

AMERICAN FORK CITY COUNCIL
JUNE 1, 2021
WORK SESSION MINUTES

Members Present:

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

Staff Present:

David Bunker	City Administrator
Camden Bird	Community Services Director
Stephanie Finau	City Deputy Recorder
Anna Montoya	Finance Officer
Aaron Brems	Fire Chief
George Schade	IT Director
Cherylyn Egner	Legal Counsel
Adam Olsen	Senior Planner
Darren Falslev	Police Chief
Scott Sensanbaugher	Public Works Director

Also present: John Woffinden

The American Fork City Council met in a work session on Tuesday, June 1, 2021, in City Administration Building, located at 51 E. Main Street, commencing at 4:00 p.m.

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on 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. Review of the fiscal year ending June 30, 2022, City budget book

Mayor Frost opened the work session and indicated that the agenda would be followed as outlined. He asked David Bunker, City Administrator, to address the first item, review of the FY 2021-2022 budget.

Mr. Bunker said that the Council had the opportunity to review the 2021-2022 budget. He said that staff had worked on the budget at this point for several months. He said that staff break each fund down and bring it to the Council fund-by fund. He thanked Anna Montoya, Finance Director, for her hard work on the budget. He said that Ms. Montoya would walk the Council through the changes that were made since that last time the budget was reviewed.

Ms. Montoya said that this was the same tentative budget that was presented to the Council in May. Most of the changes were related to the narratives for departments, projections, summaries, and a few cosmetic changes. She pointed out the budget summary began on page 54. This is where the big picture of what the budget entailed was outlined. The combined revenue of \$74 million for all the funds was found on pages 56 and 57. This was followed by the total expenditure, \$103 million. Expenditures exceeded revenues because of some capital projects. The City was drawing down some of the fund balances to cover these projects, such as utilities and water.

Overall FTE changes were outlined on page 60. 18.5 personnel were being added primarily in public safety.

Council Member Shelton asked if staff had increased the police to full-time equivalent. He said that in the previous budget he thought that this had been three, but when he looked at the footnote it stated an additional three officers/detective and had four in that line item. Ms. Montoya said that the police FTE included a sergeant that was approved in November for mid-year. She said that she could account for this position in the FY21 budget. The Council would have a budget that approved three FTE positions for police, two detectives and a detective.

It was clarified that it was a lieutenant that was hired mid-year. Ms. Montoya then went over the General Fund and noted that the City would have a balanced budget. The General Fund budget, outlined on page 62, totaled \$26.33 million.

Council Member Shelton said that the ending General Fund balance would be \$10.1 million. He asked, according to statute, how much fund balance were they allowed to carry over. Ms. Montoya said that there was a recent code change in May which increased the percentage to 35%. She felt that was a little overstated.

Council Member Barnes asked when that became effective. Mrs. Montoya said it was either on May 4th or 11th. Council Member Barnes noted that it took effect immediately.

Mayor Frost asked if they had changed the bottom threshold. Mr. Bunker said that the bottom threshold, 5% of the budget, did not change, just the upper threshold to 35%.

Some members of the Council felt like this was a huge increase. Council Member Shelton said that he thought it was good that cities were able to save for a rainy day. He asked if the 35% was of the \$27 million. Ms. Montoya said that was correct. They could carry a fund balance of 35% of projected revenues.

Council Member Shelton asked if the City needed to redo its fund balance policy. Ms. Montoya said yes because it currently stated the previous 25%.

Council Member Barnes asked if the Council would have to vote on adopting what the State allowed before it was changed in American Fork's code. Mr. Bunker said that cities don't have to achieve a 35% fund balance, it was just allowed to save 35%. Council Member Barnes asked if American Fork would change its document to try and achieve the 35%. Council Member Carroll questioned this. She said that she would have thought that people would have liked having savings.

Council Member Hunter said that frustration with carrying money over happened a lot with schools. People feel as though they paid to support their kid and that it should benefit students of the year the money was paid.

Council Member Shelton asked how the \$10 million was achieved when previously the estimated General Fund balance was \$6 million. He asked if it was because of COVID relief. Ms. Montoya said that the COVID relief money was already earmarked for some end of year expenditures.

