

AMERICAN FORK CITY COUNCIL  
APRIL 11, 2023  
WORK SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Kevin Barnes	Council Member
Ryan Hunter	Council Member
Rob Shelton	Council Member
Clark Taylor	Council Member

Members Absent:

Staci Carroll	Council Member
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Staff Present:

David Bunker	City Administrator
Camden Bird	Assistant City Administrator
Derric Rykert	Community Services Director
Patrick O'Brien	Development Services Director
Stephanie Finau	Deputy Recorder
Aaron Brems	Fire Chief
George Schade	IT Director
Cherylyn Egner	Legal Counsel
Susan Goebel-Canning	Public Works Director
Anna Montoya	Finance Director

Notice is hereby given that the American Fork City Council met in a work session on Tuesday, April 11, 2023, in City Hall, located at 31 N. Church Street, commencing at 6:00 p.m.

WORK SESSION

*The purpose of the City Work Sessions is to prepare the City Council for upcoming agenda items for future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.*

1. Discussion on the Fiscal Year 2024 General Fund, Capital Projects, Fleet Fund, and Sanitation Fund.

Anna Montoya announced an open house on May 2nd and a tentative budget to be adopted on May 9<sup>th</sup>. June 6<sup>th</sup> will be a work session where the budget will be reviewed. The proposed budget will be presented to the council on June 13<sup>th</sup> for adoption.

Ms. Montoya went over revenues and expenditures for the General Fund. She presented a graph showing the past 12 years of the budget for the General Fund. She stated that they were conservative with the budget which led to an excess that was put into the reserves. In 2024 she added it looks like a balanced budget where revenues will exceed expenditures. Most of the revenues are from taxes and 37% of that is from sales tax. 19% of it is property taxes. She stated that charges for services are the 2<sup>nd</sup> largest which includes ambulance fees, administrative

charges, special revenue and also fees for engineering section. She reported sales tax to be flat this year and discussed in detail the revenues, breaking them down in the following line items.

*6:05 Council Member Hunter and Council Member Barnes arrived.*

She reported on the following line items:

- Taxes are up \$880,552.
  - 5% increase
- Licenses & permits are down \$885,000.
- Inter-governmental is down \$45,000.
- Charges for Services are down \$340,567.
- Other Fees up \$74,882
  - Cedar Hills contract for public safety up \$76,000 for new fire station
  - Plan check fees down \$200,000 due to development.
  - Recreation fees up \$140,000
  - Public Safety fees for school district services up \$50,000.

Council Member Shelton questioned Ms. Montoya about a small inflationary contract with Cedar Hills contract. Mr. Bunker replied that they are working on that now. The contract states by the end of 2024, which will begin in July and will start negotiations with Cedar Hills.

Discussion ensued in regard to the building and contract with Cedar Hills. Ms. Montoya reported in detail the expenditures of the general fund by type and department.

- Fines & Forfeitures
- General services
- Community services
- Police expenditures.

Council Member Shelton mentioned wage increases and suggested that it be discussed at another work session. Mr. Bunker replied that they have gotten information from neighboring cities to compare and see where American Fork as a city should be and keeping up with inflation. Mayor Frost added that he has met with other mayors from surrounding cities and agreed with Mr. Bunker that they keep in comparison with them as well.

Ms. Montoya reported on the fire department expenditure and revenues.

- Personnel increase to \$456,330.
- Operations – increase \$66,854.
- Capital – decrease \$299,444.

Public Works expenditures and revenues,

- FTE – no change, just reorganization
- Operation decreases by \$200,000.
- Personnel increase by \$215,649.

Development Services – building inspection expenditures and revenues.

- No FTE changes.
- Planning went up by \$130,000 to do the general plan update. Ms. Montoya is hoping to get some MAG funding.
- Building inspection has decreased – going away from 3<sup>rd</sup> party inspections and doing it in house.

Ms. Montoya reported on Capital Projects. She showed them how the projects are getting funded and what projects they'll be doing. She added that there were some reserves to cover it.

The council and staff discussed in detail some of the projected projects that are to be done and some departments that are needing improvements and equipment.

Ms. Montoya reported on sanitation. She stated a proposal came from Republic Services for an extension of their contract and the rates they quoted will be discussed in another work session to discuss in more detail the anticipated increase. She added that this is just a placeholder estimate the DE cost to sanitation to increase \$250,000. She reported that this year we are operating at a deficit because we funded the North Pointe increase through reserves since the city did not increase the sanitation rates last year. She stated that we will need to bump up revenue slightly and change the rates to be able to fund the current increases. She mentioned the first can will be \$2.20, which is about 20%. A second can will be increased to \$1.58 and so will recycling.

## 2. Discussion on the FY2024 property tax rates.

Ms. Montoya explained that they were looking for direction from the council for a property tax increase. She reported that last year with Truth & Taxation, the certified rate was low due to a 30% increase in evaluations. The revenue for that was \$4.7 million and presented to council with a proposed rate of .1554 mills and that increased it by \$1.9 million in revenue and that was 40% of the property tax. budgeted revenue. The council decided to bring it down a bit, from \$10 a month to \$9 a month and the impact of that was \$1.7 million which was year marked for public safety. She stated that to keep up with 6% inflation and to be competitive with wages, to propose how to proceed with this.

Mr. Bunker added that last year with the Truth & Taxation hearing in August, feedback from some of the citizens expressed their desires that the city does smaller incremental increases rather than larger substantial increases, so the proposal would be to have a small increase along the way. If it were \$1 a month that would be 3.12%. It helps us to keep up and helps fund additional costs that we've had. He mentioned that the increases last year were consumed by public safety and road repair, and it really didn't help us in any other part of our budget. He stated it gets more difficult every year to balance the budget and understand the difficulty it puts on the residents as well to have a property tax increase, but that the city's costs are also increasing.

Mr. Bunker stated that if we were to do \$1.00 \$12 a year or 3.12% which would be the proposed increase and again based on conversations were had in the budget workshop in February, the idea was to consider this on an annual basis not necessarily passive but that's up to the council to consider it.

The council and staff discussed the overall budget and whether the increase was included in the current general fund or not. Ms. Montoya replied not yet, it would need to be discussed amongst the council. The council ensued in discussion about pegging the rate, inflation, what is the best rate to keep it at, and how it will affect the residents.

3. Adjourn.

Meeting adjourned at 6:59 pm



Stephanie Finau  
Deputy Recorder