

Minutes of the Work Session meeting of the Syracuse City Council held on August 10, 2010, at 6:00 p.m., in the Council Work Session Room, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Alan Clark (arrived at 6:10 p.m.)  
Doug Hammond  
D. Matthew Kimmel  
Douglas Peterson  
Larry D. Shingleton

Mayor Jamie Nagle  
City Administrator Rodger Worthen  
City Recorder Cassie Z. Brown

City Employees Present:  
Police Chief Brian Wallace  
IT Director TJ Peace  
GIS Technician Troy Moyes  
Administrative Intern Brant Hanson

The purpose of the Work Session was for the Governing Body to review the agenda for the Regular Council Meeting to begin at 7:00 p.m., discuss the possible alteration of the format of the Syracuse City wage scale, have a general discussion regarding current impact fees, and discuss Council Business.

Discussion re: possible alteration of Syracuse City wage scale.

City Administrator Worthen reviewed the memorandum that he provided to each member of the Governing Body regarding the City's wage scale. He explained that his proposal is to make changes to the wage scale in order to make it more flexible. He stated that he would like to remove all steps in each employment position pay grade, with the exception of the minimum and maximum pay steps. He added that the State of Utah uses this type of wage scale and there are other government entities that are migrating to this same format as well.

Councilmember Kimmel asked Mr. Worthen to provide his definition of flexibility. Mr. Worthen stated that the wage scale would be flexible in that the City would not be required to fit a new employee into a step within the pay scale, which would be helpful to the City considering the state of the economy. Councilmember Kimmel asked how this type of wage scale would have benefited the City during the process of hiring the new Finance Manager, Ms. Fowles, or the new Community Development Director. Mayor Nagle stated that the City would not have many benefits at the point of hiring a new employee, but the amended wage scale would be helpful in a year when the City wants to provide merit increases to its employees, but there is not enough funding to give an employee a full step increase. She stated there may be enough funding to provide a one or two percent merit increase and that would be allowed if the wage scale were amended. She stated she believed the difference between each step in the current wage scale is three percent. She then added the only option available to the City would be to give a cost of living adjustment (COLA), which increases every step inside of the wage scale and subsequently causes wage compression. She explained that wage compression can negatively impact employees that have been employed by the City for a long period of time. She stated that the City recently had a problem when trying to determine the proper increase amount for an employee. She stated that in order to give that employee the type of raise that had been discussed it would have been necessary to move him several steps ahead of where he currently is in his assigned pay range. She stated that administration began looking for other job classifications that he could be assigned to while still maintaining the same step within an assigned scale, but the employee did not meet the job qualifications of those other classifications. She stated that this type of wage scale would have been helpful in that situation.

Councilmember Kimmel asked Mayor Nagle if she had seen this type of wage scale work in her private employment with the State of Utah and that is why she wants to implement it in Syracuse City. Mayor Nagle stated that she has seen the wage scale work at the State, but her main purpose in recommending this type of wage scale is that she has seen and been part of a couple of situations in the City since she was elected as Mayor where this type of wage scale would have been very helpful. Mr. Worthen agreed and stated that the steps inside the wage scale make it very rigid. Mayor Nagle added that if the City finds itself in a position where there is funding for pay increases, she would prefer to spread the amount of money available among the entire staff of the City rather than be forced to give larger raises to five or six employees. She stated that she does not want the wage scale to be the cause of wage compression, which would create problems for the City in the future.

Councilmember Kimmel asked how long the State of Utah has been using this type of wage scale. Mayor Nagle stated that the State began using this type of wage scale last year, but she added that there are several private sector companies that have been using this type of wage scale for a long time and it has been a success.

Councilmember Kimmel inquired as to whether there is a potential downside associated with the more flexible wage scale. Mayor Nagle stated that the potential downside could be that the wage scale could be taken advantage of. She stated that if there are no 'curbs' or criteria in place, it may be possible for a supervisor to give two employees working in similar positions very different pay increases; one may receive a large increase while the other may receive a minimal increase. She stated that if the Council chooses to adopt a new wage scale, it would be necessary to identify the criteria that a supervisor would need to follow as well as identify the maximum pay increase that would be allowed.

