CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
March 12, 2024

**3:00 P.M. WORK SESSION - CITY COUNCIL CONFERENCE ROOM**

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|---|---|
| CONDUCTING | Mayor David A. Young |
| ELECTED OFFICIALS | David Young, David Spencer, LaNae Millett, Chris Killpack, Jeff Lambson and Jenn Gale |
| APPOINTED STAFF | Brenn Bybee, City Manager; Ryan Clark, Assistant City Manager/Development Services Director; Steve Earl, City Attorney; Brandon Nelson, Finance Director; Keri Rugg, Management Services Director; Chris Tschirki, Public Works Director; Marc Sanderson, Fire Chief; Bryce Merrill, Library and Recreation Director; Josh Adams, Police Chief; Jesse Riddle, Director of Legislative Counsel; Jason Bench, Assistant Development Services Director; Jennica Jones, Strategies and Innovations Division Manager; Trevor Bell, Budget Division Manager; Carlo Okotowitz, IT Division Manager; Peter Wolfley, Communications Manager, PIO; Carson Hardy, Management Analyst; Teresa McKitrick, City Recorder |

**NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under "City Council Presentations"**

City Hall Beam Ceremony *Presenter: Layton Construction and Method Studio*

Those in attendance were current City Council, Executive Staff, other staff members and past mayors and council members.

Mayor Young welcomed those in attendance and expressed his gratitude and excitement for the project. He turned the time over to John Hollingshead with Layton Construction. Mr. Hollingshead introduced the team and gave the background of Layton Construction. He explained that a beam has been signed by city employees and current/past city council members. With the beam, there was a flag and pine tree. Mr. Hollingshead explained the meaning of the tree and flag. The flag symbolizes the unity of the nation, pride and patriotism. The tree goes back to ancient legend that the tree will appease the spirits and it represents the unity between the building and creatures that live inside. Mr. Hollingshead concluded by thanking his crew for their work. Following his comments the beam was raised and placed on the top floor of the new city center building.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=553s

MGT Study Update for 311, Senior Center and Library *Presenter: Keri Rugg, Management Services Director, Carson Hardy, Management Analyst, Bruce Cowan and Jerry Wolf, MGT Consulting*

Mr. Cowan and Mr. Wolf is here to discuss the MGT study results for the 311 Customer Service Center, the Senior Center and Library Services. Mr. Wolf will begin with the Library. The two questions that were studied were 1) Is the number of librarians appropriate and 2) How should the library address the relative emphasis on print and digital materials? He reported that MGT recommends the use of relatively inexpensive technology to summon help when needed. Technology will reduce the need to have help desks staffed all day. Currently, Orem City library has more staff than sister cities and if the city were to reduce staff by using technology it might save $300,000 in personnel cost annually.

Mr. Wolf continued to report on the question of print vs. digital materials. The Orem Library does not have room to add physical materials to the library and digital materials require less room. MGT found that digital materials cost more and are growing in popularity. By increasing the size of the digital collection, it would require a greater reduction in acquisitions of print material, if the change is to be budget neutral. The result of their findings is that this is a matter of preference for the City.

The City Council had questions about the difference in costs between print and digital. They also asked about if digital services limit those who don't have a digital reader of some type. Mr. Merrill explained that part of the issue the library faces is deciding who is their intended audience. In the children's section physical items are of more importance than in non-fiction or adult fiction. He explained that the library has a number of technology supported players and resources for the public. Mr. Merrill explained the process that the library uses to determine which items they acquire and the life of a physical item compared to a digital item. Mr. Bybee explained that the library will continue to balance between digital vs. physical and continue to assess and reassess that balance as the trends change.

Mr. Hardy talked about the next steps for the library. The library will need to confirm that the use of technology to summon librarian help is acceptable. If so, they will acquire the technology and then determine if staff reductions would occur via attrition. The City innovations team is looking into different technology choices for the library paging system. The library will discuss the preference for physical vs. digital materials and budget accordingly.

