

NOTICE

Notice is hereby given that the Mayor and City Council will hold a Work Session on Wednesday, August 07, 2013 in the Council Chambers, 45 West 100 South, beginning at 6:00 pm.

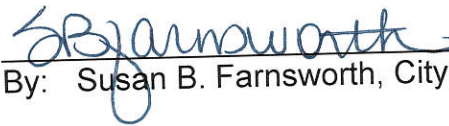
DISCUSSION ITEMS

1. General Discussion

If you are planning to attend this Public Meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City Office ten or more hours in advance and we will, within reason, provide what assistance may be required.

CERTIFICATE OF MAILING

The undersigned duly appointed City Recorder for the municipality of Santaquin City hereby certifies that a copy of the foregoing Notice and Agenda was e-mailed to the Payson Chronicle, Payson, UT, 84651.


By: Susan B. Farnsworth, City Recorder

Posted:
City Offices
Post Office
Zions Bank

**MINUTES OF A COUNCIL WORK SESSION
HELD IN THE COUNCIL CHAMBERS
AUGUST 07, 2013**

The meeting was called to order by Mayor James E. DeGraffenried at 6:00 pm. Council Members attending: Keith Broadhead, Matthew Carr, Kirk Hunsaker, and Rick Steele. Keith Broadhead and James Linford were excused.

Others attending: City Manager Ben Reeves, Director Wade Eva, Director Dennis Marker, Director Dennis Howard, and Trevor Wood.

DISCUSSION ITEMS

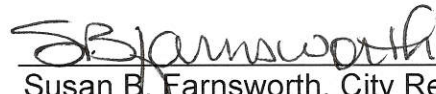
General Discussion

City Manager Reeves reviewed the power point presentation he had prepared for the public hearing. (See attachment "A" for a copy of the presentation)

Adjourned at 6:30 pm.

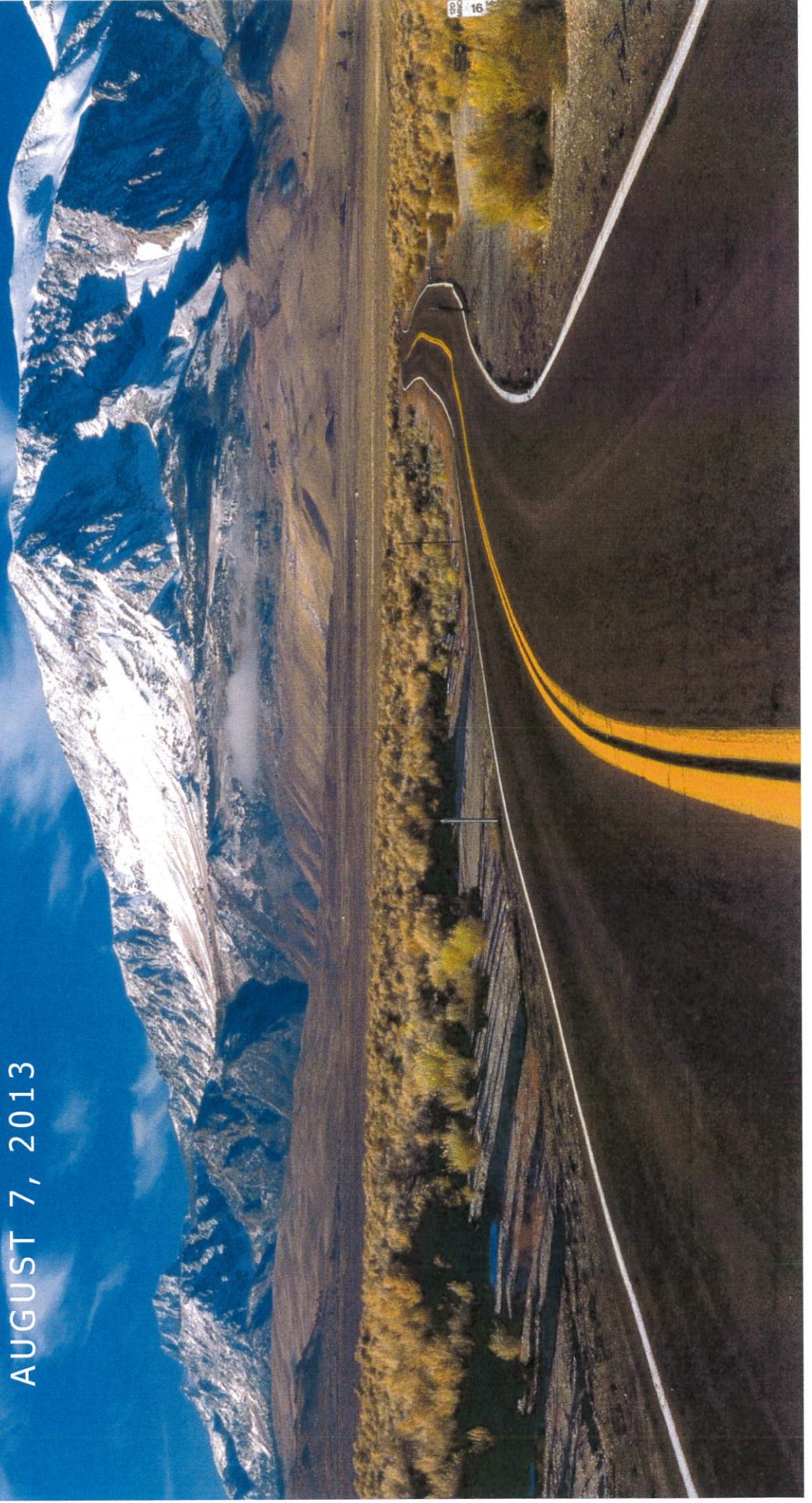
Approved on August 14, 2013.


James E. DeGraffenried, Mayor


Susan B. Farnsworth, City Recorder

TRUTH IN TAXATION - PUBLIC HEARING

SANTAQUIN CITY PROPOSED PROPERTY TAX INCREASE
AUGUST 7, 2013



WHO WANTS HIGHER TAXES?

NO ONE Wants Higher Taxes

- Not the Mayor
- Not the City Council
- Not the City Employees
- Not the Citizens
- No One...

...We all live here

...It affects ALL of us

so **Why**

is the city proposing higher taxes?₂



200 East Main Street

WHY IS THE CITY "CONSIDERING" A PROPERTY TAX INCREASE?



Survey Results

During the 2012 Election, a survey was conducted which allowed voters to rank the issues facing Santaquin City. 269 Surveys were collected with 33 different items

TOP ISSUES

RELATED TO STREETS

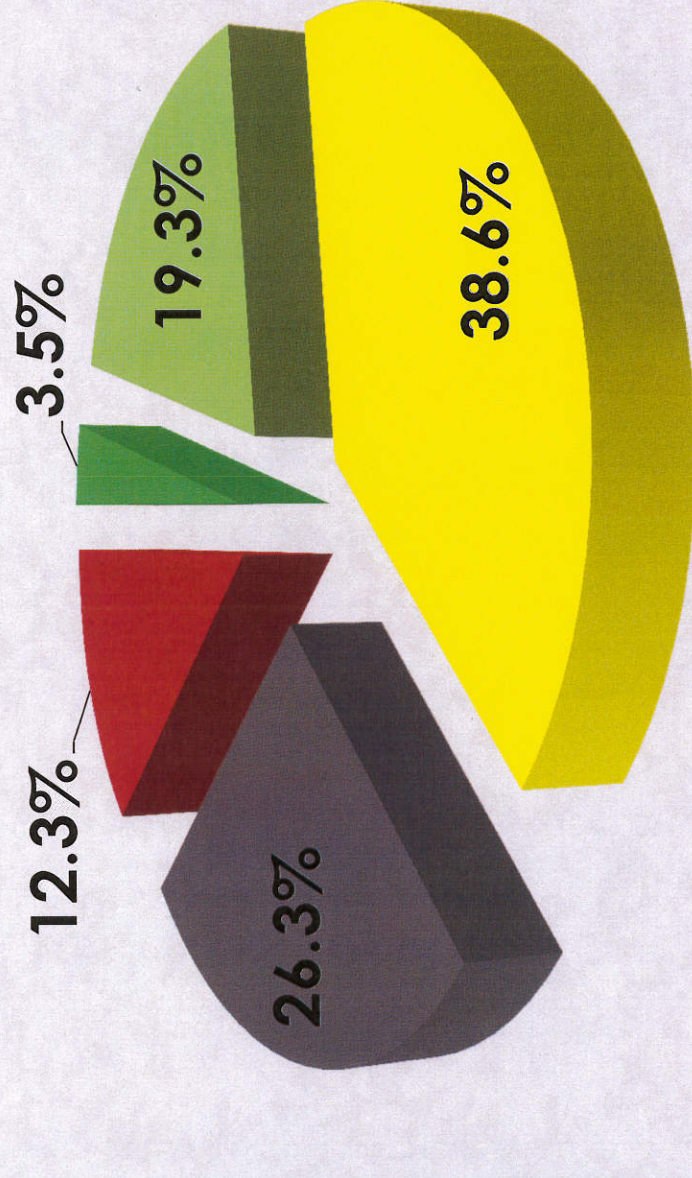
- #1 Street Repair
- #2 Street Cleaning
- #3 Sidewalks
- #4 Street Lights
- #8 Snow Removal
- #20 Storm Drainage
- #21 Traffic



NEWSLETTER SURVEY ON ROADS

JUNE 2013

Your Opinion of Current Road Conditions

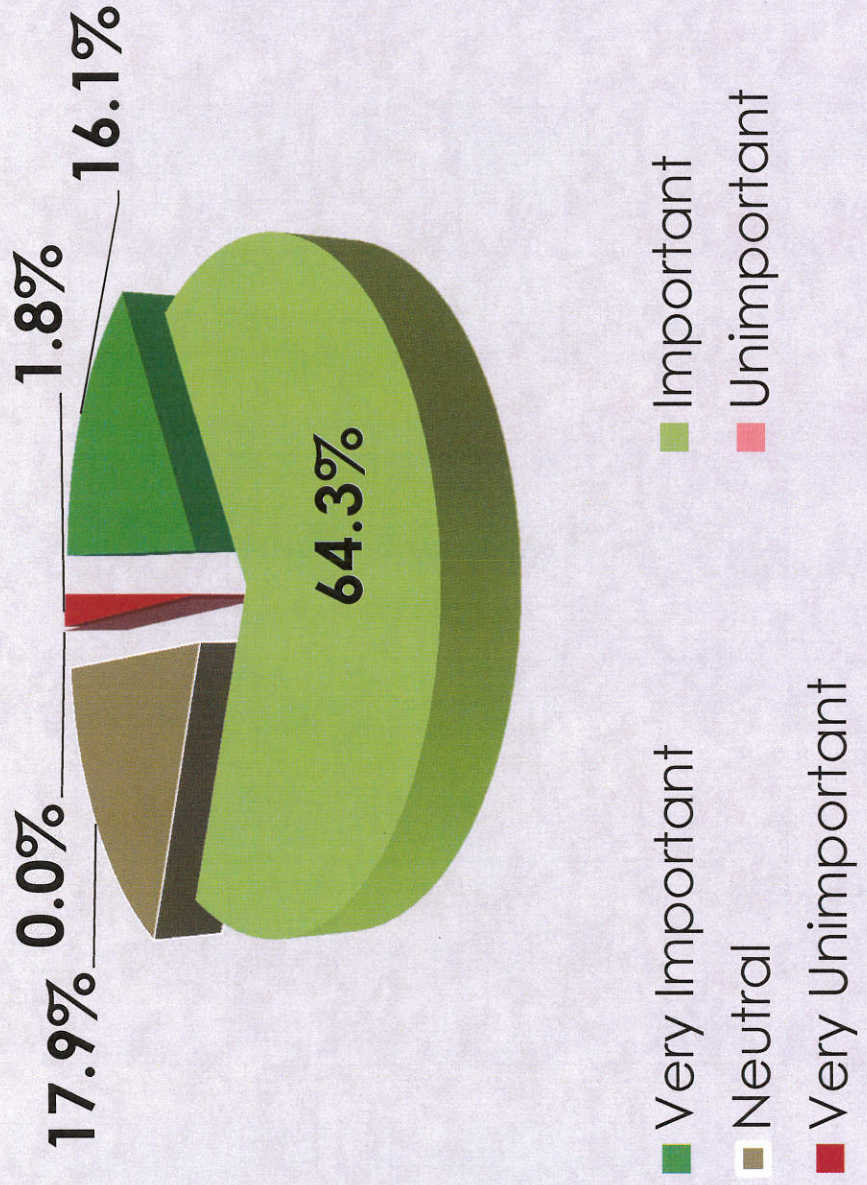


■ Excellent ■ Good ■ Fair ■ Poor ■ Terrible

NEWSLETTER SURVEY ON ROADS

JUNE 2013

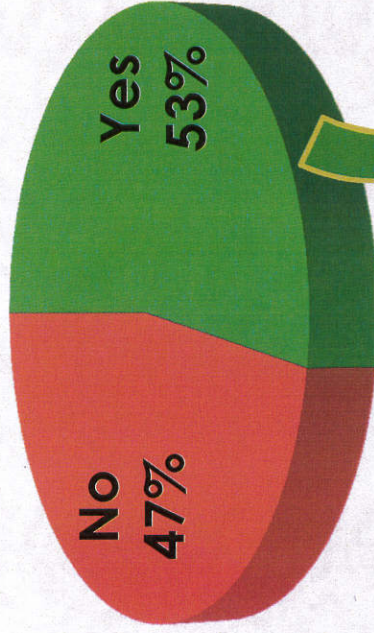
Your Opinion on the Importance of Road Maintenance



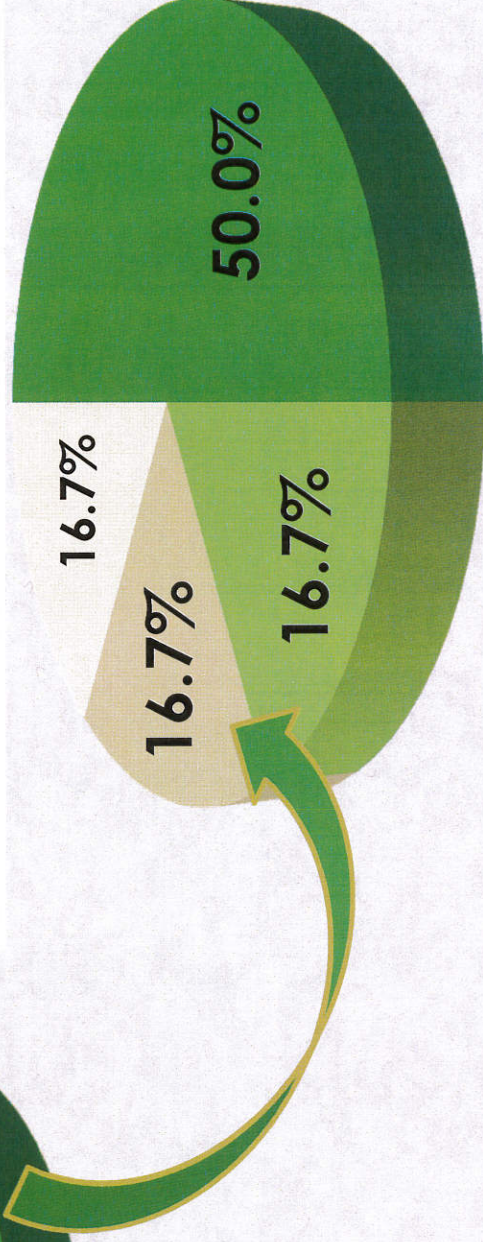
NEWSLETTER SURVEY ON ROADS

JUNE 2013

Would you support a tax increase for Road Maintenance?



