

Heber City Corporation
City Council Meeting
October 6, 2011

5:00 p.m.

WORK MEETING

The Council of Heber City, Wasatch County, Utah, met in **Work Meeting** on October 6, 2011, in the City Council Chambers in Heber City, Utah.

Present: Mayor David R. Phillips
Council Members Eric Straddeck
Nile Horner
Alan McDonald
Benny Mergist (excused 7:50 p.m.)

Excused: Robert Patterson

Also Present: City Manager Mark K. Anderson
Deputy City Recorder Michelle Kellogg
City Engineer Bart Mumford
Police Department Chief Rhoades
Lt. Bradley

Others Present: Erik Rowland, Juli Larsen, Diann Greer, Jeff Bradshaw, Tracy Taylor, Daniel Mauer, Larry Newhall, David Mills, Adrienne Mills, Janette Hall, Jenny Cook, Martin VanRoosendaal, Mark Rounds, Mike Johnston, Jerry Duke, Dennis Roberts, Todd Cates, Randy Larsen, Rich Hansen, Lindzi Bell, Mike Carlton, Trevor Edwards, Deidre Edwards, Brian Baker, Ruth Holmes, Ferris Holmes, Renee Braday, Glinda Straddeck, and others whose names were not legible.

Mayor Phillips opened the meeting and welcomed all in attendance.

Mike Swallow – Personnel Systems – Report on Heber City Compensation Study: Anderson introduced Swallow and indicated he was here to present his findings from the compensation study and answer any questions the Council had. Swallow described the process of the project. He stated he liked to hear from the rank and file employees since they were the most involved with the day-to-day activity of the City. Swallow had an initial meeting with the City employees and had them take a value survey. He indicated he received results from 70% of the full-time employees. The employees felt it was most important to have “job knowledge”, then “responsibility,” third was “difficulty of work,” and fourth was “work environment.” Swallow stated these four areas would be used to differentiate why one position was paid a higher rate than another. He wanted the City to be fair and equitable. All four areas got factored into the job descriptions.

Swallow indicated the employees got to review their job descriptions and update those prior to being interviewed by Swallow and his associates. He stated the job description was the control document that determined the pay grade. He then reviewed the other sections of the survey.

Swallow stated he looked at other entities within a commute range such as American Fork, Highland, Eagle Mountain, Lehi and others. He tested what degree the market place agreed with how jobs were valued in Heber City. Council Member Straddeck asked how old the data was from the other cities. Swallow stated some data were from last year and some from this year. He indicated a few were old, which he then adjusted.

He ran a regression process pay line to get a best fit picture. The starting wages were similar but the mid management and upper management fell a little lower than the market place norm. He said the longer service employees would be higher than the norm in another scenario shown.

He stated he had inserted a possible pay plan, which was more open ended. The step system was more structured. This open plan would eliminate entitlement and would give management more flexibility with wages. He stated pay increases had been challenging because the burden usually fell with the mid-manager as he justified the raise. Swallow recommended having a standard in the policy, for example, a 2% or 3% raise up to midpoint. Once the midpoint was achieved, advancement could be structured more aggressively based on performance, achievements, etc.

Council Member McDonald asked if it would work if everyone could get \$1 per hour increase. Swallow said over time there would be a compression in the wage range. The lower wage positions would receive a 40% increase with that \$1 raise, but the top wage earners, who had more certifications, would receive a 3% raise. He indicated motivation would be lost in that scenario, and the wages would grow closer together over time.

Another scenario Swallow inserted into the study was he deleted the larger entities and compared Heber City with markets close to Heber's actual wages. This scenario (3) showed similar data. Swallow stated that Heber had an enviable pay plan. The bottom line was nominal for adjustments. He adjusted the wages based on "job knowledge," which was the highest value given by the employees.

Swallow stated it was not uncommon to have an appeals process if an employee was dissatisfied with the results of the compensation study. If they found something that justified an increase, that could be adjusted. Council Member McDonald asked if this program could be manipulated. Swallow said it could because it was on an Excel spreadsheet.

Anderson indicated in the Parks/Cemetery Department, there were newly created lead positions which had not been classified in the past. Also, some employees were doing jobs that they weren't classified to do. Anderson stated the water and sewer certifications weren't tied to grade 2 and 3 maintenance worker job descriptions. Mayor Phillips asked what the pay was tied to for those grades and Anderson indicated the employee longevity with the City and skill sets.

Council Member Horner asked what would happen if an employee got a certification that they don't need or use. Swallow stated it would need to be decided if employees got paid for what they knew or paid for what they did. Council Member Horner asked how to handle a situation of two employees that had the same certification but one performed better than the other. Swallow thought that would be a tough call for the supervisor. Mayor Phillips asked about the lead

position wage increasing, maybe by 3%-5%. Anderson suggested moving those positions up a step.

Mayor Phillips stated ULCT encouraged cities to get employees to mid level wages quickly in order to retain them longer. He indicated Heber had aggressively done that for a few years. Swallow stated this tool reflected the value statements by the employees, and reiterated performance was still the safest way to give raises. Mayor Phillips thought the plan should be non gender specific, etc.