The second area of discussion for MGT is the 311 Customer Service Center. Mr. Cowan explained the two questions that MGT studied are 1) Is the number of employees needed based on staffing and workload and 2) Is there a way to improve the processes? When Orem's 311 Help Center is compared to local peers, the findings are that the division is staffed reasonably.

The process of improvement has data issues because the Shortel phone system does not provide management data. MGT recommends that a new system or periodic work sampling would help explain the process. In either case, having operational metrics for management's use is desirable for evaluating improvements. Mr. Hardy reported that the new Strategies and Innovations division will be helping departments, including 311, with evaluation and improvement in the departments. The next steps for the 311 Customer Service Center will be to acquire a new customer service phone system that creates a database of operational metrics and to have staff record data to take a "snapshot" of time spent on activities at a random time to generate operational metrics.

The third area to discuss is the Orem Senior Friendship Center. Mr. Cowan presented the two questions, which are 1) Is the staffing level appropriate and 2) Would minor facility improvements enhance usage and rental revenue after hours? On the staffing question, the findings are that the workload and capacity match reasonably and demand per worker compares to peer cities. As to the feasibility of making a modest investment in audio equipment, tables, chairs and other items for rental for parties or business meetings, the findings are that peer cities have similar practices and this suggests that there is a demand for this offering.

Mr. Merrill explained that the senior center is currently doing limited facility rentals. He assured the council that the rentals will not interfere with the senior center hours or priority. Mr. Bybee said that he expects the revenue to be reinvested into the senior center. Mr. Hardy explained that the next step for the senior center would be for the city to invest in relevant equipment for rental activities. The projected rental revenues will likely cover these minor investments and that future revenues may be able to fund Senior Center facility improvements.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=2580s

Recreation New Year Resolution Impact *Presenter: Mariah Shirley, Recreation Fitness Center Manager*

Ms. Shirley is the manager of the Orem City Fitness Center. She is here to talk about the recreation center during the winter months. She showed the numbers for December 2023 and January 2024. She explained that the classes at the recreation center build a sense of community for our residents. In conclusion, she is excited about the future of fitness in the city. She is especially excited about the Hillcrest fitness opportunities and the addition to Oremfest Fit. Mr. Merrill reaffirmed Ms. Shirley's presentation and is grateful for what the fitness center team has done.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=3304s

Attainable Housing Agency *Presenter: Joe Spencer and Alex Guzman, Attainable Housing Authority*

Mr. Clark introduced Mr. Joe Spencer and Mr. Guzman, they are here to talk about the Attainable Housing Agency (AHA). Mr. Joe Spencer reported that AHA was created on November 29, 2023 through an interlocal agreement between Utah County and Weber County. The purpose is funding ADU construction via tax-exempt special revenue bonds. Mr. Guzman explained that the AHA executes its purpose in the following way: locate existing or soon to be built homes with unfinished basements, create 10 year master leases for each basement, fund construction of ADU's through quarterly issuances of bonds, oversee the construction of the ADUs, sub-lease the basement to 80% AMI renters and create annual MIH reports for AHA members.

Mr. Bybee asked if there was a lien put on the home. Mr. Joe Spencer affirmed there is a trust lien that guarantees the 10 year master lease. It will go on the title, if they sell their home the lien will need to be paid off unless the new owner wants to keep it in place. He reported that this adds value to the homes. The AHA prefers homes that are 30 years old or younger because the costs tend to be lower for the remodel, but they do look at each home on a case by case basis to make that determination.

Ms. Millet asked how they pricing the repairs, if it is at market value. Mr. Joe Spencer explained that there is a small cost for management but there is no need for overage beyond the contractors costs. AHA makes some money on the bond and some money on the management, but cash flow for AHA comes in the long term management of the property. He explained that AHA is an entity of the state, an interlocal entity created by Weber and Utah County. It does allow for cities and others to become a member of the board.

Ms. Millet asked Mr. Guzman to explain the vision. He believes this gives older home owners the opportunity to partner with young families to help maintain the property and owners can generate revenue. There are homes that will be turned down, for safety felons will be disqualified and a basic credit check will be looked at. If the cost point to build the ADU is too high that would also be a reason to turn down an applicant.