Amount You Would Approve	% of people responding
\$464,631	50%
\$348,473	16.7%
\$242,316	16.7%
\$121,158	16.7%

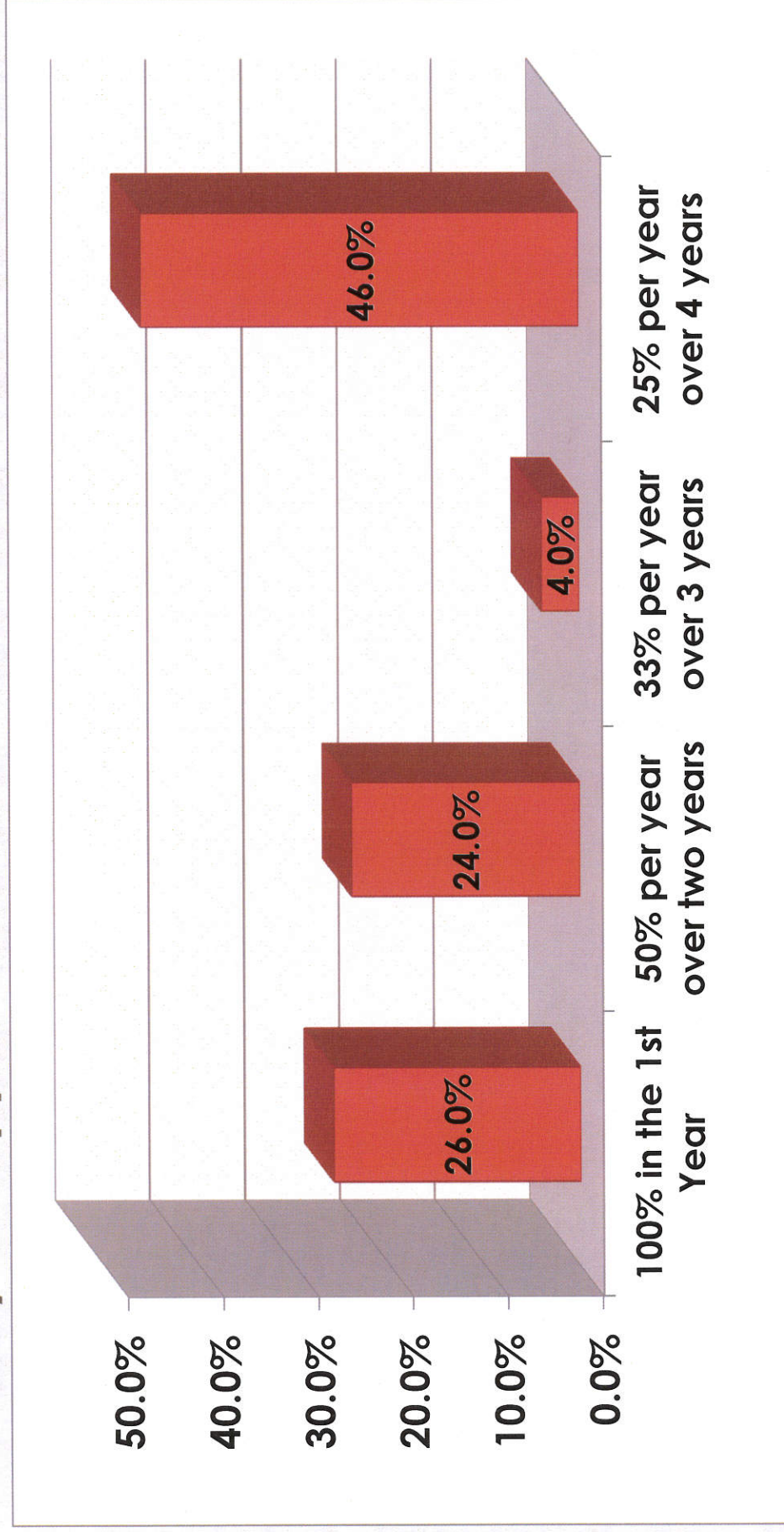


If so, How Much?

NEWSLETTER SURVEY ON ROADS

JUNE 2013

Would you support a tax increase for Road Maintenance?



ROADS - SINGLE LARGEST ASSET

- Roadways are the single largest asset of Santaquin City.
- Santaquin owns 57.09 miles of paved streets.
- Roads are failing faster than we can repair them.

- Current Road Improvement Budget: \$315,265
(Total Street Dept.: \$513,726).

Santaquin Roads



What do you get for your road dollars?

- Road Maintenance
- Road Improvements
- Snow Removal
- Salt
- Storm Drainage
- Street Lighting
- Sidewalks
- Road Signs
- Striping
- Weed Control
- Wages & Benefits

HISTORICAL STREETS BUDGET

		2009-10	2010-11	2011-12	2012-13	2013-14
Class C Road Funds		\$275,748	\$309,672	\$334,968	\$338,270	\$360,000
Account Number	Description	Actuals (2009-2010)	Actuals (2010-2011)	Actuals (2011-2012)	Budget (2012-2013)	Projected Budget (2013-2014)
STREETS						
10-60-110	SALARIES AND WAGES	\$ 37,279	\$ 38,070	\$ 32,348	\$ 34,292	\$ 35,921
10-60-130	EMPLOYEE BENEFITS	\$ 22,581	\$ 21,082	\$ 20,731	\$ 21,739	\$ 26,240
10-60-140	OVERTIME	\$ 315	\$ 105	\$ 595	\$ 700	\$ 700
10-60-230	EDUCATION, TRAINING & TRAVEL		\$ 1,319	\$ 1,495	\$ 1,500	\$ 1,500
10-60-240	SUPPLIES	\$ 11,979	\$ 20,042	\$ 33,833	\$ 45,000	\$ 47,000
10-60-250	EQUIPMENT MAINTENANCE	\$ 7,493	\$ 4,730	\$ 3,918	\$ 8,000	\$ 8,000
10-60-260	FUEL	\$ 804	\$ 1,872	\$ 5,298	\$ 3,000	\$ 6,000
10-60-270	UTILITIES - STREET LIGHTS	\$ 77,495	\$ 62,954	\$ 62,174	\$ 50,000	\$ 63,000
10-60-280	TELEPHONE	\$ 669	\$ 560	\$ 498	\$ 600	\$ 600
10-60-480	B & C IMPROVMENTS	\$ 143,778	\$ 124,075	\$ 175,956	\$ 315,265	\$ 315,265
10-60-490	STREETS SIGNS		\$ 534	\$ 752	\$ 2,000	\$ 1,000
10-60-495	SIDEWALKS				\$ 5,000	\$ 5,000
10-60-730	CAPITAL PROJECTS		\$ 5,000	\$ 400	\$ 1,000	\$ 3,500
10-60-810	DEBT SERVICE - PRINCIPAL	\$ 9,000	\$ 126,128	\$ 118,000	\$ -	\$ -
10-60-820	DEBT SERVICE - INTEREST	\$ 126,312	\$ -	\$ 5,840	\$ -	\$ -
TOTAL STREETS		\$ 437,705	\$ 406,471	\$ 461,838	\$ 488,096	\$ 513,726

Salt, etc.

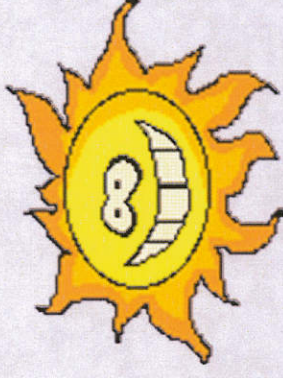
Street Lights
Utilities

Road
Maintenance
&
Improvements

PAVEMENT DETERIORATION-- CAUSES

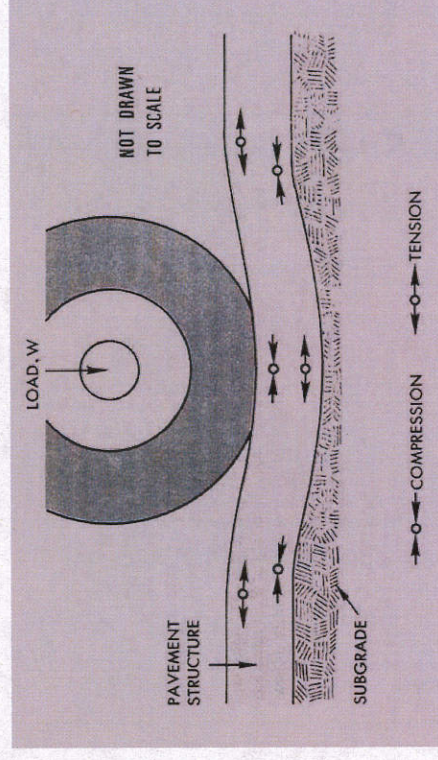
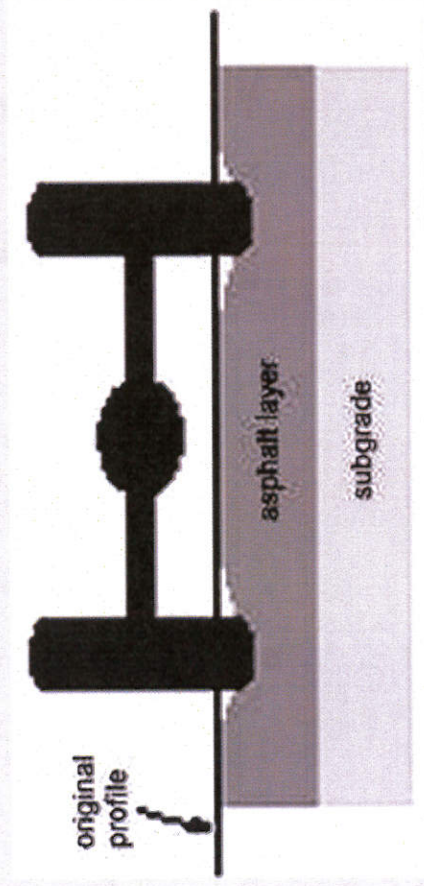
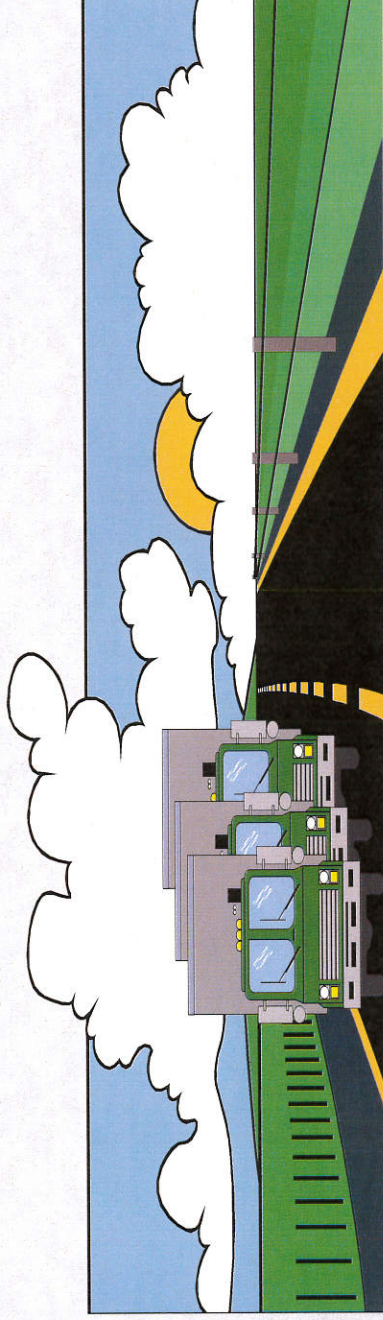
The Environment

- Sunshine (ultraviolet rays)
 - Oxidation
- Water penetration
 - Hydraulic action
- Temperature and moisture
 - Expansion and contraction (freeze / thaw)



