



HOLLADAY@20 *Preparing for Tomorrow*

Citizen Advisory Group

Date: Wednesday, February 12, 2020

Time: 6:00 p.m.

Location: Little Cottonwood Room (lower level), Holladay City Hall, 4580 S. 2300 E., Holladay, UT 84117

INVITED ATTENDEES:

Citizen Members

John Ashton, Chair
John Norton, Vice Chair
Kim Blair
Alan Eastman
Brett Graham
Larry Hoffmann
Julie (Yujie) McCracken
Jim Wilson

City Council Representatives

Mayor Rob Dahle
Council Member Paul Fotheringham, District 2

City Staff

Gina Chamness, City Manager
Jared Bunch, City Engineer
Holly Smith, Assistant to the City Manager

Guests

Fred Philpot, LYRB
Hilary Robertson, Wilkinson Ferrari & Co

Absent

Paul Allred, Community Development Director

AGENDA

- I. 6:00 Welcome – John Ashton
- II. 6:00-6:05 Review Process Timeline, Upcoming Milestones, & Outreach – Holly Smith
- III. 6:05-7:55 Develop City Council Recommendation
 - a. 6:05-6:10 Framework Introduction – John Ashton
 - b. 6:10-6:30 Review Roadway Model & Options – Jared Bunch
 - c. 6:30-7:00 Review Sustainability Model & Options – Fred Philpot
 - d. 7:00-7:55 Group Discussion
 - i. Determine the amount of new revenue each funding tool will produce to meet the next 5 years of unmet need.
 - ii. Establish the preliminary storm water fee, inflationary policy, and debt service amount and timing.
- IV. 7:55-8:00 Determine Next steps and action items
 - a. Consideration of forming a subgroup
 - b. Next Meeting – February 19, 2020, 6:00 p.m.-8:00 p.m.
 - c. Agenda – Continue Developing City Council Recommendation
- V. 8:00 Adjourn

NOTES

- Chair Ashton began the meeting at approximately 6:05 p.m. and reviewed the documents included in the meeting folder.
- Holly Smith provided an update on the process timeline and community outreach efforts. The Group is slated to meet Feb 19, March 11 and March 25. Considering the Group has collected community feedback

through two surveys, an open house, small group presentations, and other outreach over the past several months, the March 11 Open House has been cancelled. It will be rescheduled during the Council process, as more opportunities for public engagement will be continue to be provided. Survey #3 will occur in the April/May timeframe to allow the Council to solicit feedback from residents and answer questions they may have before finalizing their decision. Information videos are also planned. These changes will also provide more time for the Group in the coming month+ to prepare their recommendation to present to the City Council on April 9. The Group has provided 3 more presentations to small groups and organizations since the Group's January meeting, and has 2 more scheduled in the next month. More presentations are also pending.

- Chair Ashton shared that he along with John Norton are meeting regularly with the City Council to provide updates on the Group's progress.
- Jared Bunch, City Engineer, reviewed a summary of potential scenarios using a pavement maintenance model. He explained the objective of preventative maintenance is to keep at-risk roads from failing, which leads to significantly more expensive improvements. Jared reviewed the pavement condition index (PCI) – a roadway rating methodology that assigns a condition score from 0-100, with 100 being new asphalt. The PCI combined with other considerations and data helps determine what type of maintenance application is appropriate as well as assists the City in prioritizing needs and optimizing available funding. Jared detailed the different types of maintenance applications from crack seal (at a cost of \$1.05 per square yard to complete roadway reconstruction at a cost of \$71.75 per square yard.)

The first pavement maintenance scenario Jared presented is the “status quo” to capture what would happen to the condition of City roadways using only the current level of available funds, estimated at \$800,000 plus a 3% inflationary increase annually. At this level of investment, the weighted average PCI drops over a 10-year period. The number of failing roads requiring complete reconstruction also increases drastically, and the City's ability to catch up with its failing roads becomes a dire situation.

The second scenario included an infusion of approximately \$800,000 in additional funding for a new total annual investment in pavement maintenance of \$1,600,000 plus 3% inflation. Under these parameters, the City would be able to hold steady or slightly increase the average weighted PCI and also prevent at-risk roads from failing. The scenario is based on a pay-as-you go approach.

The third scenario includes an infusion of a large, lump sum of funding through a bond in year 1 of a new program, then beginning in year 2, add \$500,000 of new funding with a 3% inflationary increase annually. This produces a marked increase in PCI and eliminates at-risk roads from approaching failure. This scenario comes at an initial high cost to cover debt service on the bond, but over time, produces a more inexpensive maintenance program.

Below are some points of discussion from Group members regarding the pavement maintenance scenarios:

- Need to understand what is a reasonable PCI goal.
 - Without additional funds, identify what roads would fail in 2021 and how much would it cost to reconstruct those roads.
 - Is a GO bond the appropriate tool to use for roadway maintenance debt service?
 - Need to consider the timing of the potential combination of different funding tools – it may be too much to ask of residents to add a Storm Water fee, property tax, and GO bond in a short period of time.
- Fred Philpot of LYRB reviewed the sustainability model and assumptions for the 5-year horizon. The model also considers a longer term planning period to understand expected trends. Details for these out years will require regular updates and ongoing review of the City's resources and unmet needs. Below are a few points of discussion from the Group:
 - Need to know the City's true baseline need without adding any new capital spending, i.e., what is required just to maintain the City's current level of services.
 - Determine how much more funding is needed to appropriately address the City's capital needs.
 - Group needs to consider trade-offs between phased increases or one large increase to correct the lack of inflation and no tax increase for 20 years.
 - Acknowledge that the most expensive capital needs fall within years 2025 and beyond. These projects may be good candidates for a future bond. It would be difficult for the City to move these high cost projects in 2025 and beyond up in the implementation timeline due to the pre-planning work required as well as the time needed to pursue and secure grants to offset the amount of funding provided by the City's general fund.
 - Must frame any potential property tax increase in a per household monthly impact.
 - Breakdown the household impact into quartiles (i.e., by market value of residential properties) to help residents understand the potential impact specific to their situation.

- Make sure messaging aligns with the survey results – some messages resonate more with residents than others.
 - Ensure the sustainability model and the pavement maintenance model are synched.
 - As a point of illustration, show what Holladay's property tax would be if matched with the average of other cities.
 - Acknowledgement that the current City Council cannot bind future City Councils.
 - The Citizen Advisory Group process should be ongoing to continue to raise these issues more regularly, allow resident input, and give support for City Councils to act.
 - Bold decisions are necessary to address the issues at hand.
 - Visuals will be important in communicating information to residents.
- The Group will meet on February 19, March 11 and March 25 to work on the development of their recommendations. Future meetings will run from 6:00-8:00 p.m.
 - The meeting concluded at approximately 8:20 p.m.

CITY STAFF ACTION ITEMS

- Work with LYRB to fine tune the model and working scenarios for review at the next meeting, considering points of discussion outlined above.
- Research the ideal PCI based on policies and best practices of other cities.
- Continue to schedule and provide small group presentations.
- Review the February 19 meeting agenda with the Group Chair and Vice Chair.
- Send agenda and materials to the Group as soon as available for the February 19 meeting.