Ms. Gale asked if the homeowner will have any control over who is in the basement and how does AHA plan to resolve differences between homeowners and renters? Mr. Guzman explained that every renter will go through a background check and initial filtering. The homeowner will be allowed to self-select and then consideration will be given in the determination process, but they will need to be able to make payment. AHA will manage the property and deal with the issues for renters and owner in Mr. Guzman's department. If the home is not occupied between renters, then the AHA will have a fund to cover that time of vacancy.

Mr. Joe Spencer spoke about the AHA member benefits which are additional attainable housing through gentle density, legal ADUs, rented to 80% AMI, resolved non-compliant ADUs, centralized organization to plan ADU deployment in your city and annual state MIH strategy reports. He continued to explain the AHA member responsibilities are to assign someone to join the board of AHA and attend quarterly (electronic) board meetings to approve new bond issues.

Mr. Joe Spencer spoke about some of the frequently asked questions. One often asked question is what size does my unfinished basement need to be? AHA would like to build a 2 bed, 2 bath apartment and generally need 800 square feet to do that. There are often questions about cash flow to the owner. AHA pays the funding first and then puts some money in reserve for repairs and then remaining funds will be given to the owner. This amount will depend on the cost of the project to AHA. Mr. Lambson asked about the plan to get the program going. Mr. Joe Spencer said that they plan to partner with local home builders and contractors. He has found that there is a demand for this program.

Mr. Joe Spencer described the two options to get involved. The City could sign an interlocal to join as a member or sign an interlocal agreement to partner with AHA. Mayor Young asked why the City would need to be a member. Mr. Joe Spencer believes that the input on the board from the City would be valuable. Mayor Young asked if there is liability to the City by joining the board. Mr. Joe Spencers replied that there is no liability for the City. The insurance for homeowners might need to be increased to cover liability at the home. Mr. Dave Spencer clarified that this is not affordable housing for renters but an affordable way for home owners to create an ADU. Mr. Earl asked if AHA would pursue this program in Orem even if the City does not join. Mr. Joe Spencer affirmed that they would.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=5850s

HR Annual Report & Budget FY25 Compensation *Presenter: Keri Rugg, Management Services Director, Amy Peterson, HR Division Manager, and Jennica Jones, Strategies and Innovations Division Manager*

Ms. Rugg introduced Ms. Peterson as the HR Manager and Ms. Peterson shared the 2023 annual HR report. She began with an introduction of the HR team. She continued on to the key accomplishments which include a new paid time off program, the new HR portal implementation, the employee engagement survey and the introduction of the employee BABO store. The new hires in 2023 were 313, 57 full-time and 256 part-time employees. She spoke of the retention and recruitment for the City of Orem. In 2023, 22 employees resigned, 20 found other employment, 11 retired, 5 were dismissed, 1 left for personal reasons and 1 relocated. The benefits and development of the City include employee assistance program, bereavement policy, hybrid step program, paid time off program, employee training, and scholarship & tuition reimbursement.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=6519s

Ms. Jones focused her discussion on employee compensation. She gave a brief history of compensation changes. In 2018, there was the implementation of the Public Safety Career Ladder program. In 2020, the implementation of the Public Safety Hybrid Step program. In 2021, completion of NFP compensation study and implementation of Phase 1 of the Public Works Hybrid Step program. In 2023, the expansion of the hybrid step program to more work teams and removal of the grade system to be more responsive to the market for each position.

And bi-annually doing a market review of compensation and benefits programs, including a comparison of each position to the external market. The historic market and merit increase over the years are as follows: FY21 merit increase 3%, market increase 1% for total of 4%, FY22 merit increase 3%, market increase 0% for total of 3%, FY23 merit increase 3%, market increase 1.5-4.5% for up to 7.5%, FY24 merit increase 3%, market increase 2% for total of 5% and for FY 25 3% merit increase and then a target market-driven position increase, yet to be determined.

Ms. Jones compared the City of Orem to sister cities and she found that most cities have not determined pay increases for FY25. In FY24, the average combined increase was 6.63% among sister cities. Many cities also implemented targeted market adjustments for specific employee groups. According to the WorldAtWork Salary Budget Survey, the median nationwide 2024 market increase for government organizations is projected to be 1.0% and the median merit increase is projected to be 3.5%.