PAVEMENT DETERIORATION-- CAUSES

Traffic Loading

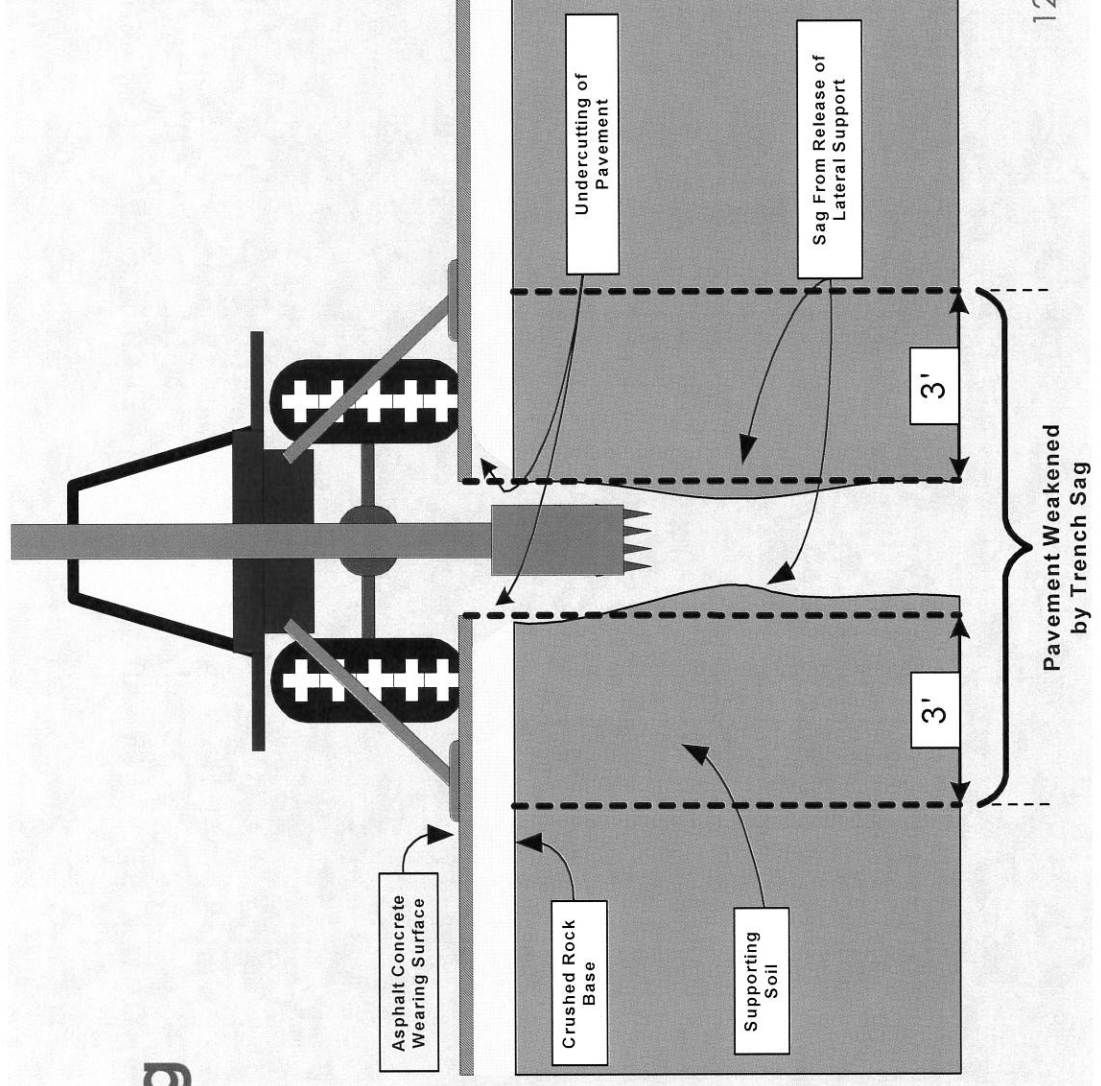


Source: Local Technical Assistance Program, Utah State University

PAVEMENT DETERIORATION-- CAUSES

Utility Cuts/Trenching

Pavement
Deterioration--
Road cuts reduce a
20 year pavement
by 7 to 10 years



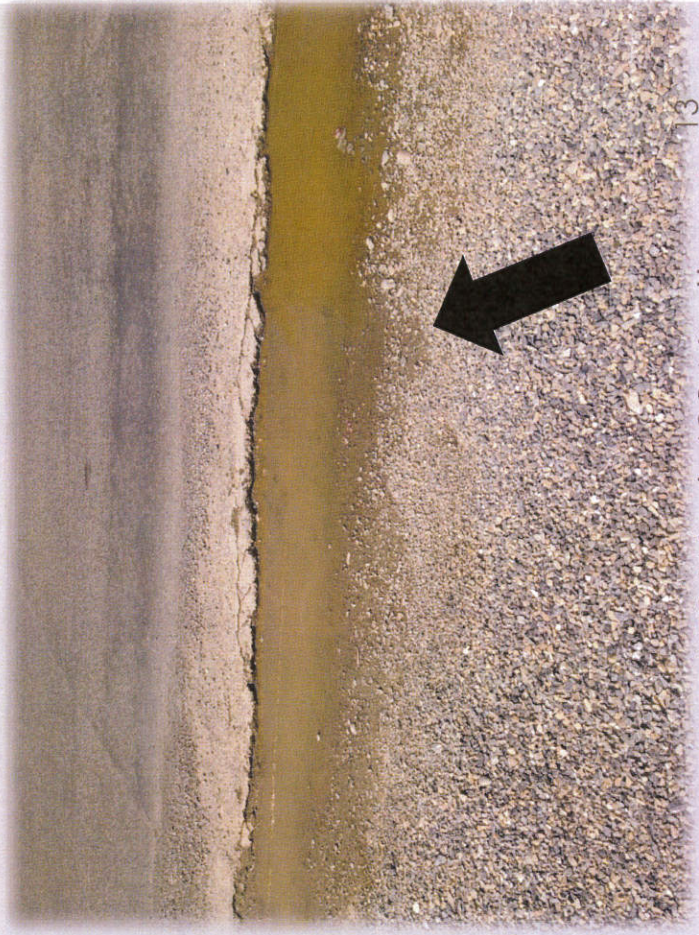
Source: Local Technical Assistance
Program, Utah State University

WHAT'S WRONG WITH OUR ROADS?

Lack of drainage has allowed water to pool which undermines the road base and creates settling, pavement erosion, pot-holes, and cracks.



150 West 200 North



50 West 400 North

POTHOLES & CRACKING

Potholes
caused by water
and poor road base
structure

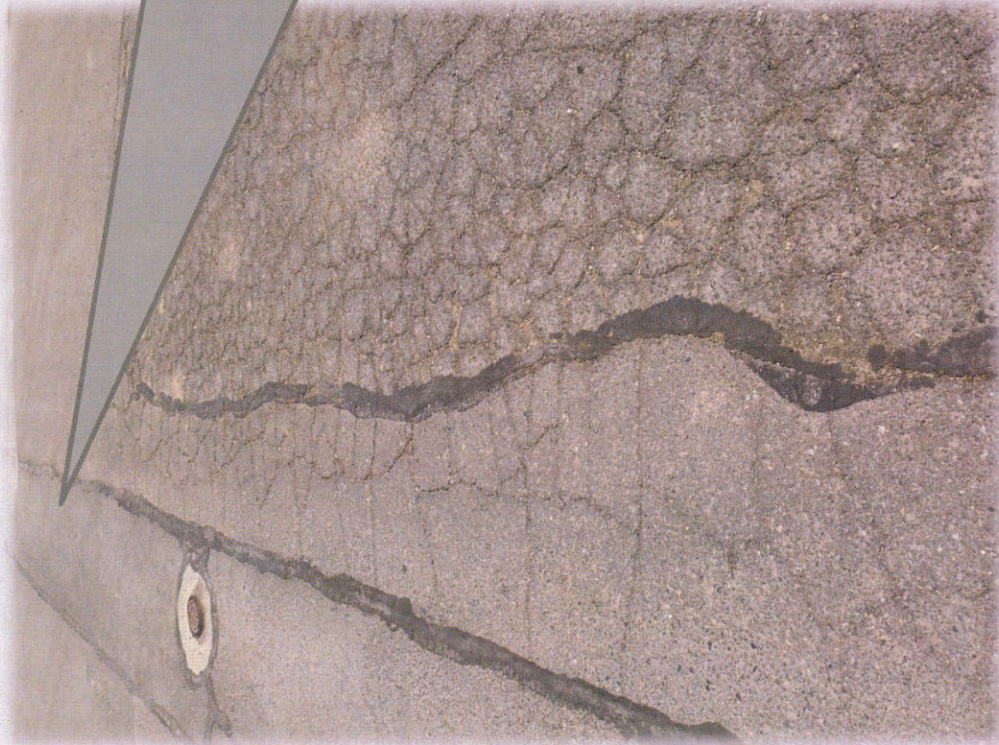


550 North 450 West



430 West 680 North

TRENCHES



Trenches from the Pressurized Irrigation System and from new construction have contributed to the problem.

Water flow into collapsible soils allows the road to settle.

420 West 680 North

ALLIGATOR EFFECT



240 West 690 North

Sub-Surface
Deteriorated

Road Surface
Beyond
Repair

This section
must be
removed and
reconstructed
or a fabric
must be
applied with a
2" overlay .



420 West 680 North



SIDEWALK FAILURES



Tripping
Hazards

583 East 400 South

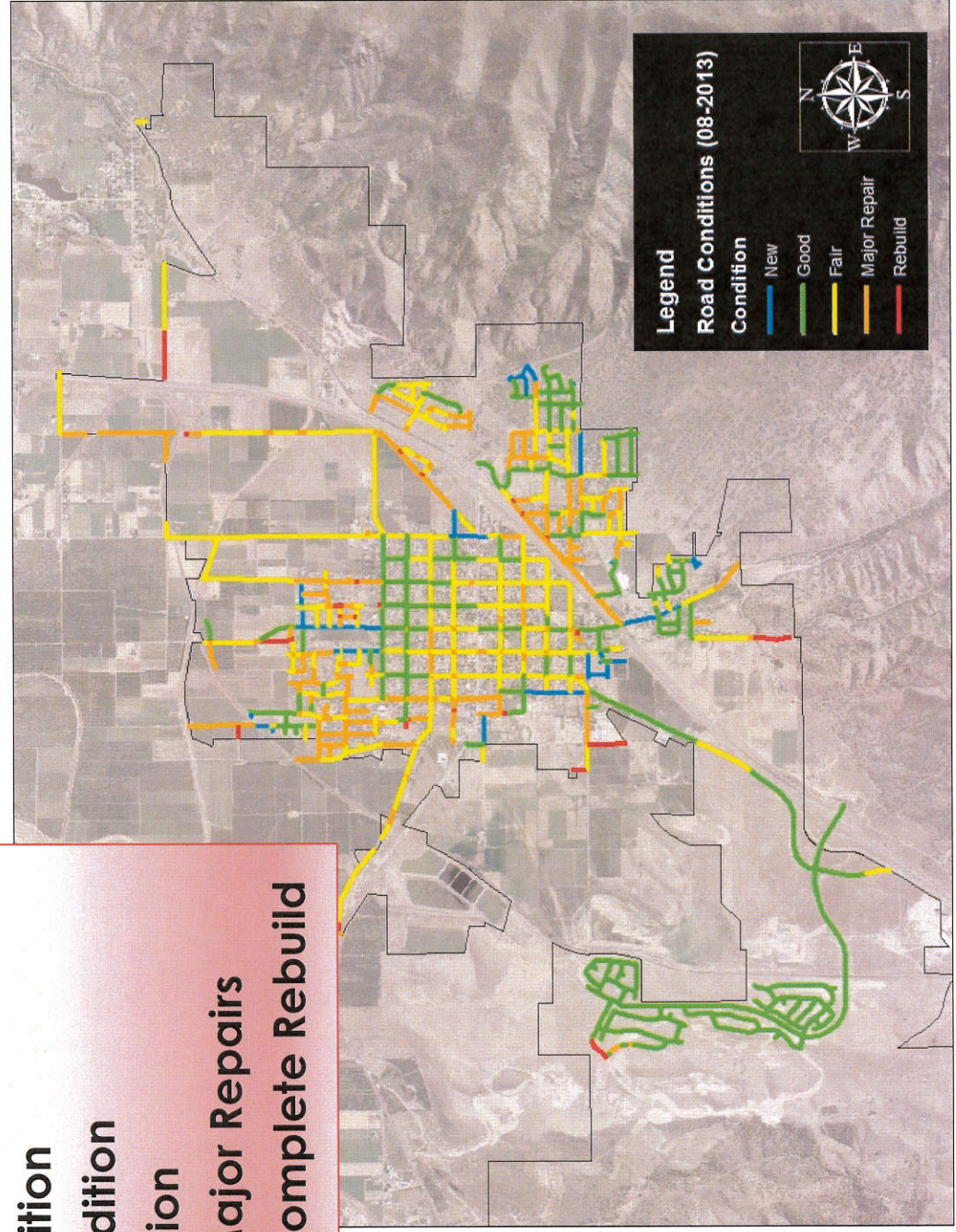


725 East 600 South

Insurance
Liability

ROAD IMPROVEMENTS NEEDED

5.8% New Condition
36.7% Good Condition
32.6% Fair Condition
21.8% Requires Major Repairs
3.1% Requires Complete Rebuild



HOW DO WE ADDRESS THESE ROAD PROBLEMS?



