

**Adopted Minutes  
Spanish Fork City Council Meeting  
February 10, 2004**

The meeting was called to order at 7:00 pm by Mayor Dale R. Barney. The pledge of allegiance was led by Mr. Clark.

Elected Officials Present: Mayor Dale R. Barney, and Councilmembers Matthew D. Barber, Paul M. Christensen, Everett Kelepolo, Seth V. Sorensen, and Chris C. Wadsworth.

Staff Members Present: David A. Oyler, City Manager; S. Junior Baker, City Attorney; Richard M. Heap, Engineering/Public Works Director; Emil Pierson, Planning Director; Kent R. Clark, Recorder/Finance Director; Dale Robinson, Parks and Recreation Director; Dee Rosenbaum, Public Safety Director; and Connie Swain, Deputy Recorder.

Citizens Present: Janis Nielsen, *Spanish Fork Press*, Glenn James, Don Bass, Diana Butler, Pat Parkinson, Paul K. Jensen, Linda C. Jensen, Richard A. Evans, Dennis Fay, Cary Robarge, Troy Hales, Todd Dickerson, Dan Willis, David Olson, Todd Bennion, Robert Wyman, and A. Duane Gilger.

**Finance**

Mr. Clark reviewed the finance report as follows:

- Cash Reserves
- General Fund Balance
- Impact Fees - studies and qualified projects (sewer treatment facility, electric substation, and storm drain)

Councilmember Kelepolo asked how often the impact fees are evaluated.

Mr. Clark said the impact fee study is evaluated yearly.

Councilmember Sorensen asked if projected items in the budget are included in the impact fee study.

Mr. Clark affirmed.

Mr. Baker said in order to adopt an impact fee there must be an impact fee study and analysis. Also, the project must meet the requirements of the law.

Mr. Clark continued review of the finance report.

- Debt Services - including bond payments

Councilmember Wadsworth asked if the city is collecting more than the bond payment.

Mr. Clark said the city is required to collect at least 125% of the bond payment in order to protect the city's bond rating.

Councilmember Barber asked if bonds are refinanced when interest rates drop.

Mr. Clark affirmed.

Mr. Clark continued review of the finance report.

- Special Improvement District
- Property Tax Rates
- Certified Tax Rates
- Sales Tax - highest revenue producer
- Utility Rates
- Fund Accounting - Governmental Funds and Proprietary Funds
- Chart of Accounts
- Redevelopment Area (RDA) Funds (consisting of the RDA and EDA) - used to improve blight areas

### **Economic Development**

Mr. Pierson said additional businesses provide more jobs, increase the standard of living, increase sales tax revenues.

Mr. Bradford said some questions arise when incentives are give to new businesses in the area. The money from an RDA must be used for businesses within the RDA only. A company from Tennessee met with the city staff today. They have done several projects in Utah and are very familiar with Utah. This company will pay wages higher than the existing wage levels.

Councilmember Kelepolo asked how many jobs the company will generate.

Mr. Bradford said with phase one of the company would generate 81 to 85 jobs with as many as 185 jobs when the project is completed. The interested company would be included in the Kirby RDA. Mr. Bradford recommended using only generated tax dollars toward improvements and incentives. In order to be considered as a possible site location for the interested company the city could return half of the tax dollars generated.

Councilmember Sorensen asked if the interested company will be required to sign a contract.

Mr. Pierson said the city will require a contract with the company and they will be required to pay the bond issued.

Mayor Barney asked for the results if the company takes out bankruptcy.

Mr. Bradford said the infrastructure will exist and there will be value in the property and improvements.

Mr. Pierson said the incentives and infrastructure improve the property values. The city will help with property negotiations if necessary. The interested company will use approximately 250 train cars a year. The train tracks in the area are also an incentive. At this time the city is dealing with a real estate company. If the inquiring company is still interested, they will return to visit the city toward the end of the month. Mr. Pierson said we know a lot about the company we just don't know the name.

Councilmember Barber asked if the jobs generated will be local.

Mr. Bradford said the jobs generated will be locally based.

Councilmember Kelepolo said we want to draw new businesses to allow the city tax rates to remain low. He agrees we need to move forward with offering the incentives discussed in drawing the interested company to the city.

Councilmembers Sorensen, Christensen, and Barber concurred.

Councilmember Wadsworth asked if the number of jobs promised will be part of the contract.

Mr. Bradford said the number of jobs guaranteed by the interested company will be included in the contract.

Mr. Oyler said the company will front the expenditure, the RDA would bond, and the bond will be repaid through the property value increase.