Mayor Frost asked if the additional money in the fund balance was also because of an increase in sales tax revenues than originally predicted in conjunction with cuts to expenditures because of uncertainty regarding the impacts of COVID.

Ms. Montoya said that the City had cut back services quite a bit and scaled back personnel cost, especially part-time positions. With a double digit sales tax increase staff are bringing back services incrementally to pre-covid levels. She said that there was still a lot of uncertainty regarding COVID and its effects on the economy.

Council Member Shelton said that if they saved the allowed 35% that would result in a fund balance of ~\$9.5 million. He said that previously, the Council had a policy that any money that remained in the General Fund that exceeded that amount they were allowed to carry over was moved over to the capital and road improvement funds. He asked if in approving this budget, if they should move ~\$600,000 over to the road fund. Ms. Montoya said that was a Council decision. She said that she would prefer to keep the 35% and then come back with a fund balance revision.

Council Member Shelton repeated his math and asked again if it had been decided by the Council that anything over the amount allowed by statutory to be saved as a fund balance was meant to go into the road improvement fund. Mr. Bunker said that it had been decided that it would go to the capital improvements fund. He said that he would be careful about limiting those funds strictly to roads because there might be other capital improvement projects not related to roads.

Council Member Carroll asked Ms. Montoya about some of the money in the estimated fund balance that she had earmarked. Ms. Montoya said that some of the money was set aside as restricted funds for year-end expenses and budget amendments in November.

Council Member Barnes said that he remembered voting as a Council that excess funds had to be transferred to the capital improvements fund. Mr. Bunker said that there would be budget amendments that would be coming to the Council later this week. Council Member Barnes clarified that the budget amendments were for FY21, the current fiscal year, not for FY22, the tentative budget they were reviewing.

Council Member Carroll said that she didn't want to prematurely transfer funds to the Capital Improvement Fund until they had taken care of expenses that the City was already committed to. Ms. Montoya said that after the year end audit, they take the actual numbers. Any excess from the actual numbers will move over.

Mayor Frost said that he thought it would be good to look at what the Council had passed previously.

Council Member Shelton said that he wanted to see this reflected in the budget. It didn't make sense to him to pass a budget that did not meet statutory requirements. He said that if the budget was shared with the public, it didn't make sense to him to have a \$600,000 difference.

Ms. Montoya said that these estimates were made in early February. She said that she would review the estimates again. Council Member Shelton said that he had some analysis from the last recession. He said that currently 65% of the General Fund revenues relied on sales tax dollars. He said that after the recession, it took three or four years for the General Fund to break even. He felt that it was really good to put away 35% of the total revenues, especially when the City was so reliant on sales tax dollars. He said that in the past 10 years the City had never been in a position to save that much money.

Mayor Frost asked if there were any more questions.

Council Member Shelton brought up some of his previous questions. He said that in regard to recreation, he had talked with Derric Rykert, Recreation and Fitness Center Director, to understand field space issues as well as the Fitness Center. He felt that there was still the capacity for the City to generate revenue by renting facilities and field spaces. People were already using parks. It was just a matter of getting them to pay to do so. He continued that part of the Fitness Center study recommended a part-time person to offer corporate memberships and sponsorships to help with revenues and lower the City subsidy. He felt that the position would pay for itself and wondered why it was not included in the proposed budget. In fact, he saw the recreation FTE go down by .5. He thought that it would be important to try and monetize the new field space.

Council Member Barnes asked if Council Member Shelton was talking just about organized sports. He said that a few years ago his wife's family rented a park for a family reunion. He noted that some cities do not charge for park rentals, but American Fork does. Council Member Shelton said that he thought that it was just certain high-use parks that American Fork charges like Rotary Park.

Council Member Barnes asked if that policy was something worth looking at. Council Member Taylor said that he had talked with Jason Thomason, Parks Superintendent, and the conversation revealed that parks were a lot busier. He asked if Council Member Shelton was thinking about teams coming outside of American Fork to rent fields. Council Member Shelton said yes. He said that the City had created two new fields out at Art Dye, but had not increased any inside capacity. He said that the use would end when baseball was over, but there was capacity to lease out those fields. He did not want to do that to the detriment of American Fork's programming. He said that part of the problem was that no one was dedicated to scheduling fields. He said that the Recreation Department already managed so much. He suggested that they create a part-time person who could work from home. Pay the person minimum wage and give them a bonus based on the revenue they bring in. He continued that he goes to Orem twice a week because of his daughter's softball team. He doesn't get done until 10:30 p.m. Orem's businesses are getting a lot of good money from him each week. He didn't know why he wouldn't want to bring some of that back to American Fork.