PAVEMENT PRESERVATION

The Basics of Asphalt Preservation

- Asphalt pavement (or Asphalt cement) is made up of primarily two components:
- Aggregate - rock
- Asphalt Binder – by product of refining crude oil

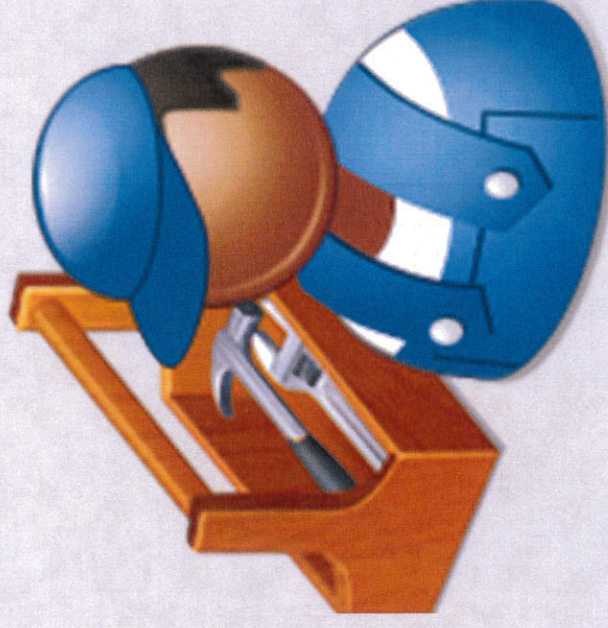


Source: Rocky Mountain West Pavement Preservation Partnership

PAVEMENT PRESERVATION TOOLBOX

Common treatment types:

- Construction Standards
- Crack Seal
- Slurry Seals (Types I, II, and III)
- Micro-surface
- Chip Seal
- Surface Milling & Overlay
- Full Reconstruction



PAVEMENT PRESERVATION TOOLBOX



Construction Standards

Many of our roads were originally built poorly because of loose construction standards. Roads were built with limited or no sub-base on collapsible soils.

Increased Construction Standards, Inspection, and Enforcement have been put in place to insure that new roads are built to last.

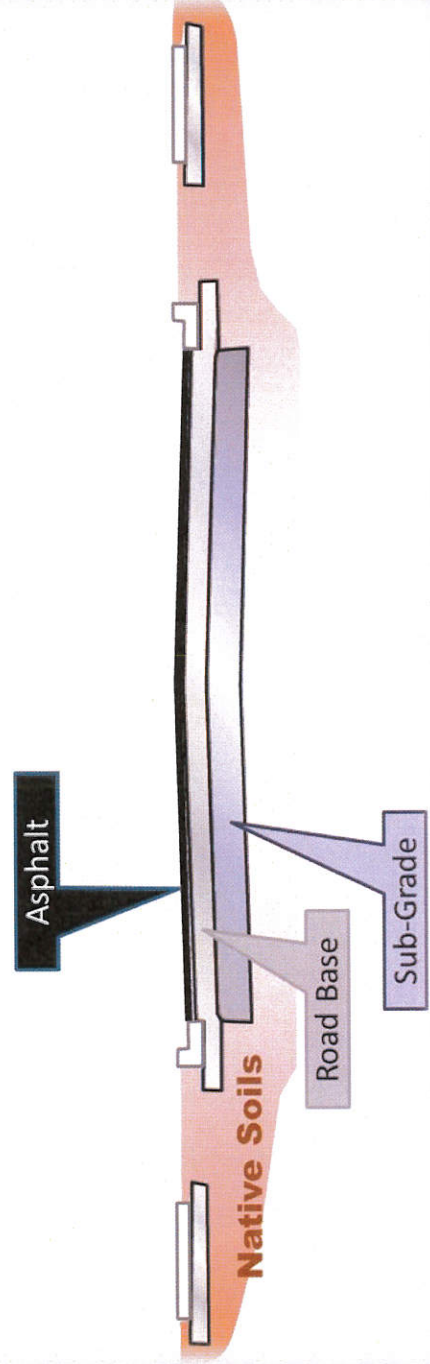
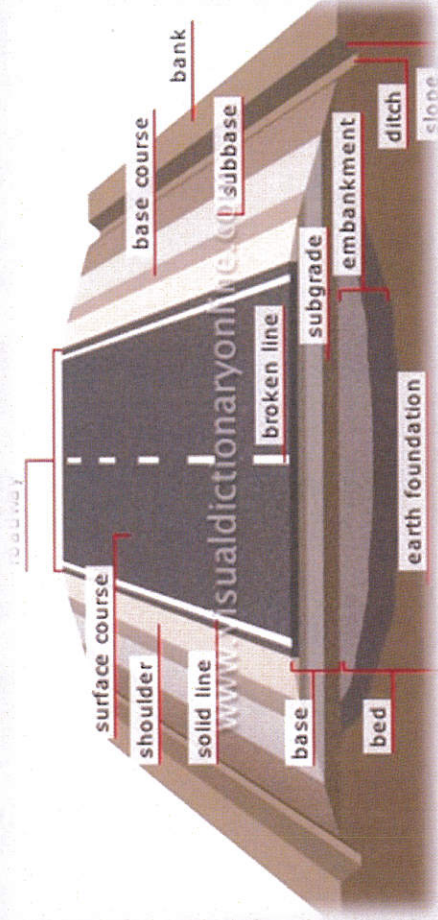
Soils testing, mandatory inspections, minimum requirements (e.g. 18" of sub-base, crack sealing between the asphalt and the concrete curb and boring where possible) are now standard requirements.

Fees for those who excavate into our roads have also been raised.

CROSS SECTION OF ROAD STANDARDS

Many layers make up a road

- Asphalt Surface
- Binder Course
- Base Course
- Sub-Base
- Sub-Grade



PAVEMENT PRESERVATION TOOLBOX

Crack Seal

Crack Seal will prevent water from penetrating the road surface which damages the road's foundational base.

Crack Sealing alone will not solve the problem. A resurfacing coat should be applied. (e.g. chip seal, micro surfacing, slurry seal, overlay)



712 East 130 South

PAVEMENT PRESERVATION TOOLBOX

Slurry (Types I, II, and III)

- Slurry is effective on moderately distressed roadways requiring minor rehabilitation.
- Good skid resistance.
- Type III can be used on heavy load, high volume, high speed roadways.



Source: Rocky Mountain West Pavement Preservation Partnership

PAVEMENT PRESERVATION TOOLBOX

Micro Surface

(Applied to US-6 Main Street 2013)

A Micro Surface Bond is comprised of a mixture of fine aggregates and UV-blocking polymers suspended in a non-ionic asphalt emulsion. Reduced oxidative deterioration resulting in less cracking and raveling is realized. Installations are guaranteed for 5-years. Aside from the preservation qualities, high public acceptance is achieved with an aesthetically pleasing “surface friendly” result.

Prices have recently dropped with new vendors entering the market



Source: Rocky Mountain West Pavement Preservation Partnership

PAVEMENT PRESERVATION TOOLBOX

Chip Seal

A chip seal consists of a layer of asphalt binder that is overlaid by a layer of aggregate. Chip seal is a cost effective treatment for high traffic roadways.

- Good durability and life extension for high volume, heavy load, and high speed roadways.
- Very good skid resistance.
- Good for sealing small to moderate surface cracks.



Source: Rocky Mountain West Pavement Preservation Partnership

PAVEMENT PRESERVATION TOOLBOX

Chip Seal (New)



50 East 300 North

Chip Seal (1 Year Old)



Oil & chips work deep into the road's surface extending the life of the road by 3-7 years

Cost: \$0.14/sq. ft.

150 East 200 North

WHY DID WE CHIP SEAL SUMMIT RIDGE PKWY INSTEAD OF OVERLAY NEW ASPHALT?

Statistics

- Road Size 650,000 sq. ft.
- Cost of Overlay
\$0.90/sq. ft.
- Cost of Chip Seal
\$0.14/sq. ft.
- Total Overlay Cost:
\$585,000
- Total Chip Seal Cost:
\$91,000

Summit Ridge Parkway



PAVEMENT PRESERVATION TOOLBOX

Surface Milling



2" Overlay



PAVEMENT PRESERVATION TOOLBOX

2" Overlay (South 300 W)



4" New Construction (East 100 N)



Construction of a road is most effective with curb added to divert water and prevent the erosion of new asphalt.

New Construction is built upon adequate sub-base to provide a strong foundation

PAVEMENT PRESERVATION TOOLBOX

Full Depth Reclamation



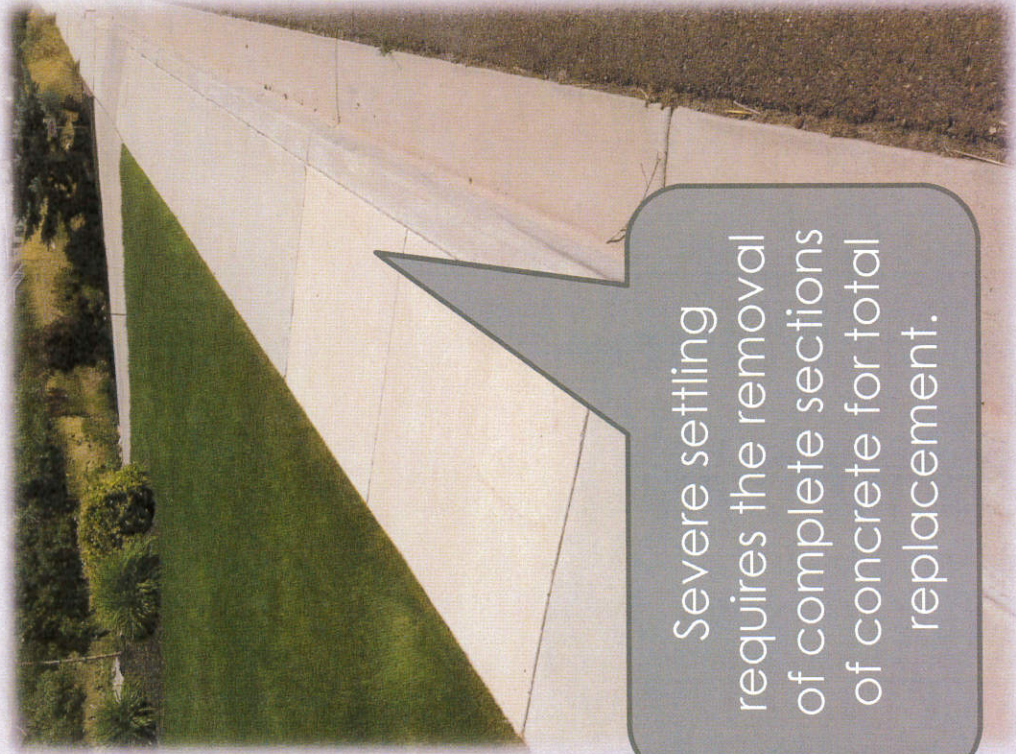
PAVEMENT PRESERVATION TOOLBOX

Total Base & Pavement Reconstruction



Source: Local Technical Assistance Program, Utah State University²³

SIDEWALK REPAIRS



Severe settling requires the removal of complete sections of concrete for total replacement.