Councilmember Peterson asked if it would be necessary to include that criterion in the personnel policy manual. Mayor Nagle stated that there is a section in the personnel policy manual that deals with pay increases and it will be necessary to amend that section. Councilmember Peterson stated that he would like to make that change to the manual at the same time as the change is being made to the wage scale. Mayor Nagle agreed that would be the best practice. She then added that she has noticed that there are employees of the City that are assigned to employment classifications that do not fit them. She stated that she does not want to keep making that problem worse and she is not willing to move employees into a job classification that does not fit them simply for the sake of giving them a pay raise. She stated that she feels that this type of wage scale will create a 'win-win' situation for the City and its employees alike.

Councilmember Kimmel asked Mayor Nagle if she has a recommendation regarding the maximum raise that could be given to an employee. Mayor Nagle stated that she would recommend giving administration the authority to approve a four percent raise and any increase over that amount would need approval from the Council. Ms. Fowles added that her previous employer, Roy City, has used this type of wage scale since 2002 and they never had any problems with it. She agrees that a wage scale of this type affords an entity much more flexibility. Mayor Nagle agreed and added that compression in a wage scale is one of the biggest problems that an employer will face with its employees and it can greatly impact employee morale. She stated that there may be an employee that has worked in his or her position for 20 years that is earning the same or a slightly higher wage than a much less tenured employee. She stated that situation is caused when employees are only given COLA increases rather than merit increases. Councilmember Shingleton agreed and stated that the City had that type of problem a year ago; there were several employees in the Police Department that had been working in their positions for three or more years and they were earning the same wage as newly hired employees. Mayor Nagle stated that type of a situation is a disincentive to workers.

Councilmember Peterson stated that he likes the proposal to change the wage scale, but he reiterated that he wants to amend the policy manual in conjunction with making that change. Mayor Nagle agreed and stated that both items can be added to the next Council business meeting agenda.

Councilmember Clark asked if the new wage scale could create any problems for the City. Mayor Nagle reiterated that if no criteria or 'curbs' are put in place, there may be opportunities for supervisors to exploit the system. She stated that appropriate criteria needs to be adopted in order to minimize subjectivity. Councilmember Clark stated that he believed that the implementation of a pay-for-performance system would help to minimize subjectivity as well.

#### Discussion re: current impact fees.

Mayor Nagle stated that it is no secret that the City's current impact fees are very high; the City has heard from businesses and developers alike that the impact fees are somewhat 'choking' the growth in the City. She stated that some developers have commented that they have had recent success in leasing or selling their properties in other cities, but that type of progress is still stagnant in Syracuse City. She stated that City Engineer Hansen and Public Works Director Wait have been reviewing options for reducing impact fees. She added that the City will soon be hiring a Community Development Director and his primary focus will be development, but she wanted to see if it is possible to make some changes to the impact fees in the short term.

Mr. Hansen stated that he wanted to provide a quick explanation of the background of the City's impact fees so that everyone present can better understand their purpose. He stated that in order to charge an impact fee the City must have a Capital Facilities Plan (CFP), which must include a list of projects to be completed with impact fee proceeds. He stated that the list of projects should be determined by the Council and it is commonly referred to as the level of service. He stated there is a level of service associated with each impact fee and once the level of service is established, staff works to determine what they will need to provide that level of service. He stated those needs could include, but are not limited to, the necessary infrastructure, staff support, materials, etc. He stated that the level of service for parks impact fees can be more subjective and there are not as many State guidelines dealing with park impact fees. He stated that once all the proper documents and lists are assembled it is easier for staff to determine the project needed to meet the defined level of service. He stated an example could be that to meet the level of service associated with a park development impact fee staff would need to build at least one softball field for every 2,500 residents. He stated that in the future, growth will determine when it is necessary to increase the number of softball fields located in the City. He added that future growth is required to pay for the increased demand on services; if the City is behind on providing the defined level of service to existing residents that burden can not be placed on new residents. He then explained that the City publishes notices advertising that anyone interested has the right to review the CFP before it is adopted; involvement in that process is greatly encouraged. He stated that the City wants people