Council Member Taylor said in the past part of the reason why the AAU leagues never played in American Fork was because of the void of fields. He thought that if American Fork communicated with those leagues that lighted fields were now available that they might be able to bring in several teams next spring.

Council Member Shelton said that even for 11-12 year old softball teams, the fields in Orem have banners all over them. He felt they had done a great job getting corporate sponsorships. He wanted to try for a year if a dedicated, part-time position at minimum wage could bring in some extra revenue. He also noted that his daughter's team paid \$40 per practice to use the high school field. He said that Art Dye was just as good as the American Fork High School Field. He said that there was no reason why American Fork could not generate similar revenues.

Council Member Taylor asked if there were temporary mounds for little league that can be used at Art Dye. Council Member Shelton said yes.

Mr. Bunker said that he spoke to Mr. Rykert about sponsorships and he was not opposed to the idea. He was just not sure how it fit yet. In regard to catching people who were using the field who had not scheduled to use it, Mr. Rykert said that was more problematic. This was included in the management report.

There was continued discussion about the scope of what the recreation department was doing in regard to programs and the number of kids served. Council Member Shelton felt that it would not be possible for existing staff to take on these additional responsibilities given all that they already did. Mayor Frost proposed that Mr. Rykert create a report with a plan and include projected revenues so that the Council had a sense of the effort invested to profit ratio.

Council Member Shelton said that part of the plan for Art Dye was to use it as a revenue source. He said that now that it had been two years since the park had been completed, it was time to follow up on that. He then talked about the fitness center study. He said that he'd visited the Fitness Center to get his own sense of the facility. When he was there he heard someone complaining about the accessibility of lap lanes which suggested a capacity problem. However, when Council Member Shelton asked the resident if he would support expanding the facility, the resident said no and cited several operational problems at the current facility. Because of this, Council Member Shelton felt the City should focus on implementing the findings from the previous study before thinking about expanding the facility. He thought that by tightening up operations there would be more public support in expanding the facility. He said that he was willing to put the completion of a second study in the budget, but that he wanted to wait to spend the money.

Council Member Taylor asked what this new resident's dissatisfaction was in how the facility operated. Council Member Shelton said that it was both the availability of the space and the attitude of staff. He said that he experienced the same thing. When he entered in the evening time no one greeted him, asked him to punch in a code, and he was scowled at. He said that he felt that they needed to improve the level of service and retention before they talked about expanding.

Mr. Bunker agreed that improving service was important, but he did not think that improving the level of service and expansion needed to happen exclusively. He said that the capacity issues were going to get worse given the rate of growth of the City. He said that the facility was built in 1993 with a certain population in mind. He said that at some point the Council would have to decide if they were going to expand the facility. The purpose of having the study included in the 2021-2022 budget was so that a plan was in place. The study establishing what the needs for expansion would be was critical for future budgeting.

Council Member Shelton said again that he felt like they needed to improve service to have more support from residents before expanding.

Mayor Frost agreed with Mr. Bunker; the City needed to be forward thinking because American Fork's population growth was exceeding the capacity of the space. He felt that the two actions could be done at the same time. He felt that they needed to move forward with the study and didn't want to tie up the process because of budgetary reasons.

Council Member Taylor agreed. He said that some additional staff training was clearly needed. When hired, it needed to be clearly communicated that the employee would be on their feet and were the face of the facility. He said that as a kid himself he was given a sheet of courtesy procedures to guide how you interacted with people. He said that he had confidence in Mr. Rykert to be able to do that. He said that the complaint that he heard the most was that at certain times of day the facility was packed and there was nowhere to park.

Council Member Carroll asked if there was money in the budget to upgrade the front desk area. She said that was something that needed to be implemented that came from the previous study. She felt that physically changing the space would help immensely. Once the space looked better, the people at the front would realize that they were gatekeepers.