Ms. Jones explained the FY25 compensation process and plan. This plan is to conduct a market study for every position in the City, expand the hybrid step programs throughout the City, target market adjustments for different positions, merit increase for positions not in the hybrid step programs and look at step and/pr career ladder increases for positions in hybrid step programs. Mr. Bybee highlighted the City's specific and detailed market analysis for the employees of the City.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=7637s

Budget FY25 Revenues *Presenter: Brandon Nelson, CPA, Finance Director*

Mr. Nelson began his presentation with an overview of the FY 24 revenues. He compared the current FY24 budget with the actual FY24 YTD (year to date). The total budget for revenues was $59,484,968, the YTD revenue is $37,218,430. That means that 62.6% of the revenue budgeted has been collected. He explained that sales tax is down but the interest collected by the City is up.

Mr. Nelson switched his presentation to the FY25 tentative revenue budget. The major General Fund Revenues Budget is as follows: $32,000,000 sales tax, $9,00,000 franchise tax, $7,788,768 property tax, $1,330,000 building permits etc., $975,000 licenses, $2,800,500 ambulance services, $920,000 cemetery fees, $1,342,700 court fees and fines, and $3,704,000 interest earnings. The total tentative general fund revenue budget is $59,860,968. This is a 0.6% positive change for FY25. Mr. Nelson highlighted that the UIA/Utopia Reimbursement for FY25 is $960,000 which is a 4.3% increase.

Mr. Nelson spoke about the proposed increased cemetery rates for FY25. The fee for residents in the upper cemetery is $1,413, residents in lower cemetery is $1,770, non-residents in upper cemetery is $1.811 and non-residents in lower cemetery is $2,267. The proposed interment fees for residents are $709 for adult or junior, $471 for infants, $352 cremation without vault, and $471 additional fee for Saturday services. For non-residents it is $906 for adult or junior, $606 for infants, $456 cremation without vault, and $606 additional fee for Saturday services

This is a 3.5% increase. The revenue sources are $3,800,000 B&C road revenues, $3,150,000 CARE tax, 2,850,000 transportation sales tax, $16,000,000 water revenues, $14,408,000 water reclamation revenues, $5,900,000 storm water revenues, $3,990,000 recreation revenues, $5,397,000 solid waste revenues and $1,185,000 street lighting revenues. That is a total of $56,680,000, which is an 8.3% increase. The proposed water fund rates and meter rates will increase between 3.5 and 4.0% for FY25. The proposed sewer fund rates will increase from $12.46 to $16.98 and the volume charge will increase by 3.5%. The storm water fund proposed rates will increase by 2.8%. Solid waste will increase between 4.2 and 5.0%. The streetlight fee will increase from $2.61 to $3.16 to help pay for the cost of the Christmas Lights at the City Center.

Mr. Nelson put together a table of utility costs as compared to other cities in Utah. Orem City has the lowest costs when compared to Provo, Pleasant Grove, Lehi, American Fork and about 14 other cities. Mr. Bybee reiterated that Orem's proposed rates are less than all the other cities current rates. It would be expected that all cities will see an increase in rates for FY25.

Mr. Nelson said there will be no rate increases at the Orem Fitness Center for FY25. Mr. Merrill confirmed that recreation will probably only see increases every 3 years. There are other fees and charges changes that will be noted in the fees table that will be published. Mr. Bybee encourages the City Council to bring questions to the City as needed.

CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

Mr. Killpack reported that Oremfest is selecting the grand marshals for the parade and preparations for Oremfest are underway. The Library is implementing some new changes and reports are that it is going well. The Historic Preservation Commission will be meeting soon. He is over legislative information and he has been meeting with Brenn and Jesse each week.

AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

**6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS**

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|---|---|
| CONDUCTING | Mayor David A. Young |
| ELECTED OFFICIALS | David Young, David Spencer, LaNae Millett, Chris Killpack, Jeff Lambson and Jenn Gale |
| APPOINTED STAFF | Brenn Bybee, City Manager; Ryan Clark, Assistant City Manager/Development Services Director; Steve Earl, City Attorney; Brandon Nelson, Finance Director; Marc Sanderson, Fire Chief; Chris Tschirki, Josh Adams, Police Chief; Public Works Director; Bryce Merrill, Library and Recreation Director; Jesse Riddle, Director of Legislative Counsel; Jason Bench, Assistant Development Services |

Director; Tyler Peay, Public Services Division Manager; Peter Wolfley, Communications Manager, PIO; Carson Hardy, Management Analyst; Teresa McKitrick, City Recorder

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=10399s

**CALL TO ORDER**

**INVOCATION / INSPIRATIONAL THOUGHT** – Doug Gardine
**PLEDGE OF ALLEGIANCE** – Jodee Gardine

**MAYOR'S REPORT/ ITEMS REFERRED BY COUNCIL**

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=10603s

**State of the City Report** *Presenter: Peter Wolfley, Communications Division Manager, PIO*

Mr. Wolfley reported on the State of the City event that was held on Thursday, March 7, 2024 at 9 AM. The public and employees gave positive feedback about the event. The City created the following website with the information from the State of the City event, https://orem.org/state-of-the-city-booklet/

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=10773s

**Beautification Advisory Commission Report** *Presenter: Kristin Bascom, Beautification Commission Chair and Tyler Peay, Public Services Division Manager*

Mr. Peay introduced the Beautification Advisory Commission and Kristin Bascom who will be leading the presentation. Ms. Bascom explained the Orem Beautification Advisory Commission seeks to preserve and enhance the beauty of Orem City. They strive to inspire businesses and residents to continually beautify their surroundings through city sponsored initiatives, events and programs. She introduced the current commission members. The 2023 accomplishments include the Oremfest parade, social media outreach, beautification and holiday awards. The city is split into sections and the commission looks in that area for businesses and homes that are beautifying their yards and businesses.

The 2024 goals are to promote worthwhile practices that enhance the beauty of Orem. They want to continue recognizing homes and businesses that beautify their yards, continue recognizing homes and businesses that decorate for the holiday season, recognize residents for wise water use, participate in the City's Arbor Day activities, support the City in establishing a community garden, educate residents in good horticulture activities, promote activities and education through the City Facebook page and City newsletter and participate in the Oremfest parade.

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=11138s

## PERSONAL APPEARANCES

**Opened at 6:16 PM**

Steven Heaps is here to discuss irrigation in the City of Orem. He explained that there are two canal systems in Orem. Lindon has chosen to claim their water shares from the canal. This will reduce the pressure of water for Orem. He is here to educate and bring awareness to this issue. He is hoping the City will be able to help with this issue. He is on the North Union Canal system.

**Closed at 6:29 PM**

https://www.youtube.com/watch?v=YbpyuY7YL0o&t=11520s

## CONSENT ITEMS

**Approval of Meeting Minutes February 27, 2024**

**CARE Advisory Commission Appointment**
Elsie Powley and Laurel Smith

**CDBG Advisory Commission Appointment**
Scott Snow

**Heritage Advisory Commission Appointment**
Don Housekeeper

**Ms. Millett moved** to approve consent items. **Seconded by** Mr. Killpack. Those voting yes: David Young, LaNae Millett, Chris Killpack, David Spencer, Jeff Lambson, and Jenn Gale. The motion **passed.**

## CITY MANAGER INFORMATION ITEMS

Mr. Bybee gave details for the Spring clean up schedule for 2024 and the upcoming community swap opportunity for the community, both of these items will be advertised to the public.