to be given the opportunity to understand the purpose of impact fees. He stated that each impact fee is assigned its own accounting fund in the City and fee revenues must be spent within six years of their collection; otherwise the people that paid those fees are to be reimbursed. He stated that Syracuse City has not historically had a problem with spending the fee revenues within the six year time period, but the City is required to keep track of how much each developer has paid and how their money is being used. He stated that once the CFP is done and an impact fee amount has been proposed, the Council can choose to pass the entire cost to provide the desired level of service on to residents or they can decide that the City will pay a portion of the costs associated with the desired level of service. He stated that if the City decides to pay some portion the Council is required to include funding for that in each fiscal year budget. He stated the City must ensure that funds are available to provide for the projects associated with the level of service.

Mr. Hansen then explained that he and Mr. Waite have reviewed the current impact fees and the projects associated with the level of service that has been defined. He explained that many of the impact fees were voted upon during the economic boom and the Council and staff at that time figured that the City would be built out by 2020 or 2030, which would have given the City a very short time frame to complete all the necessary improvement projects. He stated that he and Mr. Waite have reviewed the impact fees and determined that it may be necessary for the City to review and possibly adjust the level of service associated with some of the impact fees. He stated that the first level of service that they reviewed is that associated with the culinary water impact fee. He stated that nearly two years ago the City installed a culinary water well and it is now providing more water than originally anticipated; therefore, it is possible to make some changes to some of the other projects that were required by the culinary water level of service. He stated adjusting that level of service would also adjust the impact fees downward. Mr. Waite agreed and added that one of the culinary water projects that was previously discussed was a treatment plant on the west side of the City, but the performance of the well has been so impressive to the point that it may not be necessary to carry out the plans to build a treatment plant. He stated that he was confident that the City can provide the residents with the water that they need, even if the City's other water resources were to be discontinued. Mr. Hansen stated that same example is present with park development. He stated that it may be necessary to alter the design of future parks in order to lower the cost of development. He stated that reduction would also reduce the level of service and the associated impact fees.

Councilmember Clark stated that if the decision is made to reduce the cost of development for parks he wants to make sure there is concrete information and data associated with that reduction; he does not want the cost reduction to simply be made up of 'smoke and mirrors'. Mr. Hansen stated the Council could make the decision to develop parks and make only minor improvements to the park grounds rather than adding all the desired amenities. He stated an example of a bare minimum improvement could be the sprinkler system installed at a park. Mr. Waite agreed and stated that the City could have the option of installing a state of the art sprinkler system or a very minimal sprinkler system. Mayor Nagle stated that the bottom line is that the level of service needs to be addressed and the amenities to be installed at a park can be discussed when reviewing the level of service. She stated that one of the issues the Council has talked about recently is the fact that there are a lot of 'pocket parks' in the City and it takes more manpower and equipment to maintain those kinds of parks versus a large regional park. Mr. Waite agreed. Mayor Nagle then stated that Mr. Hansen and Mr. Waite have provided the Council with a document that highlights the possible changes that the Council can make to immediately lower the City's impact fees. She stated these changes can be made without impacting the current level of service and creating more financial hardships for the City down the road.

Councilmember Clark asked how it is possible to make the impact fee reductions without reducing the level of service. Mr. Hansen stated that the Council always has the option of lowering an impact fee prior to reviewing the CFP associated with the fee. He stated that more in depth discussions will be necessary in the future, which should lead to changes to the level of service and more changes to the associated costs. He then added that park development impact fees are not charged to commercial development applications.

Councilmember Shingleton asked if it will also be necessary to amend the City's Master Plan, to which Mr. Hansen answered yes.

Mayor Nagle stated that the list of possible fee amendments provided by Mr. Hansen includes a change to the park impact fees and she asked if that includes the park purchase and park development impact fees. Mr. Hansen stated that he only included the park development impact fee; the land acquisition fee is not included on the list as it has already been reduced and is currently one of the lowest impact fees that the City has. Councilmember Shingleton asked if the City would still charge a land acquisition impact fee if the decision is made that no more park land is needed. Mr. Hansen stated that if the City decided to stop building parks the park purchase impact fee could be discontinued. He stated that if no more land were purchased, the City would be short 24 to 30 acres of park ground at build-out, but currently the City has enough park land relative to the number of residents currently living in the City. He stated that the park purchase impact fee is based on population and the zone in which residential development is occurring.