Mr. Bunker said that it would also separate who was entering and who was leaving, helping to alleviate who to help and who to just let walk by.

Council Member Barnes said that he went at 3:00 p.m. He said that there were three young women behind the desk who both looked up immediately. They both had nametags on, smiled, and asked, "can we help you?" He said that when he toured the space he saw a facility that was being used not a great deal. He felt that the facility was fairly welcoming and enjoyable. It was not a high-end spa.

Mayor Frost said that he wanted to talk about the tax increase. He said that he did not feel that this was the year to impose a tax increase. He continued that given where the City was with its fund balance, he felt that they had a hard time justifying it.

Council Member Taylor said that he was pegging for a tax increase because of inflation. He said that Council Member Carroll educated him through her document. He said it was very informative and had him think about things he'd not previously, particularly the PARC Tax. He said that sales taxes would have to be increased by 23% to equal the same revenue that the PARC Tax would draw in. Because of this, he changed his mind on wanting to increase the tax.

Council Member Shelton said that he could buy into delaying the tax increase only if there was an absolute promise that the Council would put together a plan. He said that it was a Council goal last year, and for the past four, to increase the sales tax. Despite this, the Council did not have a single discussion last year on this issue because it was never a good year. He said that he really appreciated the mayor's article the previous year about how they kept kicking the can down the road and then had to do a 67% increase. He said that none of the PARC Tax goes to the General Fund. He said that while the PARC tax can be used to fund so many wonderful things, it cannot support the Police Department, and cannot fund roads. He said that the PARC tax gets things like five extra acres at Art Dye. He asked a series of questions including: Who mows those acres? The PARC tax builds bathrooms? Who cleans them? He explained that the PARC tax does create

opportunities, but at the same time it increases the need for the General Fund without contributing to it. He said that the General Fund was under so much strain that it needed to be addressed.

Mayor Frost said that he felt that the General Fund was typically sustained by one-time money. It was hard for him to say what the sales tax would do with the increase in population throughout the area. He said that he felt that they needed to wait to see how the sales tax settled after COVID.

Council Member Shelton said that he agreed that the COVID money was a blessing and was why they were doing so well this year. He did not think that they could expect the federal government paying out trillions of dollars every year to help cities fund where they needed to be. He said that he did not know how far away Station 53 would be, but that would result in some serious expenses. When talking with the Utah Sheriff, there was talk about creating a special service district and they would want to pay huge bonuses. What would happen was the entire public safety budget would be taken out of the General Fund and exist as its own line item as a special service district on residents' property tax bill. It was then noted that Salt Lake County was going towards that model because it freed up public safety funds.

Council Member Barnes said that one thing the PARC tax had done was allow the City to pay for expenses that used to come out of the General Fund. This meant that money was freed up in the General Fund as a result of the PARC Tax. His second point was that next year the school district was going to increase their tax. This created the same problem of two tax increases in the same year. Because of this, he said that he wanted to wait a year. If the City could get by one more year, he felt that they should wait until 2022-2023 to increase the tax. He said that if you wait to see if a tax increase needs to be done, then it is too late.

Council Member Shelton argued that money was not freed up from the General Fund. Examples like paying for playground equipment were not true because playground equipment went out to bond.

Council Member Taylor said that he supported what was proposed by Council Member Barnes. Postpone the tax increase from 2021 to 2022 and hold a truth in taxation to peg the increase regardless of what happened with the school district. He noted that the district tends to get a pass on tax increases, whereas the City does not.

Council Member Carroll noted that the tax increase was on the Council's strategic goals for the fall. Mayor Frost said that the tax increase was going to take a lot of education for the public. He said that tax increases were a hard sell when the City was in a pretty good financial position. He said that he didn't know a group or Council that had put more money into roads than American Fork. He said that the infrastructure being put into American Fork was second to none.

Council Member Taylor asked what would happen when the pressurized meters were installed. He wanted to know why they would cause an increase in charges, or would the bills balance out if residents were smart with their watering. Mr. Bunker said that residents' bill should balance out if they were smart with their watering.

