribution system evaluation
- Recommended system improvements
- 10-year Capital Facilities Plan
- Impact Fee Analysis
- Rate Study Analysis

Mr. Jackson shared an illustration which identified the City's existing system and statistics associated with the infrastructure. He identified the existing demand for culinary water; as well as the projected buildout demand. He pointed out the Capital Projects specific to culinary water recognized for completion and identified locations of those with the Council. He stated these projects would ensure appropriate distribution as well as fire flow. He also acknowledged the costs associated with the identified improvements; as well as the needed pumps and summarized the System was an important investment in the community.

He reported secondary water was a large component of the Master Plan and Staff had worked a long time to identify a solution which would identify and utilize all available water sources within the City. He identified the proposed secondary water improvement projects and their associated costs. He stated the Rate Study was completed to ensure the rates were appropriate to fund the systems.

Alex Jensen, City Manager, pointed out the consultant had recommended a very aggressive rate structure and Staff applied its own internal experience in identifying reasonable rates.

Tracy Probert, Finance Director, explained the consultant had provided a timeline associated with the Capital Projects for both culinary and secondary water projects until 2025 which indicated a revenue source needed to be identified. He stated rates needed to be re-structured in order to produce enough revenue to pay for the operational expenses, non-operational expenses, and the capital expenditures, according to the Plan.

Mr. Probert also explained recent legislation which required cities to adopt a conservation based tier rate structure, resulting in the City dividing the two separate user types. He pointed out residents with access to secondary water consumed less culinary water and explained the percentages.

Mr. Jensen emphasized the data referred to by Mr. Probert was actual historical data which had been used in determining the rates. Mr. Probert explained the historical data had also been used to identify the tiered structure for water consumption and emphasized the City didn't want to penalize normal users. He shared base rate comparisons, from other municipalities at the time the Study was completed, which reflected Layton City was at the bottom, which he believed reflected the City was behind in implementing rate increases. He pointed out even after implementation of increases for three years, the City was still lower than the other municipalities base rates effective from the time of the Study. He reviewed the methodology used in determining a proposed new rate structure using base fees, consumption fees, and conservation.

Mr. Probert informed the Council the consultant recommended the City have 180 days cash on hand and its proposed rates were based on that philosophy in the event the City desired to bond for some significant, expensive project. He reported Staff considered the recommendation and believed that wasn't necessary because the City didn't intend to bond for any improvements. He also mentioned the Council

expected Staff to complete an analysis following implementation of the first rate increase to ensure the model presented would accomplish what was needed, yet wasn't overcharging the citizen and reported the study reflected the increase was reasonable. He believed many residents would conserve water over the summer months and pointed out Staff had made attempts to inform the residents regarding the increase and its impact for the water charges.

Councilmember Thomas believed the City had also adjusted the number of allowed gallons and Mr. Probert responded that was correct and indicated that explanation would be forthcoming.

Mr. Probert continued to explain Staff had also identified water revenue it believed was excess consumption revenues generated by accounts both with and without access to secondary water. He reported the City also considered adjusting the tier levels based on calls received by front line Staff during the summer months and shared the tier structure prior to November 2019 and pointed out how the adjustment benefitted residents.

Allen Swanson, Police Chief, and Kevin Ward, Fire Chief, arrived at 6:38 p.m.

Councilmember Bloxham asked if the City was attempting to hit a specific mark or if there was an industry standard specific to a tiered rate structure. Mr. Probert responded Weber Basin and the State Water Quality each had their own respective recommendations. He indicated the City had relied upon information from the consultant coupled with information identified by historical data specific to consumption. Mr. Jensen explained the City had determined to review the water rates on an annual basis to determine if the rates put the City on track. He pointed out the intent in adjusting the tiers was to put more residents in the lower tier while still receiving the appropriate revenue.

Councilmember Thomas expressed concern adjusting the highest tier didn't encourage conservation. Mr. Probert responded there were many variables which needed to be considered and identified some of those: lot size, family size, or other factors and believed the City should provide some type of a cushion, yet still be conservation minded. Mr. Jensen added there was a fine line to encourage conservation and adjust water usage, yet still be fair in the rate structure.

Councilmember Morris inquired if the City intended to implement another water rate increase this year. Mr. Jensen explained another ten percent water increase had been identified in the Master Plan and Rate Study adopted by the Council in 2018. He clarified as the City approached that implementation Staff would complete another analysis, reflecting where the City was regarding the model, for this Council to determine if the additional ten percent should be implemented. Mr. Probert believed he would be prepared to present figures in October as he would need a full year's worth of data for the analysis. He pointed out a twenty percent increase had been implemented November 2019, as part of the 2020 Budget Year, and a thirty-five percent increase the year before that in November 2018, pertaining to the 2019 Budget Year.

Mr. Jensen explained the challenges in adjusting the proposed rates, the Study had been completed in tandem with identified projects which needed to be completed and emphasized the adjustments would affect the revenue stream needed to complete said improvements. He stated Staff would present the data and forward a recommendation for the Council to consider.

DISCUSSION – WASTE COLLECTION CONTRACT

This agenda item was not addressed by the Council.

BUDGET PROCESS AND CALENDAR

Mr. Probert reminded the Council of the Budget Work Meeting scheduled for Tuesday, March 10, 2020, beginning at 8:00 a.m. He indicated budget discussions would take place during various work meetings prior to a Tentative Budget being adopted on Thursday, May 7, 2020. He mentioned the Council could make adjustments to the approved Tentative Budget up until Thursday, June 18, 2020. Mr. Jensen

requested Mr. Probert email the budget calendar to the Council.

MAYOR'S REPORT

Mayor Petro requested Staff discuss media streaming of Council Meetings.

Ed Frazier, IT Manager, stated there were no recurring fees associated with Ogden City's system and reviewed its live streaming process.

Mayor Petro believed this was an important topic for the Council to consider. She suggested Staff look at options available to the City for a "Communications" package which could be discussed during a future meeting. She indicated she would visit with Mr. Jensen in moving forward.

Mayor Petro reminded the Council they each had received their respective assignments at the last meeting and requested moving forward, they each provide a report, as a matter of information, to the Council during the Work Meeting.

Councilmember Thomas asked about the issues expressed during Citizen Comments during the City Council Meeting of Thursday, January 16, 2020. Mr. Jensen responded Staff had reached out and met with homeowners and documenting specifics associated with their homes identifying those issues which were City related. He reported most of the issues were contractual issues between the homeowner and builder. He stated Staff would collectively assemble material to report to the Council and indicated Staff had identified some deficiencies and the builder would be notified. He expressed his opinion there had been positive interaction with homeowners.

Gary Crane, City Attorney, informed the Council the developer had also been working on a response and an attorney affiliated with the developer had requested all responses and communications regarding the issues go through him. Mr. Crane told the attorney that he could instruct his clients to avoid visiting with City Staff during the exploration process if he desired; however, there would be no such restriction on City Staff. City Staff would continue to investigate the complaints and work with the developer to resolve them. He indicated he did receive a long response from the attorney which he would provide to the Council and emphasized Staff wanted to identify those items which were deficient under City Code and determine what needed to be done to resolve certain issues.

Councilmember Day asked when the majority of the Council attended department staff meetings if that constituted a meeting which needed to meet noticing requirements. Mr. Crane responded since the Council wasn't convening to discuss or make decisions on issues, it didn't meet that criteria.

The meeting adjourned at 6:56 p.m.

Kimberly S Read, City Recorder