Mr. Hansen then reviewed a document that compares the City's current impact fees to the impact fees charged by surrounding cities. He stated that when compared to other cities, Syracuse City has larger residential lots and homes. He stated that buyers in the current home market are looking for homes that cost around \$200,000 and there are not a lot of

homes in that price range in Syracuse City.

Mayor Nagle stated that everyone has agreed that it is important that the City make some changes to incentivize growth and lowering the impact fees is one of those changes the Council can make immediately. She stated that change will send the signal that Syracuse City is open for business. She stated the City wants businesses to know that it is interested in partnering with them rather than impeding their business growth.

Councilmember Peterson inquired as to the amount of money a commercial developer may pay in impact fees in Syracuse City. Mr. Hansen stated that an average business would pay between \$50,000 and \$100,000 in impact fees. Councilmember Clark asked if that amount is paid by the business or the developer. Mr. Hansen stated that amount is paid by the developer and that is the amount that would be paid by a business the size of Arby's or Warren's restaurants. He stated that is a huge cost for the business to take on before they are even open for business. Mayor Nagle stated that a developer wanted to bring a WinCo grocery store to Syracuse City, but WinCo chose another location because Syracuse City's impact fees were too high. Councilmember Clark stated that when that developer approached the City they told the Council that they did not have WinCo secured; instead they told the Council that they were trying to find a grocery store to move to Syracuse City. Councilmember Shingleton stated that is true, but the developer could not be competitive in marketing the property he owned in Syracuse City. Councilmember Clark stated that the Council talked about lowering impact fees or giving the developer some kind of credit, but the developer could not confirm that he had a secure tenant for the property in question. Councilmember Shingleton stated that should not have mattered to the Council. He stated that he expressed his opinion at that time that the City's impact fees were too high, yet there was no movement towards making any appropriate adjustments. Mayor Nagle stated that she talked to Marlin Eldred, who works with community development for Davis County, and he told her that oftentimes companies will not even talk to a developer that owns land in a City with high impact fees. She stated that changes to the impact fees are critical because in the current economical environment there are so many entities that are willing to do whatever they can to entice growth in their city. Councilmember Shingleton agreed and added that he talked to several developers and businesses and found that their feeling was that Syracuse City was not business friendly. He added that he even obtained figures highlighting the impact fees charged to businesses in other cities, such as the fees charged for the Kohl's store in Centerville and he determined that Syracuse City's fees for that same business would have been three times higher.

Councilmember Peterson stated that Mayor Nagle has said that she wants to incentivize growth and he asked if that means residential or commercial growth. Mayor Nagle stated that both types of growth are necessary because they go hand in hand. Councilmember Peterson asked if the impact fees charged to both residential and commercial developers can be changed. Mr. Hansen stated they must be changed for both types of developers in order for the City to maintain fairness to all users. Councilmember Peterson stated that he reviewed the list of the City's impact fees compared to the fees charged in other cities and in many instances Syracuse City's fees are not much higher. Mr. Waite agreed. Mr. Hansen agreed as well and added that in some cases Syracuse City's fees are lower than the same fees charged in other cities. Councilmember Shingleton stated that the fees charged for commercial development are higher.

Councilmember Clark stated that he simply wants to make sure that the Council is not choosing to 'slash and burn' the current impact fees solely to 'line the pockets' of developers with the negative impact of that decision being that the City will not have enough money in the future to deal with growth and changes. He stated that during his time as a Councilmember he has heard that the City's level of service is different for several different reasons. He stated it is good to be able to compare the City's impact fees with those charged in other cities, but the Council also needs to be aware of how Syracuse City differs from other cities. He stated that he wants to make sure that he does not make decisions now that cause pain to the people sitting in the Council seats 10-years from now. Mayor Nagle stated that she shares Councilmember Clark's concerns and she has thought long and hard about this issue. She stated that she continues to reach the same conclusion; in the last seven years the City has performed two separate \$1 million transfers from the culinary water fund, yet the City is still able to meet the defined level of service for culinary water. She stated that tells her that the City has possibly been charging more than should have been charged for the last several years.