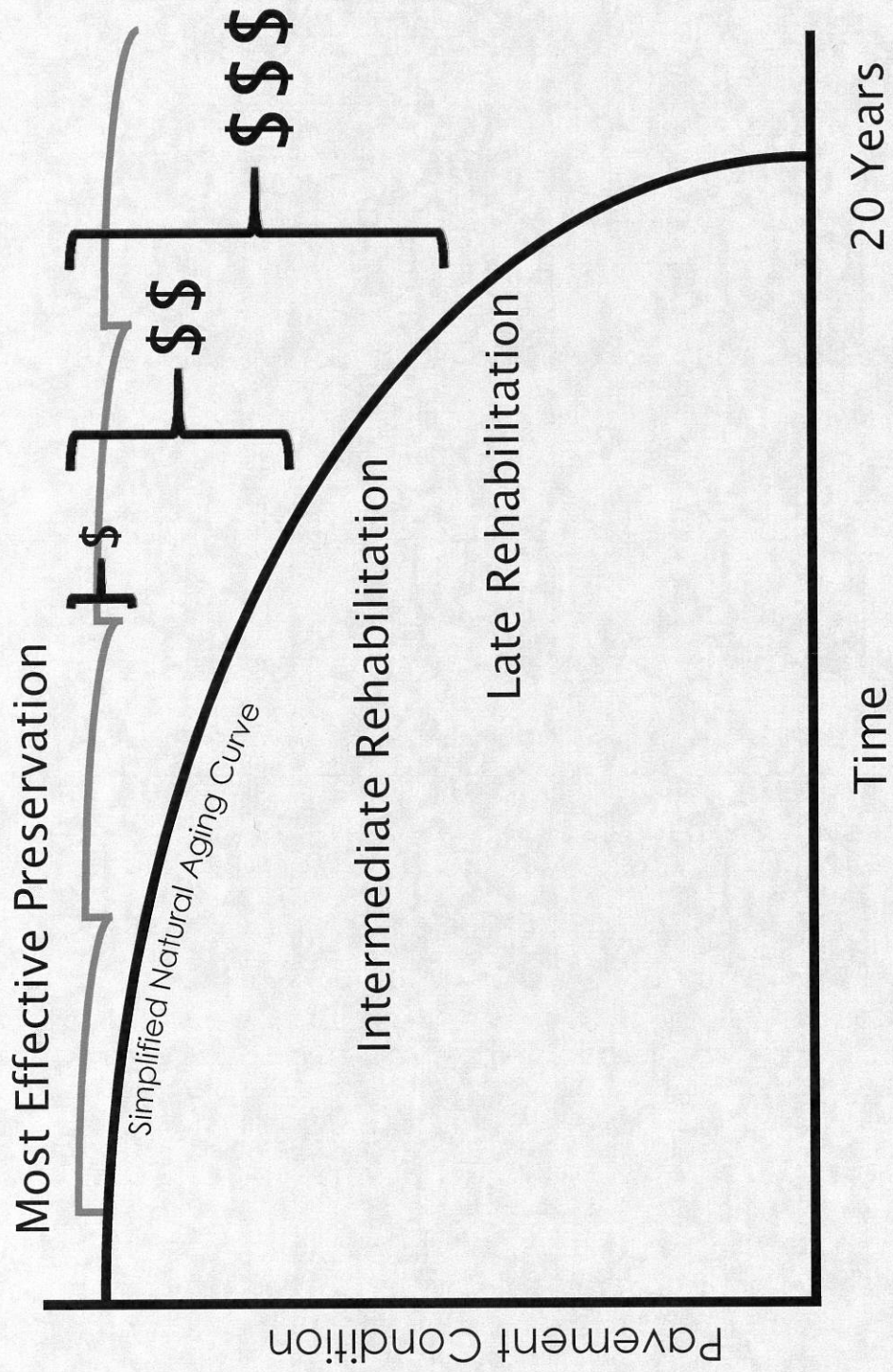
893 East 550 South



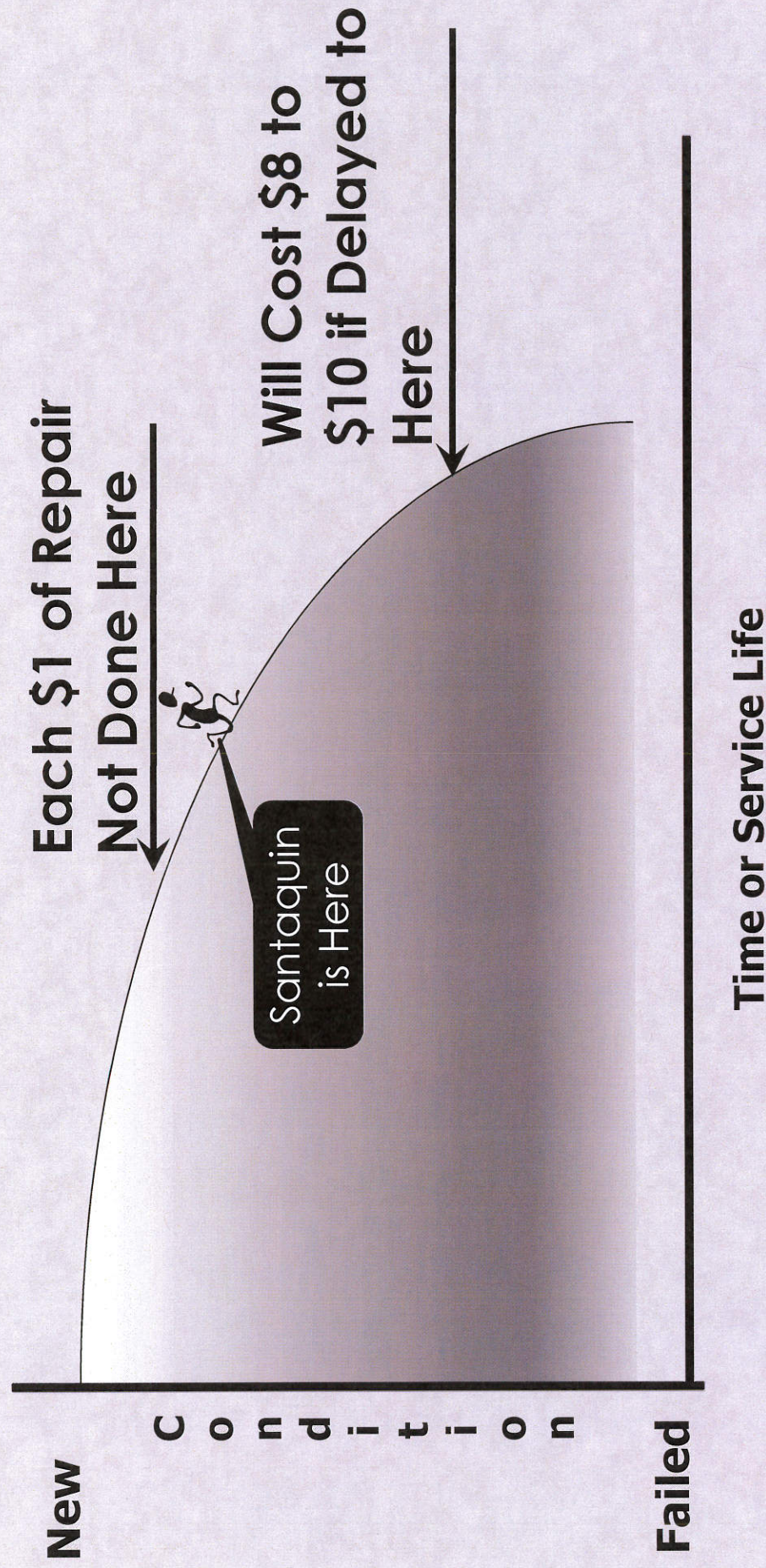
If settling is not too severe, sidewalks can be cut to eliminate tripping hazards.

725 East 550 South

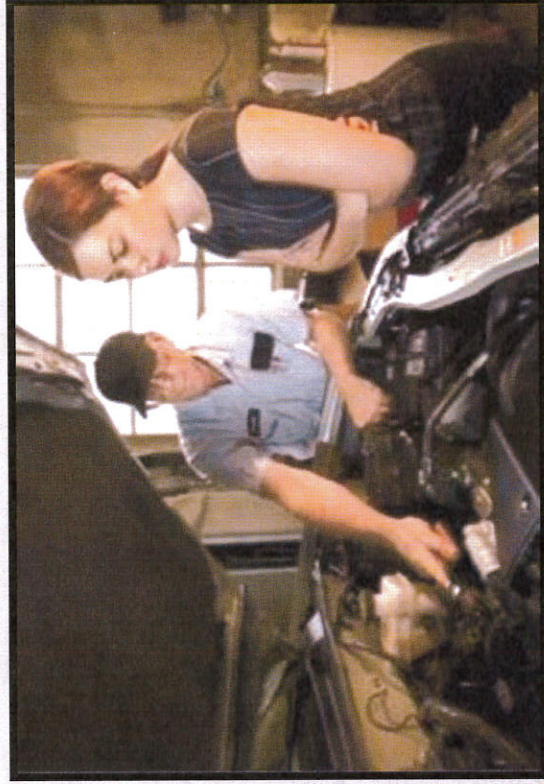
PAVEMENT LIFE CURVE



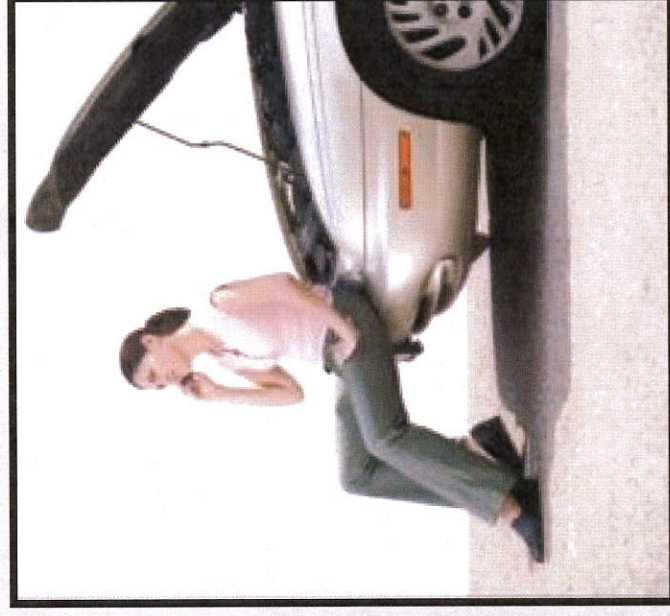
THE COST OF PAVEMENT DETERIORATION



COST OF DELAYING MAINTENANCE

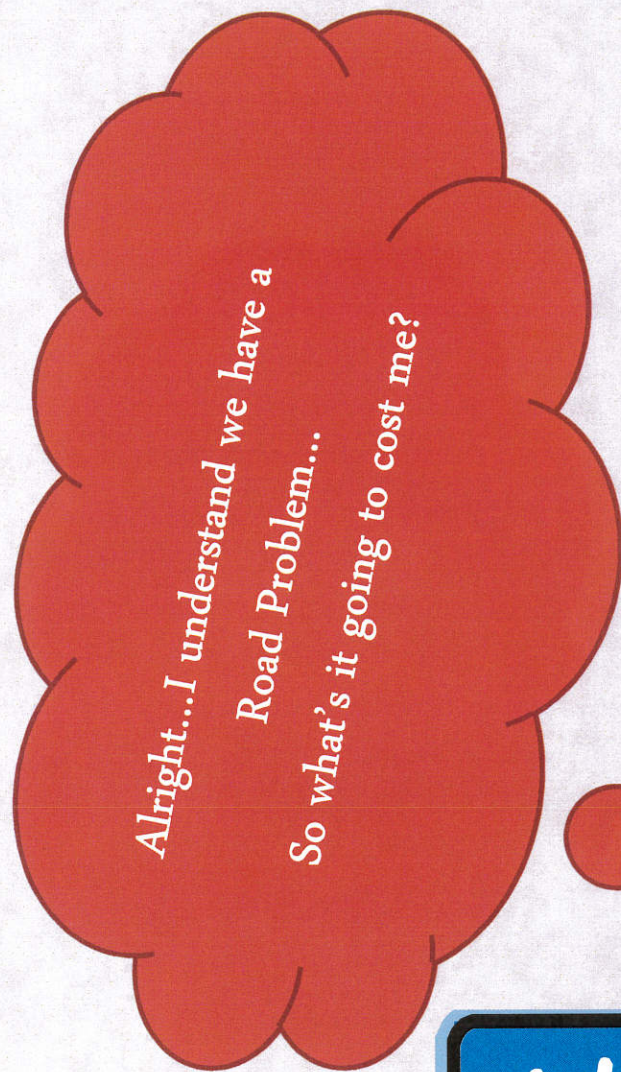


Timing Belt
Replacement:
\$400

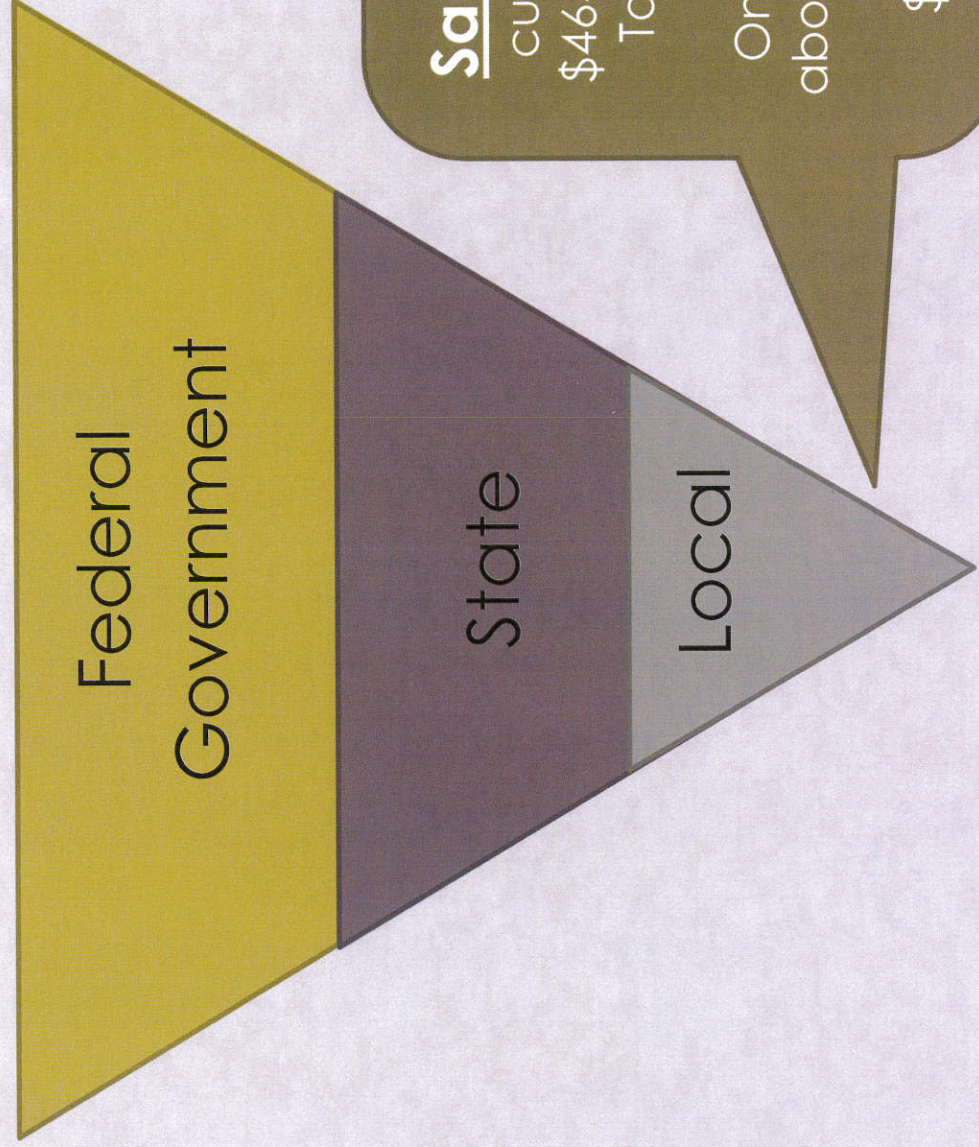


Engine
Replacement:
\$2,500

FINANCIAL IMPACT



WHERE DOES YOUR TAX MONEY GO?