## ADJOURN TO A MEETING OF THE OREM REDEVELOPMENT AGENCY (RDA)

**Ms. Gale moved** to adjourn this meeting and move into the Orem Redevelopment Agency, **seconded** by Mr. Lambson. Those voting yes: David Young, LaNae Millett, Chris Killpack, David Spencer, Jeff Lambson, and Jenn Gale. The motion **passed.**

## RDA CONSENT ITEMS

### Approval of RDA Meeting Minutes June 13, 2023

**Mr. Lambson moved** to approve the RDA meeting minutes for June 13, 2023, **seconded** by Ms. Millett. Those voting yes: David Young, LaNae Millett, Chris Killpack, David Spencer, Jeff Lambson, Tom Macdonals and Jenn Gale. The motion **passed.**

**https://www.youtube.com/watch?v=YbpyuY7YL0o&t=11721s**

## RDA SCHEDULED ITEMS

**Resolution to amend the Participation Agreement for the University Place Community Development Project Area** *Presenter: Steve Earl, City Attorney*

Mr. Earl explained that this is a proposed amendment to the participation agreement for the University Place Community Development Project Area. Tax increment is the difference in the taxable value of land in the project area on a base year versus the increase in the taxable value as additional buildings and improvements are constructed. The University Place would qualify for certain amounts of this tax increment as they obtained or achieved certain benchmarks or criteria that were outlined in a participation agreement. Mr. Earl displayed a table of the Tax Increment Reimbursement Structure. The redline is the proposed changes. The University Place has completed the benchmarks for 1 and 2. Benchmark 3 requires 300.000 square feet of Class A office space. One of the results of COVID-19 is a reduction in the demand for office space, but they are experiencing demand for additional retail space. The resolution recommends replacing 300,000 square feet of office space with 100,000 square feet of new retail. This is a shift of increased retail space up one benchmark.

Mr. Earl spoke of the City's interest to protect the neighboring residential properties. The new retail space is on the edge of some existing residential dwellings. The City is requiring separation requirements for the development. University would need to maintain the setbacks required and to install buffering in terms of trees that would be installed as part of the landscaping. He reviewed the development standards requirements. Mayor Young asked Mr. Earl to clarify the changes in the increment reimbursement structure. Each of the benchmarks, starting at 3, will shift down 100,000 square feet until benchmark 8. All requirements in benchmark 8 will remain the same. Mr. Lambson asked about time limits for each benchmark and Mr. Earl said there is not a time limit, but to collect the maximum amount of increments they would need to complete it by 2039. Ms. Gale asked Mr. Earl to explain the benefit to the City. The benefit is it keeps the incentive for University Place to improve and expand. This means there will not be an increase in jobs or sales tax. The money is a reimbursement for infrastructure.

Mr. Earl continued to explain that the PD-34 zone was amended to allow additional retail, office, and residential. The intention was for the project to stay largely retail and a provision was included that the number of residential units that they could construct would be limited to 1.5 residential units per 1,000 square feet of retail space. They currently have about 1.2 million square feet of retail space, which would entitle them to around 1,500 residential units. A provision was included in this proposed amendment that whatever retail space they construct to meet this new benchmark 3, will not be used to allow them to construct new residential units.

**Mr. Lambson moved** to amend by resolution the Participation Agreement for the University Place Community Development Project Area, **seconded** by Mr. Killpack. Those voting yes: David Young, LaNae Millett, Chris Killpack, David Spencer, Jeff Lambson, and Jenn Gale. The motion **passed.**

**ADJOURN MEETING**

**Ms. Millett moved** to adjourn, **seconded** by Mr. Lambson. Those voting yes: David Young, LaNae Millett, Chris Killpack, David Spencer, Jeff Lambson, and Jenn Gale. The motion **passed.**

**PASSED and APPROVED this 9th day of March 2024.**

**David A. Young, Mayor**

**ATTEST:**

**Teresa McKitrick, City Recorder**

IN GOD WE TRUST
OREM
FAMILY CITY USA
EST. 1919

| COUNCIL MEMBER | AYE | NAY | ABSTAIN |
|---|---|---|---|
| **Mayor David A. Young** | ☑ | ☐ | ☐ |
| **Chris Killpack** | ☐ | ☐ | ☐ |
| **David Spencer** | ☑ | ☐ | ☐ |
| **Jeff Lambson** | ☑ | ☐ | ☐ |
| **Jenn Gale** | ☑ | ☐ | ☐ |
| **LaNae Millett** | ☑ | ☐ | ☐ |
| **Tom Macdonald** | ☑ | ☐ | ☐ |