Council Member Shelton said that while the City might think that it would be horrible to go through truth in taxation, that a 2% increase was so minimal that no one would probably show up. This was the case with a Utah water company. The horrible truth and taxation hearings usually happen when tax increases go up in the double digits. That's what the City was trying to avoid.

Council Member Hunter said that he didn't have too much to add. He said, however, that he never wanted to delay a tax increase so long that they can't do projects in a timely manner and end up paying \$50 million for a PI system that should have cost \$8 million. He felt that Council Member Shelton's point about increased labor to take care of additional services was valid and warranted a tax increase request. He said that if PARC tax funds could be used for those services, great, but that if they couldn't then it made sense to increase General Fund revenues. He was not in favor of a tax increase this year, but he liked that he could justify why American Fork might impose a tax increase.

Council Member Carroll said that she saw the cost-benefit that leans towards the PARC tax that for her it was not worth the risk to try and get a second tax increase by pegging the rate. For her that was the crux of the matter; the City gets so much more out of PARC tax money that she didn't think it was worth a property tax increase. She said that she saw the logic and would never say that they shouldn't ever have a property tax increase. She felt that there was huge justification at looking at things holistically. American Fork had a balanced budget for the last 10 years.

Council Member Shelton said that they did know that expenses had exceeded revenues. He said that was what scared him the most. He wanted to talk about using PARC Tax for General Fund use. He said that it seemed that in the past the committee had been good at keeping that separate. Now that there was a \$100,000 PARC tax excess, he wanted to know if that was something that they could use for the pickleball courts at the junior high or playground equipment, or operational costs. This could loosen up money to go towards the \$4 million dedicated to roads.

Council Member Carroll said that she thought the Council's goal was to hit \$3 million. Mr. Bunker said that they did hit \$3 million towards roads this year. Council Member Taylor said that the \$100,000 excess was what it was. He said that the following night they would be hearing presentations from the next round of applicants.

Council Member Carroll asked if PARC tax money could fund City operations. Cherylyn Egner, Legal Counsel, said that recreation operations have always been able to be paid for by PART tax funds. It had always been the position of the PARC tax committee that if an operation was something typically covered by the General Fund, PARC tax should not go towards those expenses. While PARC tax funds can fund recreational operations, it would be a change in mentality of the PARC Tax Committee to allocate the funds in this direction.

Council Member Taylor said that if there was a committee in the City that he had tremendous faith in to be able to adapt, it was the PARC Tax Committee. He said that if the committee were educated to think about freeing up General Fund money, he felt that they would be receptive.

Council Member Carroll said that she felt that this was a little different in that the relationship between the use of PARC funds caused an increase in operational costs that needed to be offset. Mayor Frost asked if asking the PARC tax committee to offset some of the City's operational costs was something the Council wanted to do this year. Council Member Hunter asked if they'd ever rolled money over before. Ms. Egner said that all revenues have to be spent each year. While the money didn't have to be spent each year, it did have to be awarded out.

Council Member Shelton said that he would be interested in taking any excess for the General Fund. Council Member Taylor said that the PARC tax committee was meeting the next night and

he could inform them then. Council Member Hunter said that he was worried that was pretty late notice to get some advice.

Mayor Frost said that he wanted to wait because while he thought that most people would be onboard, it was a change of direction. He said that he felt that the PARC Tax would be renewed because residents had seen the benefit of it and trusted in how it had been administered.

Council Member Carroll said that she didn't think that it was bad for Council Member Taylor to tee up the conversation so that the committee starts thinking about it. She said that if the City went after this excess money this year, it made the City look a little grabby.

***Council Member Taylor was excused from the meeting.*

Council Member Shelton said that he was grateful that the City finally got to be grabby as opposed to being grabbed at.

Ms. Egner added that if the PARC tax went out his year, they would have to redo all of the policies and procedures moving forward. She said that the change in direction of the committee to allocate funds towards operational costs could perhaps be initiated when the tax was renewed and the new policies implemented.

Council Member Shelton then brought up the downtown economic development study that recommended that a part-time person be hired. He wondered if that should be considered now, next year, or was just not being considered at all.

Council Member Hunter said that he had experience with a part-time economic development person for the City and that it was rough. He was concerned about the loyalties of a part-time position for someone who was supposed to be driving all their efforts to the area.