Mayor Phillips asked about the 40% factor. Swallow said 40% was the cut taken out of the core number of points from 2,000. If more pay grades were added, the number would increase. Swallow also said there were certain hazardous positions that required higher pay.

Council Member McDonald asked what the implementation cost would be to bring the underpaid employees in range. It was indicated \$3,000 the first year. Discussion on increasing certain employees' wages.

Sky Galli – Discuss City Standard for Grease Interceptor: It was indicated that Mr. Galli asked to be removed from tonight's agenda.

Aspen Pointe Subdivision – Second Subdivision Agreement: Mumford stated this item was also on the Regular Meeting agenda because the developer wanted to work out the arrangements and proceed with the completion of the subdivision as quickly as possible. He continued that this was a new subdivision agreement, and indicated the developer would be here for the Regular Meeting if the Council had questions. Council Member Horner asked what was different about this agreement from the first development agreement. Mumford stated the warranty bond was reduced with four lots given to the City, and also the affordable housing obligation. He clarified that this was a different developer but the owner was the same. The developer used to be the investor and now he was trying to recoup some of his money which was lost in the venture.

Council Member Horner asked how many owners there had been in this development. Mumford indicated there had only been one owner but there were several investors. When the development went under, the investors were given lots in lieu of their investments. Council Member Horner asked if there would be any chance the owner could come back and sue the City. Mumford stated this agreement would minimize the chance of a lawsuit. By entering into this agreement, the City would have more money to finish the subdivision. Council Member Horner asked if the developer went under again, could the other investors that owned other lots come back and sue because they didn't have a finished lot. Anderson stated the City was only responsible for the City utility infrastructure. He had confirmed this with Mark Smedley and David Church. Council Member Horner asked if the other investors could sign off on the development agreement as a protection to the City. Anderson indicated the signed agreement would be recorded and if the developer went under, the same thing would be required from those who took it over. Mumford suggested asking the developer about the other investors signing off on the agreement.

Council Member McDonald asked if the trail and easements in the agreement were in conformity with the City Code. Mumford indicated when the plat was recorded, those easements and trail were dedicated, so that requirement had already been fulfilled.

Muirfield/Elmbridge Road – Tying into Muirfield Subdivision at approximately 200 West 750 North: Mumford indicated when the Muirfield Trail was discussed at a prior meeting, this road was an issue that Muirfield HOA was against because they did not want a through road. He stated there was an original cul-de-sac, which was extended for park purposes. The park had been planned for many years. In the Master Plan, a secondary access was planned so other citizens could easily access it. The new road would come from Highway 40, connecting into 100 West and ending at 200 West. This road was incorporated with the Elmbridge project. It was now Elmbridge's responsibility to install that road. Mayor Phillips asked to hear from the Muirfield residents in attendance:

Larry Newhall, HOA President, stated that many in the neighborhood thought the road would only go to 100 West. His concern was that this road would also give commuters access to 650 North which was a narrow street.

Adrienne Mills, stated she lived on 650 North. A few years ago, when Elmbridge was discussed, the neighbors came to the Council meeting and expressed their concern about that road going through their neighborhood. The reason was because of the increased traffic on a narrow street, lined with cars and full of kids. She indicated many of the neighbors were very concerned about this. She indicated this was addressed when the Elmbridge development was proposed for approval to the Council. Council Member McDonald asked to see the minutes for that City Council meeting and the agreement the Council made. Mills stated she could get the date of that meeting.

Larry Newhall, asked about the buck pole fence that was suggested at a prior meeting. Mayor Phillips asked for that to be added to the next agenda.

Mike Johnston, stated the traffic was generated in Muirfield. The road itself would not produce traffic. Trucks going into Muirfield would go to a residence in Muirfield. He also commented that this would be the newest and largest park in Heber, and people would have to go through Muirfield to get to the park if there was no access off Highway 40. Council Member Horner stated he would like to see access from Highway 40, but have a parking lot for patrons so they could walk to the park.

David Mills, stated blocking access to Muirfield would be great. He felt if the access road connected to the subdivision, traffic would go through the neighborhood to avoid the light on 500 North. Council Member Mergist liked the blocked access idea as well.

Discussion/Information – Treasurer's Bond: Anderson stated the City was required by State statute to have a minimum \$500,000 bond for the City Treasurer. Currently, the City had a \$650,000 bond. Council Member McDonald had asked at a prior meeting to see the cost for a \$1 million bond. It was indicated the premium would increase by \$500 per year. Anderson stated based on the internal controls, any problem would be caught before a \$500,000 error was reached. Council Members Horner, McDonald and Mergist were in favor of increasing the bond to \$1 million.

Review – Powers and Duties – City Manager: Anderson stated under Section 2.14.020, the State Code referred to was archaic and should be updated and referenced to Utah Code Section 10-3b-302.

Council Member Mergist asked to be excused from the remainder of the meeting at 7:50 p.m.