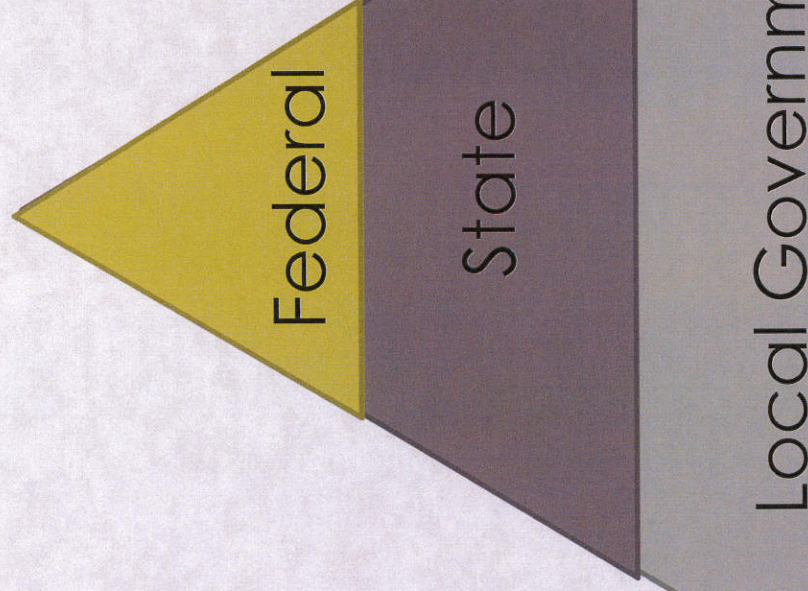


Santaquin City

currently receives
\$464,631 in Property
Taxes Each Year

On Average this is
about \$176.73/home
or
\$48.01/person

WHERE DO THE MAJORITY OF YOUR BENEFITS & SERVICES COME FROM?



Protection

Police, Fire, EMS,
Inspection Services
Justice Court

Essential Services

Streets, Water, Sewer,
Irrigation, Garbage
Collection, Cemetery
Planning & Zoning
Economic Development

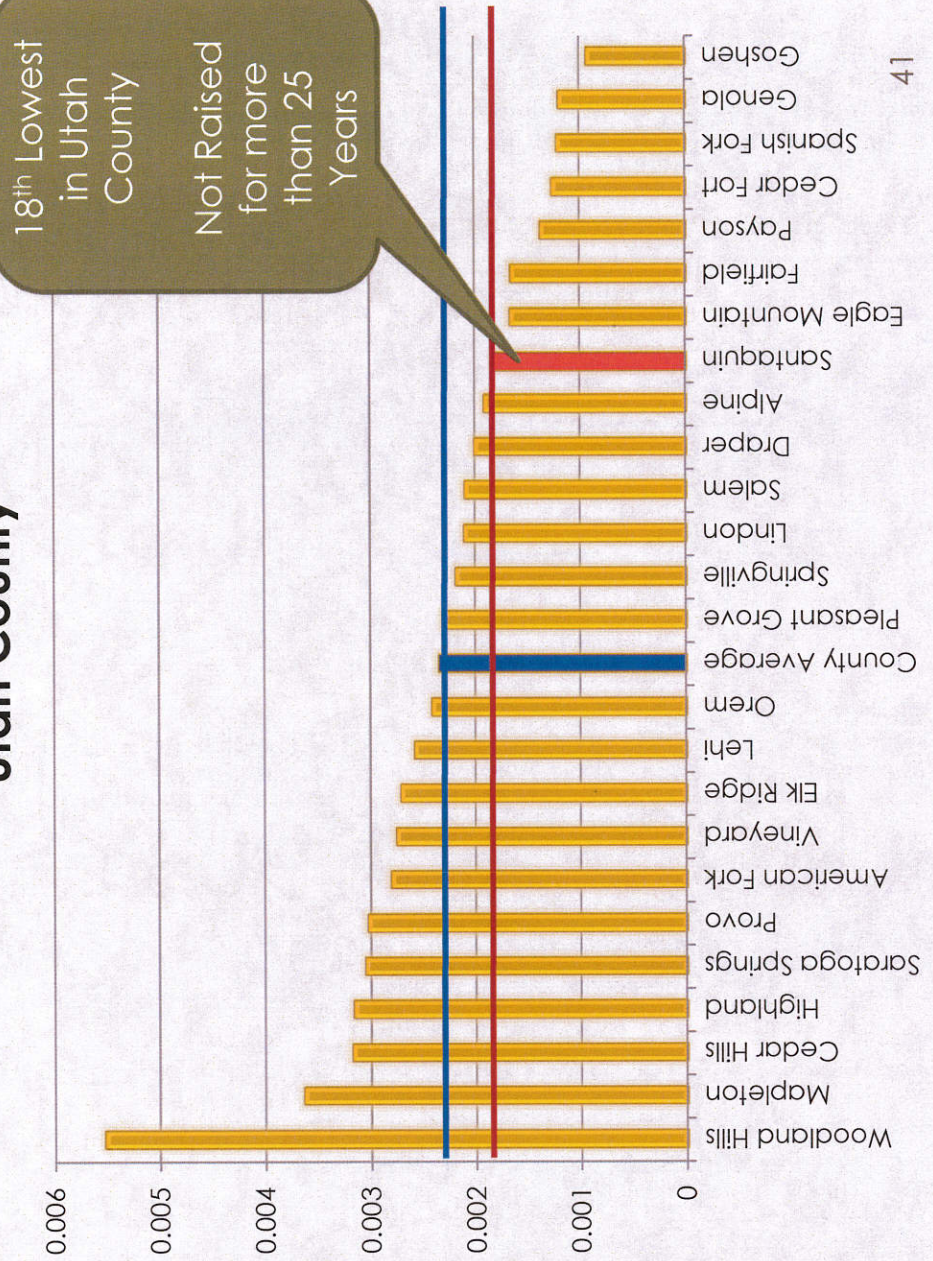
Quality of Life

Parks, Recreation, Library,
Seniors Citizens, Museum
Orchard Days

CURRENT TAX RATES

2012 Property Tax Rates by City within Utah County

Rank	City	2012 Rate
1	Woodland Hills	0.005519
2	Mapleton	0.003639
3	Cedar Hills	0.003183
4	Highland	0.003167
5	Saratoga Springs	0.003054
6	Provo	0.003032
7	American Fork	0.002812
8	Vineyard	0.002758
9	Elk Ridge	0.002715
10	Lehi	0.002585
11	Orem	0.002414
	County Average	0.002347
12	Pleasant Grove	0.002315
13	Springville	0.00219
14	London	0.002107
15	Salem	0.002106
16	Draper	0.002009
17	Alpine	0.001916
18	Santaquin	0.001817
19	Eagle Mountain	0.001668
20	Fairfield	0.001665
21	Payson	0.00138
22	Cedar Fort	0.001268
23	Spanish Fork	0.001221
24	Genola	0.001204
25	Goshen	0.000936

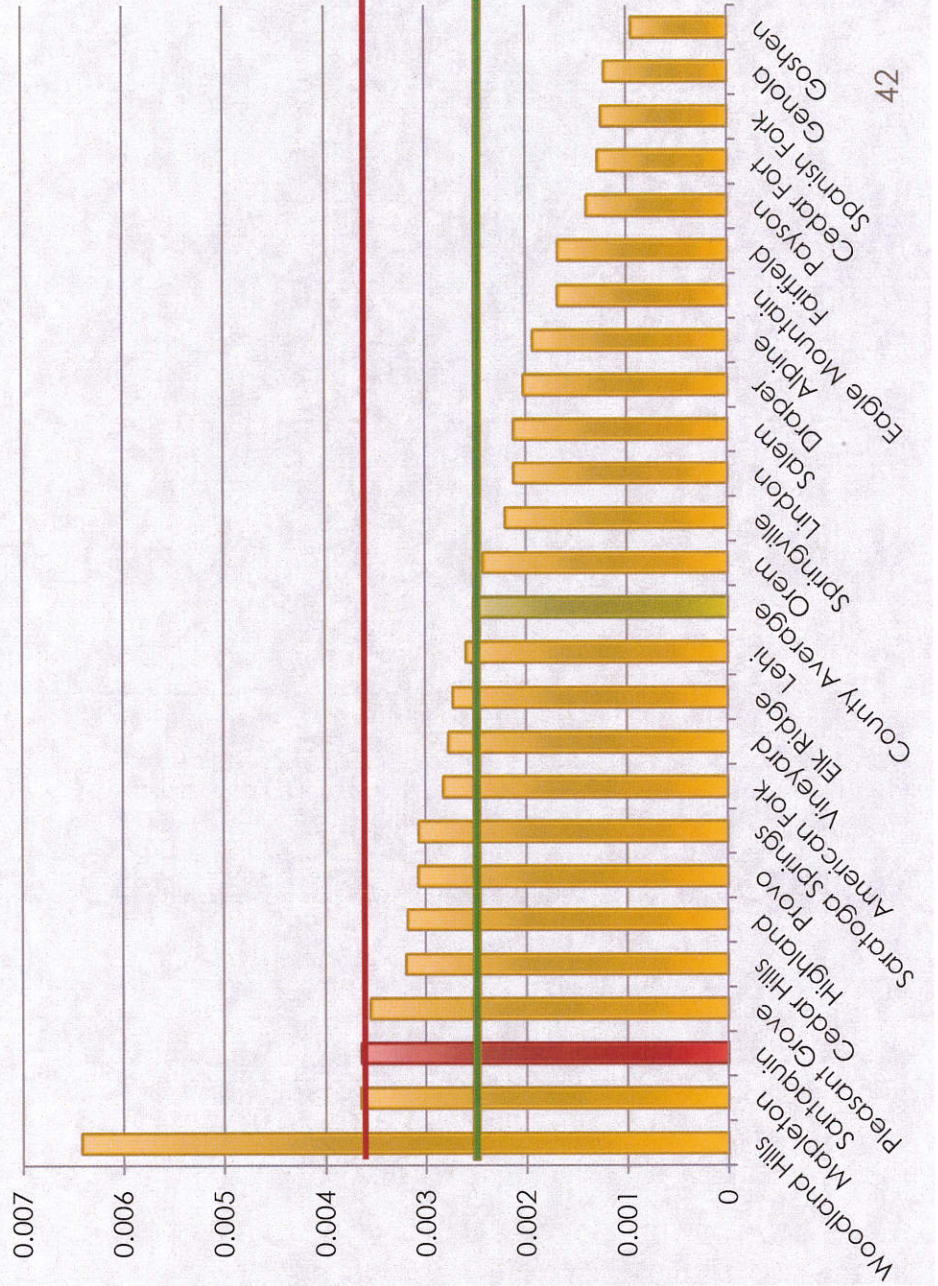


PROPOSED TAX RATES

Proposed Property Tax Rates by City

Rank	City	2012 Rate
1	Woodland Hills	0.006402
2	Mapleton	0.003639
3	Santaquin	0.003634
4	Pleasant Grove	0.003542
5	Cedar Hills	0.003183
6	Highland	0.003167
7	Provo	0.003062
8	Saratoga Springs	0.003054
9	American Fork	0.002812
10	Vineyard	0.002758
11	Elk Ridge	0.002715
12	Lehi	0.002585
13	County Average	0.002506
14	Orem	0.002414
15	Springville	0.00219
16	London	0.002107
17	Salem	0.002106
18	Draper	0.002009
19	Alpine	0.001916
20	Eagle Mountain	0.001668
21	Fairfield	0.001665
22	Payson	0.00138
23	Cedar Fort	0.001268
24	Spanish Fork	0.001233
25	Genola	0.001204
	Goshen	0.000936

Proposed Property Tax Rates by City within Utah County



BOTTOM LINE

Although the city's portion of your tax bill is "proposed" to double...

The bottom-line is roughly an **increase of 14%** from your 2012 tax bill or roughly \$1.00 for every \$1000 value of your home.

Everyone should know the exact increase based on your Utah County Tax Notice



2013 Notice of Property Valuation and Tax Changes THIS IS NOT A BILL - DO NOT PAY FROM THIS NOTICE July 19, 2013



Property Address Partial Legal Description for Tax Identification Only:	Serial Number	Tax Dist.	Acres	Prop. Type
Owner as of Owner of Record (as of this printing):				RS

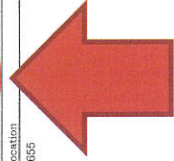
BOARD OF EQUALIZATION INFORMATION
To appeal this year's market value, an appeal form has been included. Additional forms are available at the Assessor's Office, or you may mail your appeal to:
Utah County Assessor's Office
www.utahcounty.gov
Most Popular Lines (right-hand side)
BOE Value Appeal Form
Submit an appeal form for each serial number. Documentation must be included with your appeal. Appeals are accepted from July 1, September 15, 2013 at 5:00 PM Local Time.