Council Member Carroll said that she was not so worried about loyalty, but wanted to have a clear picture of what the person was doing day-to-day.

Council Member Shelton asked if they could look into that position. He said that one of his pet peeves was that they get these studies done and then they don't execute the findings of the study. He felt that the Council had not discussed the implementation of the downtown study very much. Council Member Shelton said that he thought that the CC-1 zone discussion was a huge step in implementing a change in the downtown area. It changed the environment of what could and couldn't happen. He said that for him the CC-1 zone was tremendous progress. He said that to say that they had just discarded the whole study for an economic development director was not quite true. Council Member Shelton said that he was hoping that Council Member Carroll could go back and look at the study and its recommendations. He wanted to make sure that changes made by the Council and City fully implemented the recommendations of the study.

Council Member Carroll said that the recommendation was to add residential housing downtown.

Council Member Barnes asked if the chamber had not already been tasked with making sure that the recommendations from the study were implemented.

Council Member Carroll said that a lot of the chamber's work got sidelined by COVID. She said that the chamber did a ton for businesses with COVID, but was not focused on Main Street or the downtown area. Prior to COVID, they were focus on the downtown area and had already moved back in that direction. She said that they would soon provide a report.

Council Member Shelton said that he would be interested in a report from the Chamber about the small tasks that can be implemented from the study.

2. Update on the fiscal year 2022 strategic plan.

Camden Bird, Community Service Director, said that the goal of this discussion was to make sure that staff had accurately put on the page what was discussed at the budget workshop in February. He went through the four areas of focus:

(1) *Property Tax Increase:*

The first item in the FY22 strategic plan was the property tax increase. He said that staff plan to dig into the financials and update the City's financial model so that later on in the year staff are ready to have a discussion with the Council to figure out new rates and the timing of them.

Council Member Shelton suggested that the plan include a goal to have a discussion as a group at least once before December to talk about the issue.

Council Member Carroll asked why the Council would do that before they had the analysis. Mr. Bunker said that it was staffs' goal to come back by December with the analysis and have the discussion.

Council Member Shelton said that he would like to have the information prior to the February retreat. He said that it was critical information to have. He would like to have at least one discussion so that the Council could be updated and informed. Mr. Bird said that was the goal of this first point. He said that perhaps December 1st was not the right date, but needed to be moved up a little.

(2) *Infrastructure Improvements: Fiber*

Next, Mr. Bird discussed infrastructure improvements. There were two categories under this item: to develop fiber to provide to residents and businesses and the 200 south construction. In regard to fiber, staff would be implementing a survey of residents to gauge if there was interest and get more in-depth analysis to make sure that the data was significantly significant. Following that, staff will investigate model options and can hold public meetings to gather further community input. The goal was to have a fiber plan by the end of FY22.

Council Member Carroll said that she would be interested in knowing what questions the community would be asked before they were asked. Council Member Shelton said that he felt like the mandatory model should be communicated to residents. Many residents supported fiber until they learned that it was mandatory. Council Member Carroll said that she was interested in more specific questioning about what level residents were interested in engaging. She said that she would want that information before even considering models. Council Member Shelton felt that

providing three different models to residents and learning their preference between them would be helpful information.

Council Member Barnes wondered if the survey could be used as a tool to educate some residents so that they can understand the different models. Council Member Shelton said that he felt like he knew the desire for fiber. He wondered what type of model he should be paying attention to. It seemed that residents cared both about the model and the price. When the utility model was proposed, residents did not want fiber because they didn't have a choice.

Mr. Bunker said that his impression was that most residents, who understood it, liked the utility model. If the Council didn't feel like it was a path that it wanted to go down, staff should just eliminate it from the model options.

There was more discussion about how the survey could be structured, including providing overviews of different models. Mr. Bird said that part of the reason why he wanted to have an external company draft the survey is that they would be more experienced at making it effective. He continued that the PARC Tax Committee used a group and drafted a survey. He felt like this was a good process. The group met with both the board and Council to make sure that the issues were understood so that the questions could be drafted in the right way.