Councilmember Shingleton stated that Councilmember Kimmel's private profession is related to development and he asked for his opinion on this issue. Councilmember Kimmel stated that Mayor Nagle was accurate when she said that big-box and retail developers contract with preferred developers and when they decide to enter a market they perform their due diligence to determine what area will be best suited for their product. He stated that they consider locating in competing municipalities and oftentimes their decision is based on impact fee amounts. He stated that the City needs to be proactive and market themselves; if the City is waiting for those businesses to 'land on its doorstep', it is already too late. He stated Syracuse City needs to be business friendly. Councilmember Hammond stated that it would be nice to see a headline in the newspaper about Syracuse City being business friendly. Councilmember Kimmel stated that one thing that he found disturbing was Councilmember Clark's comment about not wanting to line the pockets of the developers in the City. He stated it is disturbing to think that government does not want to let the contractor or developer make as much money as possible. Councilmember Clark stated that the City is considering reducing impact fees to incentivize growth. Councilmember Kimmel stated that is correct and that means that the developer will make more money. Councilmember

Clark stated he simply does not want that to happen at the expense to or create a negative impact upon the residents. He stated the City needs to bring in the funding necessary to meet the level of service that is defined in the CFP. Councilmember Peterson agreed and stated that he wants to see specific examples of how it is possible to reduce the park impact fees. He stated he wants the fee to be based on an actual, concrete plan. Councilmember Kimmel stated that the new Community Development Director needs to work on formulating a marketing plan for the City to be made available to developers and brokerages so that they can see what Syracuse is like; hopefully they will not want to go to other cities once they have that information.

Mayor Nagle stated that she would like to have a proposal in front of the Council during their next business meeting and she would like to ask them to vote to reduce the impact fees that Mr. Hansen has highlighted. Mr. Hansen stated that after that vote takes place the Council should begin reviewing the level of service. Councilmember Peterson stated it seems to him that process is backwards. Mayor Nagle agreed, but stated that it feels like the City is 'under the gun' to make these kinds of changes immediately. She stated that the City interviewed candidates for the Community Development Director position last Friday and the panel selected Mike Eggett for the position. She stated that one thing that excites her about Mr. Eggett is that he is young, hungry, and qualified for the position; he was very impressive during his interview. She stated that he probably had the least amount of experience of all those that were interviewed, but the thing that impressed her the most was that he was able to negotiate the creation of a cooperative development authority (CDA) in the Miller Commons project between Woods Cross and West Bountiful cities, who have supposedly had a bad relationship for the last 40-years. She stated that Mr. Eggett seems to be very proactive and she has heard nothing but good things about him. She stated that he will begin his employment with Syracuse City on September 13 and he will work on issues like the evaluation of impact fees.

Council business.

Mayor Nagle provided each member of the Governing Body with a document regarding some public safety issues. She stated that recently someone told her that Syracuse City has more Police Officers than Clinton City, even though the two cities are similar in size and nature. She stated that she wants the Council to make decisions based on real data so she asked Police Chief Wallace to provide her with a comparison of the Police Departments in both cities. She stated that Clinton City recently discharged three Officers. She then explained that Syracuse City has a high school and junior high school that they must support, while Clinton does not. She then reviewed some of the programs that Syracuse City participates in that Clinton City does not participate in. She asked the Council to look over the document to better understand the true comparison of Syracuse and Clinton. She applauded Chief Wallace for his work in the City and stated that when issues like this are brought to her attention she will always gather accurate data before making decisions that will impact the efficiency of the City. She added that she would invite every member of the Governing Body to go for a 'ride along' with a Police Officer to better understand what they do on a daily basis. She stated that experience proved to be very eye opening for her.

The meeting adjourned at 6:55 p.m.

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Jamie Nagle  
Mayor

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Cassie Z. Brown, CMC  
City Recorder

Date approved: September 14, 2010