(Last Property Review Date: May 10, 2011)

Property Type	Market Value of Your Property	This Year's Market Value
Primary Residential	221,000	205,200
Total Property Value	221,000	205,200

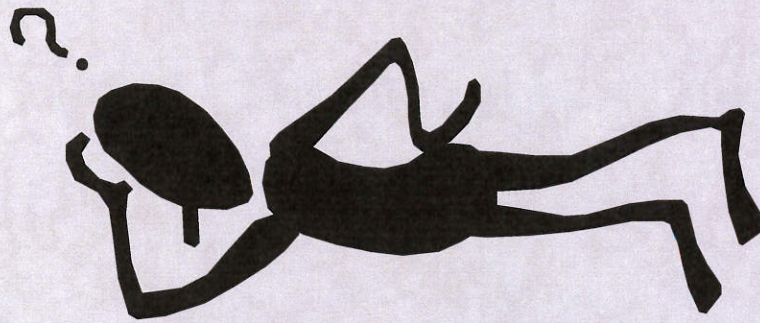
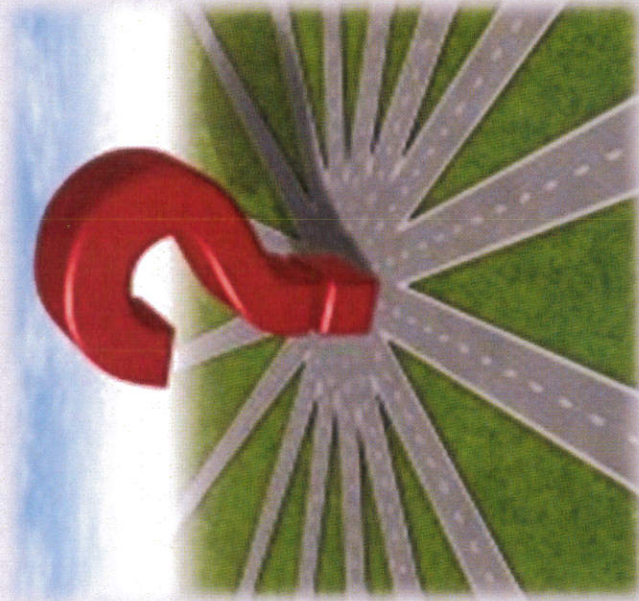
CURRENT AND PROPOSED TAXES (Base Not Includes Personal Property)			
Taxes Last Year		Tax This Year	
Taxing Entity	No Budget Changes	Proposed Budget	Change in Taxes
UTAH COUNTY - LOCAL ASSESSING	3.52	10.72	7.50
UTAH COUNTY - ASSESSING	20.43	11.54	238.24%
UTAH COUNTY - TAX COLLECTOR	136.96	113.54	7.00
CENTRAL UTAH WATER CONS DIST	58.31	50.34	-13.5%
NEBO SCHOOL DIST (BASIC)	200.68	173.24	-13.7%
NEBO SCHOOL DIST (OTHER)	968.03	901.86	-6.8%
SANTAQUIN CITY	220.86	418.26	89.6%
Total Property Tax	1,605.80	1,685.70	5.0%

Tax Abatement (Circuit Breaker, Indigent, Blind, Veteran) Do NOT Appear On This Notice.	1,685.70	205.13	14.0%
Taxing Entity	Meeting Date	Meeting Location	
SANTAQUIN CITY	08/07/2013 7:00 PM	275 W MAIN ST SANTAQUIN, UT 84655	





FREQUENTLY ASKED QUESTIONS



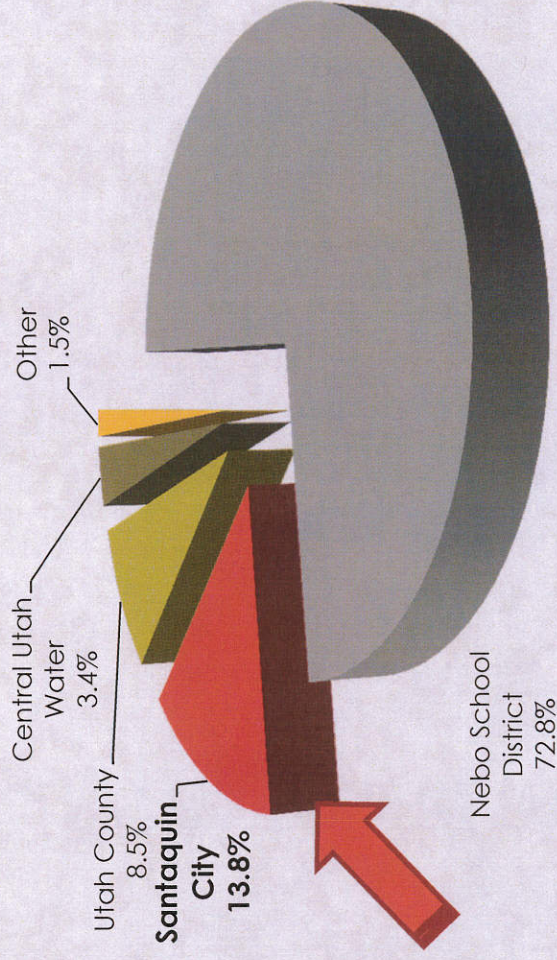


WILL MY TOTAL TAX BILL GO UP BY 100%?

No.

- Your total residential property tax bill will increase by approximately 14%
- Although Santaquin City's proposed increase is 100%, the cost to each home owner is about \$1.00 for every \$1,000 value of your home

Property Tax Distribution - Current



For Example: \$150,000 home will pay about \$150 more per year
\$200,000 home will pay about \$200 more per year⁴⁵



HOW WILL THE PROPOSED TAX INCREASE BE USED?

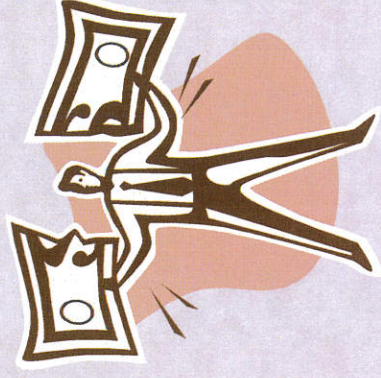
100% on Roads

The proposed increase will generate \$464,631 annually which will be used exclusively for road maintenance & improvements.



HOW DO I KNOW THAT THIS MONEY WILL BE USED ON ROADS?

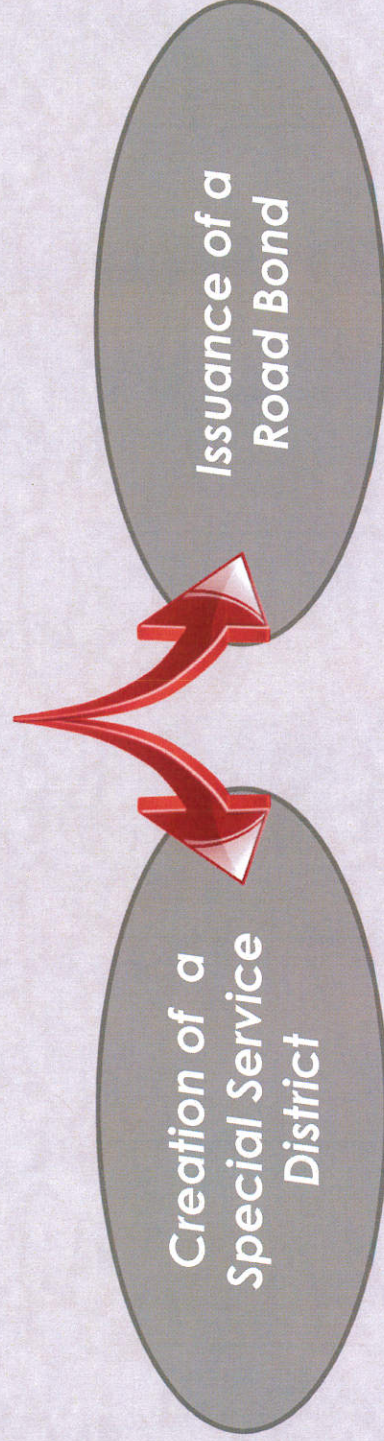
- The Santaquin City Council will create a new “Road Improvement Fund” which would be different from the city’s “General Fund.”
- All road related city income, such as Utah State gasoline tax funds (known as “Class-C Road Funds”) as well as the proposed tax increase will be placed in the new fund.
- Money in the fund will be spent by the road department on road maintenance, improvements, and operations.





HOW CAN THE CITY COUNCIL GUARANTEE THE MONEY WILL NOT BE USED FOR OTHER PROJECTS?

Utah State Law prevents a City Council from “binding” a future City Council. However, there are two options for guarantying the money can only be used on Roads.



Santaquin City Budgetary Funds

Special Service District

Governmental Funds

General Funds

Public Safety Impact Fees

Transportation Impact Fees

Special Revenue Funds

Recreation Fund

Santaquin Days Fund

Chieftain Museum Fund

Library Fund

Senior Citizen Fund

Fire Department Fund

Road Department Fund

Capital Project Funds

Capital - Projects

Capital - Vehicles

Capital - Computers

Proprietary Funds

Enterprise Funds

Water Fund

Water Impact Fee Fund

Sewer Fund

Sewer Impact Fee Fund

Irrigation Fund

Irr. Impact Fee Fund

Road Dept. Funds

The city will either create a new "Special Revenue Fund" within the Santaquin City Budget

or

The city create a new "Entity" in the form of a Special Service District (SSD)

to protect the tax (increase) dedicated for road improvements



DOES THE CITY CURRENTLY HAVE ANY ROAD DEBT?

No.

In 2012, Santaquin City paid-off a 10-year road bond and reallocated 100% of the debt payment for that bond into the road maintenance budget.

This influx of 79% more money into the road maintenance budget allowed the city to complete some much needed road maintenance in 2012-2013 which was very well received by our citizenry.



South 300 W

Improved with reallocated
bond payment



WILL THE CITY BOND FOR ROADS?

There are benefits and drawbacks to bonding for road improvements. Bonding allows for a greater amount of the roads to be improved upfront. However, bonding would create interest costs and increase the city's overall debt load. The decision to bond will be considered in future meetings.



OPTION 1: BONDING 100% OF THE PROPOSED TAX INCREASE

\$3.9M Bond (10-Year, 3.5% Interest Rate)

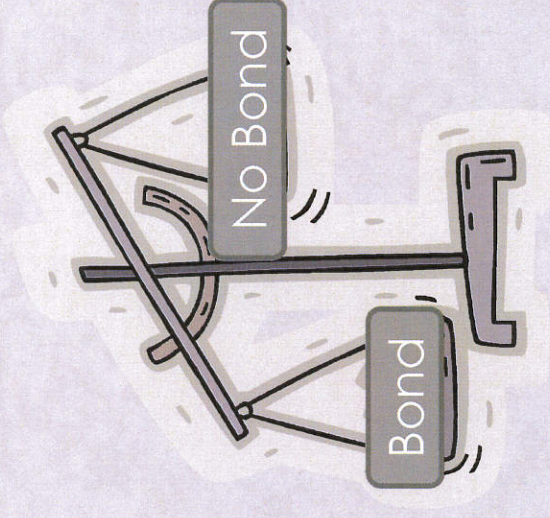
could be issued with a \$464K tax increase

Advantages:

- Visible improvements upfront
- Money obligated
- Low interest rates at 3.5%
- Lower construction costs
- Lower overhead costs

Disadvantages:

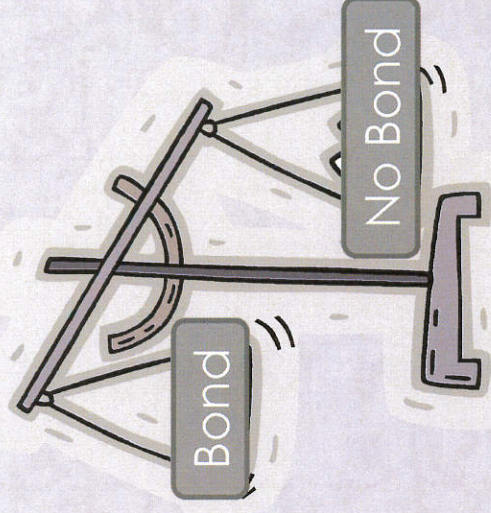
- Money tied up for 10-years
- Limited ability for mid-term upgrades or repairs
- Greater debt load
- Risk – funds are tied up (emergencies, economic downturns)
- Unknowns – such as EPA mandated storm drainage requirements
- No use of new technology



OPTION 2: NO BONDING OF THE PROPOSED TAX INCREASE

Advantages:

- Flexibility – Use monies as needed
- Would not indebt the city
- Adaptability – (e.g. Storm Drainage, etc.)
- Use of new technology
- No interest expense



Disadvantages:

- Low upfront impact – roads fixed more slowly
- Increased cost of construction
- Fear monies could be diverted
(Could be resolved with the creation of a Special Service District)



WILL THIS MONEY BE USED ON THE SEWER PROJECT?

No.

- The “Sewer Fund” is completely separate from the “Streets Department” (General Fund).
- No Money will be transferred from the General Fund to the Sewer Fund.
- The Wastewater Reclamation Facility Project is 100% funded from Grants & Bonds and paid for with Sewer Fees.



The roads were failing regardless of what the city did to resolve the sewer



1. Property taxes are "tax deductible" off of your personal income taxes. Fees are not.
2. Increasing taxes is a very public process with lots of public input. Raising fees is often less visible to the general population. There is more "transparency" with taxes.
3. Flat fees are considered "regressive."

55



HOW COME MORE MONEY DOES NOT COME FROM THE STATE?

- There are 46 entities in Utah proposing a tax increase
- Most municipalities are citing "Roads" as the reason for their increase.
- The Utah Gasoline Tax is not a percentage and does not fluctuate with the price of fuel. It is \$0.245/gallon.
- More fuel efficient cars lower the total revenue going to the State
- Mass Transit and State Agencies compete for State Transportation dollars
- Salt Lake City, Provo, and communities across the State struggle to find the money to maintain transportation infrastructure.
- Last time there was a gas tax increase in Utah; "1996"



FUELING OUR FUTURE, 2013-2040: POLICY OPTIONS TO ADDRESS UTAH'S TRANSPORTATION NEEDS

The Salt Lake Tribune

Is gas tax hike in Utah's future? Study says it should be

Transportation • Analysis says state will fall billions short without new sources of revenue.

BY LEE DAVISON
THE SALT LAKE TRIBUNE
PUBLISHED JUNE 24, 2013 04:20PM
UPDATED JUNE 24, 2013 04:30PM
Utah's transportation needs are accelerating much faster than revenues — so the state would need to impose tens of billions of dollars of new taxes over the next 30 years to keep pace, a new study by the Utah Foundation says. For highways, that may include such things as raising fuel taxes; imposing them to rise automatically with inflation; adding sales tax on top of fuel tax; raising registration fees; charging a new tax per mile traveled, or charging tolls that may vary by level of congestion on different roads or areas. For mass transit, that may include raising fares, raising sales taxes that support transit, raising taxes on hotel rooms or rental cars, or enacting a new property tax for transit.

Even people who have opposed raising taxes may be getting to the point they see that something needs to be done. "Frankly, nobody will like what we do. But we've got to do something," said Sen. Kevin Van Tassell, R-Vernal, chairman of the state Senate Transportation, Public Utilities and Technology Committee. "Even people who have opposed raising taxes may be getting to the point they see that something needs to be done."