(3) *Infrastructure Improvements: 200 South*

Mr. Bird then talked about construction on 200 South. The last step was to finalize the design work and an implementation plan. He said that the funding was still the crux of the project. He said that once funding was secured they would begin taking construction bids in August with the hope to begin construction in 2022.

Council Member Carroll said that was pretty optimistic. Mr. Bunker said that it was. Staff were pushing hard on this project because it needed to get done.

Council Member Shelton talked about his preference to have funding in the bank by August because of the timing of the water project. He also wondered what the alternative plan would be for scaling down the 200 South project if they did not secure as much funding as they hoped. He asked about alternative bonds. Mr. Bunker said the City could do a special revenue bond.

Council Member Shelton asked if it would be backed by impact fees. Mr. Bunker said that entities don't typically end based on impact fees. He said that 200 South already was planned to be developed in stages to accommodate available funding. There was one portion through the core of the TOD and then a full plan set from end-to-end. He said that if they had everything ready, they would do the whole project. If not, they would do the core first.

Scott Sensanbaugher, Public Works Director, said that the core goes until about 1900 West. This section covered the core and some work on the edges.

Mr. Bunker said that if full funding for the project was not available from 1300 West would be reduced in scope.

(4) *Water Conservation*

Mr. Bird moved to the next item. He said that the goal for water preservation was focused on sewer line infrastructure. Staff were looking at the current rates and operating budgets. In addition, they were going to look at the metering plan. Advanced Meter Infrastructure (AMI) was also added to the budget and plan. This was the technology that actually read the meter. Happening concurrently was the water recycling program.

Council Member Carroll asked if staff could put together a feasibility study for the water recycling program without going out to consultants. Mr. Sensanbaugher said that the City was already using an outside consultant, Horax. Council Member Carroll stated that the cost was not zero as indicated in the budget. Mr. Bird explained that there were a few items that he did not include costs for because he did not know them yet.

(5) *Quality of Life: Competition of Art Dye*

The last goal was improving quality of life by completing Art Dye and to focus on land acquisition south of I-15.

Council Member Carroll said that the cost for completing Art Dye was expensive. She was a little dismayed at the cost of the road base, asphalt, and paint.

Council Member Shelton said that once item #5 was completed, to relocate the concrete and asphalt pile, he would take everyone out to lunch to celebrate. He asked where those materials would be relocated to.

Mr. Bunker said that they had a few sites in mind, but don't have a specific place in mind. He said that American Fork owned one or two of the possible sites. The City might have to acquire land for the material disposal. He did note that the material was crushed and reused as road base.

(6) *Quality of Life: Land Acquisition*

Mr. Bird said that the last point was land acquisition, specifically land south of I-15 that could be used as park space. He said that the realtor had identified some properties that the City was hoping to purchase come fall, pending available funds.

Mayor Frost said that there was one property that if American Fork could acquire it, he would be ecstatic.

3. Presentation of the City's fraud risk assessment.

Ms. Montoya said that the State Auditor's Office requires each City to complete a questionnaire each year to assess fraud risk. She said that last year was American Fork's first compliance year. Last week, staff took to the Council the establishment of an audit committee. This bumped the City up 20 points. In addition, staff planned to implement the fraud hotline that would also bump the City up 20 points. She said that last year American Fork received a moderate rating. With these two additions the City should move to a low rating with 350 points out of the 390 available. She said that there were a few more places the City could improve such as tightening up its policy for cash receipts.

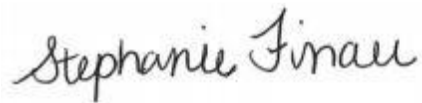
Council Member Shelton asked about item #5, completing entity specific training. He said that he did it three times a year. He said that would give the City the extra point.

Mr. Bunker explained that he'd looked at what item #5 entailed. He said that it was more than the entity specific training. There were actually 20 modules that needed to be completed. He said that he felt it was good for everyone to go through it, but that it would be a time commitment.

Council Member Shelton pointed out that they only had to take it every four years. He said that perhaps there should be a goal that Council members took the training the first year that they were elected.

4. Adjourn.

The meeting ended at 5:50 p.m.

A handwritten signature in cursive script that reads "Stephanie Finau". The ink is dark and the signature is written in a fluid, connected style.

Stephanie Finau, Deputy Recorder