Anderson referred to the third bullet point of his staff report which stated in Section 2.14.040, consideration should be made to reflect that the duties assigned to the City Manager were in effect prior to May 4, 2008 per Utah Code 10.3b.104(2)(a). He explained that in 2008, the State Legislature eliminated the City Manager form of government. Some cities adopted by ordinance powers for the City Manager. The State indicated the powers that were set forth prior to 2008, could remain in effect. So, Anderson asserted, Heber had assigned those powers prior to 2008, and they had continued because of that law. Council Member McDonald read from the Utah Code, and stated the ordinances and City Code didn't change because of the 2008 State Code, and because the State didn't change the Code, he concluded nothing else in the City Code would have changed.

Mayor Phillips stated the City attorney could review that Code for verification. Council Member McDonald clarified that the City Code would supersede the State Code. So with the above mentioned exception, the Mayor wouldn't have some rights because it was not in the City Code. Council Member Horner stated the City should be regulated by the same code that was in effect prior to 2008, unless it was updated. Council Member McDonald stated when the State clarified the types of municipal government in 2008, the City didn't adopt it. He then indicated Mayor Phillips could not vote on certain issues because it was not in the City Code, which Code would supersede the State Code. Anderson stated the Mayor's voting power wasn't in the City Code but the City was bound by State Code. Council Member McDonald argued the City couldn't pick and choose when to go by the City Code and when to go by the State Code. Mayor Phillips stated he did not want to go into this conversation tonight but he would get legal advice on this topic. Council Member McDonald stated he talked to a State legislator, who researched this issue.

There was discussion on the City Manager contract. Anderson stated the contract for City Manager was unclear in the City Code because it said nothing of the renewal of a contract. He stated the new State Code stated contracts could not be automatically renewed. Council Member Horner stated if the Council followed the City Code, the Council would need to give the City Manager a contract, but if the Council followed the State Code, then the Council couldn't give the City Manager a contract. Anderson clarified a contract could be given under the State Code, it just could not be automatically renewed. Mayor Phillips stated the Council would get the rules so they could follow the laws.

Council Member McDonald read again from the State Code which stated the Council could assign any or all Council members, including the Mayor, to supervise any or all departments.

Continuing with the Powers and Duties of the City Manager, Anderson stated it was unclear about his employment contract. He indicated a renewal could happen at any time. He also talked about 2.14.040(d) and thought the supervision of the Finance Director would be a relevant topic to discuss.

Council Member McDonald thought 2.14.040(J) was a high priority for discussion. Anderson stated the removal of this wording would result in a problem with the chain of command. Council Member McDonald stated he put this in because he didn't want the City Manager to say what the Council could and couldn't do. He realized the Council could abuse this power, but stated the City Manager could abuse that power as well, and suggested this paragraph could be inserted in the Powers and Duties of the City Council section of the Code. Anderson thought a

balance could be obtained, and stated he didn't care where it went, but stressed there needed to be a clear chain of command. Council Member Straddeck stated the Council having access to staff and helping with decision making versus assigning staff tasks was not the issue but the balance was achieved in the language. Whether it was in the City Manager section of the Code or in the City Council section didn't matter, but the language should remain. Mayor Phillips encouraged the Council to support the system.

Council Member McDonald wanted to change Section 2.14.040(b) to the new language. Mayor Phillips asked why the Finance Director position wouldn't fall under this section as well. Discussion was continued until a future meeting.

Ordinance 2011-14 – An Ordinance creating a Finance Director position and outlining duties of that position: This item was not addressed.

Mark Rounds - Discuss Holiday Lighting of Main Street Trees: Council Member Mergist was in favor of LED lighting. He asked if the City would replace all the lights. Rounds indicated he favored LED lights because they were energy efficient, had low heat, and were fused into the string so passers-by couldn't pull them out. Mayor Phillips asked about the cost, and it was indicated \$4,800 would be spent to have all the lights replaced. Rounds stated according to the warranty, the lights would last 70 years. Anderson indicated this would require a budget amendment. All Council members were in favor of buying the LED lights.

Mayor Phillips raised a question of a possible ordinance to designate certain streets for ATV use, and asked if the Council wanted to pursue this. Council Member Horner stated he had people asking about this and would like to discuss it. Mayor Phillips stated Council Member Patterson wanted to talk about it, as well as Council Member McDonald. Council Member Horner stated there was a difference between street worthy ATVs and non-street worthy ATVs. It was decided to add this item to the next work meeting agenda.

Distribution of Final Citizen Survey Results: The comments and percentages were distributed. In talking with staff, Anderson stated code enforcement was an issue, as well as others. It was determined the survey should be discussed as a separate meeting. Council Member McDonald wanted the results and comments on the City website as well as in *The Wasatch Wave*. Council Member Mergist suggested meeting on November 17th, at 5:00 p.m. The Council agreed.

Distribution of Final Budget: Anderson stated he distributed the final budget and Tony Kohler would have it on the website on Monday.

With no further business, the meeting was adjourned.

Michelle Kellogg, Heber City Deputy Recorder