The state's Unified Transportation Plan figures that through 2040, the state's transportation needs will cost at least \$54.7 billion — while total needs would be \$113.3 billion for high-priority projects. The state's entire annual budget is \$10 billion. That's a shortfall of \$103.3 billion for high-priority projects. The state's entire annual budget is \$10 billion. That's a shortfall of \$103.3 billion for high-priority projects.



Chris Decker, Tribune file photo. Gary's Petroleum & Hardware has a sign that says Gary's Petroleum & Hardware. It's a gas station. A new station to pay for the state's transportation and transit system.

Unified Transportation Plan
Transportation needs by 2040 will
total \$54.7 billion, while current
total is \$10 billion.
New sources for transportation
and transit can be added
to the existing \$10 billion in
state revenue. The state needs
\$44.7 billion more.
Page 30

Funding Utah's transportation needs is a significant economic and fiscal challenge for state policymakers. Over the next three decades, Utah's position for state policy will increase by over 600% from 2.8 to 16.8 billion dollars.



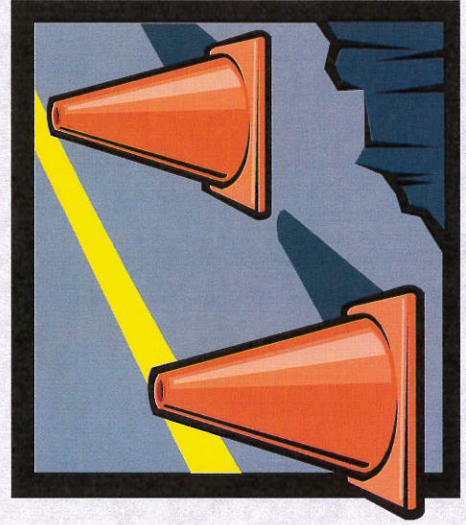
HAS THE CITY COUNCIL ALREADY DECIDED WHAT THEY ARE GOING TO DO?

No.

- The purpose of tonight's meeting is to hear your comments so that they can sincerely consider them along with other relevant information studied over the last 7 months in the week ahead.
- A decision will not be made this evening. It is anticipated that the council will decide this matter on Wednesday, August 14th, at 7pm.

PUBLIC WORKS RECOMMENDATIONS

Possible Tax Increase	Amount	Impact on City Roads
100%	\$464,631	Significant Road Improvements
75%	\$348,473	Some Road Improvements
50%	\$242,316	Maintains Existing Road Quality
25%	\$121,158	Continue to Decline - Slowly
0%	\$0	Continue to Decline - Rapidly



Cost of Road Maintenance

Distance	Surface	Cost
1 Mile	Reconstruction	By Bid \$\$\$\$
1 Mile	2" Overlay	\$100,000
1 Mile	Micro Surface	\$30,000
1 Mile	Chip Seal	\$20,000

REMEMBER...

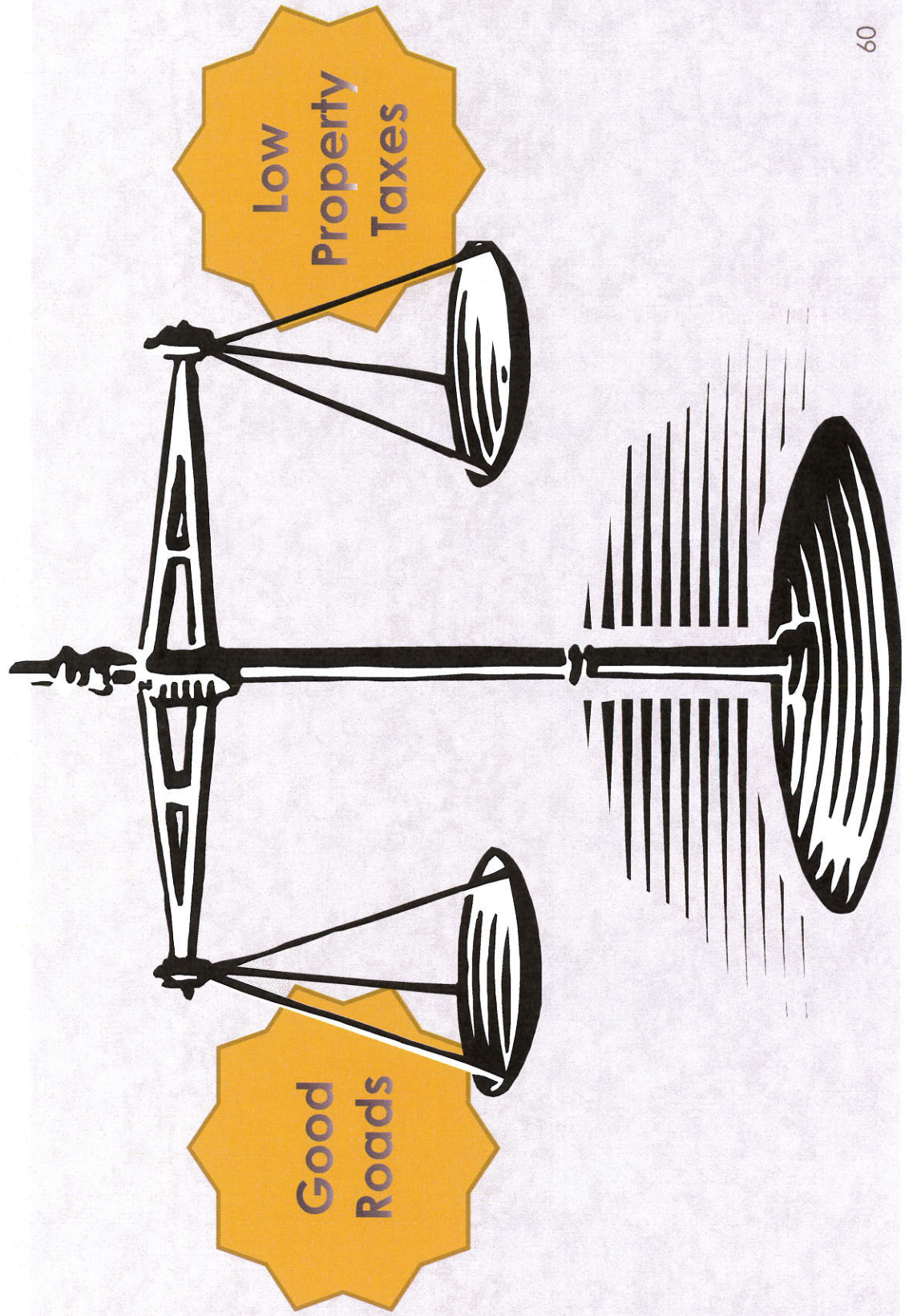
NO ONE Wants Higher Taxes

- Not the Mayor
- Not the City Council
- Not the City Employees
- Not the Citizens
- No One...



But it comes down to one decision...

WEIGHING THE DECISION



QUESTIONS ASKED DURING THE PUBLIC HEARING

1. What has happened to the road funds for the past 20 years?

A. Each year the city receives Class "C" road fund money from the State of Utah otherwise known as the gas tax. The money received by the State of Utah is not sufficient to maintain our roads and must be supplemented by money from the General Fund. 100% of the money coming from the State has been used on our roads and sidewalks. Each year these funds are reviewed by our independent auditors to insure the city is complying with Utah State law with the use of these funds.

2. Are we up-to-date on our lane miles?

A. Yes. Class "C" road funds are divided amongst all of the municipalities in the State based on the number of linear miles of road we maintain for which Santaquin City receives its proportional share. By insuring that our "miles" of linear road surface are up-to-date with the State of Utah, Santaquin City insures that we maximize the funding we receive. Our records are updated each year with the State of Utah to insure they are current.

QUESTIONS ASKED DURING THE PUBLIC HEARING

3. What is the Impact Fee for roads and where does that money go?

A. Currently, Santaquin City does not have an impact fee for roads. In order to charge an impact fee to those who build in our community the City must first complete a Transportation Capital Facilities Plan (CFP). This is a requirement of Utah State Law. Based on the projects within that plan, an impact fee is established and can only be used on the projects cited in that plan. The City Council set aside funding in the 2013-2014 Budget year to complete this CFP. It is anticipated that a road impact fee will be established before the end of the fiscal year on June 30, 2014 based on the recommendations of that plan.

4. How can we cut expenses on Road Maintenance?

A. Our crews work their very best to maximize the effectiveness of the limited dollars they have available to complete road maintenance. Cost effective solutions, such as crack seal and chip seal, are commonly used throughout our community. However, the most effective way to maximize the efficiency of the use of these funds is to maintain the roads "early" before major damage occurs from cracking and water penetration. As such, the Public Works Department is seeking additional funding for preventative maintenance.

QUESTIONS ASKED DURING THE PUBLIC HEARING

5. Will this property tax ever be lowered?

- A.** Based on the continual road maintenance needs of the city, it is anticipated that this increase would not be lowered in the future. However, current and future City Councils retain the authority to raise or lower tax rates as they deem appropriate based on the needs of the city in relation to funding to meet those needs (e.g. expansion of our sales tax bases, etc.) which may change over time.

6. Can we reallocate Park money to the Roads Department?

- A.** There are two types of money funding parks. The first is "operational" money used to maintain the 7 parks in our community. The second type of money comes in the form of "park impact fees" used to build new parks based on the growth of the city. Operational money (from parks or any general fund department) could be redirected to the Roads Department. Impact fees can not be redirected and must be used for the purpose for which they were collected. It is important to note that the operational funds in the Parks department are also very limited. They are utilized to maintain over 50 acres of park land utilized by the citizens of Santaquin.

QUESTIONS ASKED DURING THE PUBLIC HEARING

7. What is it going to cost to repair all of the roads in the city?

A. The cost to repair every road in our community is estimated to be \$4.5M-\$6M. This is based on known factors, such as the quality of our roads from slide 18 and estimated cost of road maintenance from slide 58. In addition, the width of each road in our community varies which adds to the square footage of maintained surface. Unknown factors such as the cost of oil, redesign of roads for storm drainage purposes, damage to existing road subsurface and possible underground utility work, contribute to the complexity of estimating an exact dollar amount needed to repair all roads. Similar to a doctor who performs exploratory surgery to diagnose the extent of an illness, in many cases estimating the extent of damage to the subsurface of a road is unknown until the road is opened and examined. All of these factors contribute to the range estimated to repair all of the roads.

8. Will equipment be paid out of the new Road Department?

A. No. Equipment such as trucks and plows are not paid out of the Road Department. These capital expenditures are paid out of the Capital Vehicles & Equipment Fund. However, the cost of maintaining equipment is a component of the Road Department.

QUESTIONS ASKED DURING THE PUBLIC HEARING

9. Are the payments for the Sewer Project escalated based on anticipated growth?

A. No. The bond payments for the WRF Project are fixed and are not based on growth. As the city continues to grow, the bond payment will be spread over a greater holds.

10. What cuts are you willing to make to fund roads?

A. The City's elected leaders and appointed officials consistently work to improve the efficiency of municipal operations. Due to cuts in other departments city wide, greater allocations have been made to the public works department each year over the past four years. This effort will continue in the years to come.

QUESTIONS ASKED DURING THE PUBLIC HEARING

11. What about the \$500,000 surplus in the General Fund? Can't we use that money to fix roads?

A. Utah State Law requires municipalities to retain in a reserve balance 5-18% of future anticipated revenues in the event of emergencies. Utilization of this reserve balance would not only violate State Law, it would also put Santaquin City at risk in the event of an emergency.

12. Will this increase be used for sidewalks?

A. Yes, this increase could be used in part for sidewalks. In addition to road maintenance/improvements and sidewalks, it could also be used for the following:

- Snow Removal
- Salt
- Storm Drainage
- Street Lighting
- Sidewalks
- Road Signs
- Striping
- Weed Control

QUESTIONS ASKED DURING THE PUBLIC HEARING

13. Will we be able to bond for sidewalks in the future?

A. Bonding is like a mortgage. An ability to bond is dependent upon a city's ability to repay that debt. By increasing a revenue source, such as property taxes, it increases a city's ability to bond. Bonding now, or in the future, for road improvements, including sidewalks, curb and gutter, is possible. The benefits and drawbacks would be evaluated by the elected leaders before proceeding with any debt instrument.

14. The city is required by the EPA to handle storm drainage when the population reaches 10,000. Do you need to have curb and gutter fully installed or just have a plan in place?

A. When the city reaches a population threshold of 10,000 residents, it will need to file a plan with the EPA on how it will handle storm drainage water quality. While the curb and gutter are not required immediately, the city will be required to follow the plan under the parameters established by the EPA.

QUESTIONS ASKED DURING THE PUBLIC HEARING

15. Is there anything the citizens can do to help?

A. Yes. Maintaining your own frontage is the first of many things the citizens can do. Eliminating weeds will prevent the establishment of roots that damage a roads subsurface. In addition, based on request made during the public hearing, a list of volunteering opportunities will be posted on the city website in the days ahead.

16. What was the plan over the past several years and what is the plan going forward?

A. Quite frankly, dealing with difficult subjects is a mark of character and leadership. In many cases, it would be easier for elected leaders to “kick the can” down the proverbial road by not dealing with this issue. However, an ever growing problem exists and needs to be addressed. The plan for the past was to band-aid the problem areas without increasing costs. While our crews are exceptional, they can only do so much with the limited budgets afforded to their efforts. The plan for our elected leaders is to establish preventative maintenance standards and provide our crews the funding needed to maintain those standards.

QUESTIONS ASKED DURING THE PUBLIC HEARING

17. If the city were to impose a Road Maintenance Fee instead of a 100% tax, what would be the monthly fee to generate \$464,000?

A. It would be a fee of \$15.50/household per month.