Mayor Barney said the city council unanimously requests staff pursue the interested company and offer incentives as discussed.

Mr. Bradford said city needs additional possible site locations for future businesses. Currently, there are 18 sites available and there should be 100 possible sites.

Councilmember Wadsworth asked Mr. Bradford where he would like to see the additional sites.

Mr. Bradford said they would like to see sites in four areas, an airport business park, manufacturing included railroad use, a cyber village, and a big-box retail site. Property owners will not commit to land prices.

Councilmember Kelepolo asked about the area surrounding a Benjamin exit and information from UDOT concerning an off-ramp.

Mr. Pierson said the area will not even be considered in the near future for a business site location.

Mr. Bradford said the city can start preparing now for businesses in the area in the future.

**Human Resources - Personnel Committee**

Councilmember Kelepolo has been on the Personnel Committee for past six years. He reviewed possible salary programs as follows:

- Step Program - An employee is hired and continues to increase regardless of performance.
- Contractual Program - Negotiated wages or salary
- Market Analysis-based Program (currently used by Spanish Fork City) - The city uses a market analysis and a salary scale. The cities compare with as close to like cities as possible, taking the high and the low salaries, and coming up with an average. The average salary will be our top range of the salary scale. Increases are based on training, education, and performance. The city determined the market analysis-based program best fits the city's needs.

Councilmember Wadsworth asked how cities are classified.

Mr. Kelepolo said the cities are chosen based on the specific jobs being reviewed and a comparison of the job description and duties.

Mr. Baker said the classification of cities is based on population.

Councilmember Barber asked if companies other than Wasatch Compensation Group are available to provide an analysis.

Councilmember Kelepolo said there are other groups available and we can use any of them.

Ms. Maslyn said each of the participating cities enters job description information electronically. In return each city receives a printout providing the closest comparison based on the job title and duties performed.

Councilmember Kelepolo said the comparison will be as close as possible.

Councilmember Barber said the city desires to keep employees and should pay them fairly.

Councilmember Kelepolo said some cities have chosen to pay on the lower portion of the salary scale and as a result have a high turnover rate. Spanish Fork City desires to find quality employees and provide the means for them to stay with the city.

Councilmember Wadsworth said there needs to be more like cities in the comparison. He said Spanish Fork City is considered by experts as a stepping stone city for employees and not a career city and Councilmember Wadsworth agreed.

Councilmember Kelepolo the comparison should include duties of a particular job and not just like cities. Also, he disagreed with the city being a stepping stone for employees. He said the city should maintain the philosophy of providing careers to maintain quality employees.

Councilmember Barber said the issue is a matter of informing the citizens of the process currently used by the city in determining salaries. Once citizens understand the program, they

will agree the process is best.

Councilmember Sorensen said there are concerns with a fair sampling of cities. He requested a review of the process to insure it is fair.

Mayor Barney said the Personnel Committee is satisfying their duties.

Councilmember Wadsworth said the problem is population should be part of the consideration.

Councilmember Kelepolo said the comparison includes population and also job responsibilities.

Mayor Barney said each member of the city council represents the citizenry.

Councilmember Barber said residents want to make sure their dollars are being spent wisely. He said the city employees should be provided with career ladders, education opportunities to progress, and a fair wage.

Councilmember Kelepolo said the city needs to make sure employees are valued and citizens want assurances their dollars are used wisely.

Councilmember Sorensen said John Bowcut would be paid more in the private sector.

Councilmember Wadsworth said in the private sector John Bowcut would receive much less in wages.

Councilmember Christensen said as elected officials, our job is to make sure services are provided to insure a safe place for the citizens. Cities have a different focus than the private sector. The city is run very well and the employees take pride in the city and the work they provide.

Councilmember Sorensen requested the salary data be reviewed.

Councilmember Kelepolo said the salary data should be reviewed, however, the costs should be kept down if possible.

Mayor Barney said the Personnel Committee should review the data and provide the findings to the city council.

Ms. Maslyn said she has been working with the current system for several years including outside sources and other cities it making careful comparisons. The numbers produced are checked and doubled checked. Comparisons need to include job duties.

Councilmember Kelepolo highly commended staff for their time and efforts given toward salary comparisons.

**Adjournment to Executive Session**

Councilmember Barber made a **motion** to adjourn to the executive session of city council meeting. Councilmember Christensen **seconded**, the motion **passed** with a unanimous vote, and the regular session of city council meeting adjourned at 9:12 pm.

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Connie Swain, Deputy Recorder

Approved: March 2, 2004