

CITY OF NORTH SALT LAKE
CITY COUNCIL MEETING-BUDGET
ANCHOR LOCATION: CITY HALL
10 EAST CENTER STREET, NORTH SALT LAKE
MARCH 23, 2024

FINAL

Mayor Horrocks welcomed those present at 8:15 a.m.

PRESENT: Mayor Brian Horrocks
Councilmember Lisa Watts Baskin
Councilmember Tammy Clayton
Councilmember Suzette Jackson
Councilmember Ted Knowlton
Councilmember Alisa Van Langeveld

STAFF PRESENT: Ken Leetham, City Manager; David Frandsen, Assistant City Manager; Jon Rueckert, Public Works Director; Craig Black, Police Chief; Karyn Baxter, City Engineer; Tyler Abegglen, Golf Course Manager; Heidi Voordeckers, Finance Director; Wendy Page, City Recorder.

1. DISCUSSION OF FISCAL YEAR 2024 PROPOSED BUDGET AND CITY COUNCIL PRIORITIES

Ken Leetham commented that the focus of this annual meeting was an opportunity to discuss public policy and make choices related to public funds. He explained the preparation, review, consideration, and adoption of a strategic budget for the use of public funds was a core duty and obligation of the City Council. He spoke on the City's strong revenue structure with diverse tax base, solid property tax, and strong sales and use tax. He mentioned that staff was constantly discussing ways to raise the levels of service while maintaining low costs and thanked staff for the preparation of the budget.

Heidi Voordeckers reported on the documents that would be discussed including full financial statements, five year capital plans, and the budget. She mentioned the meeting agenda including the budget calendar review, personnel, operating, capital projects, Council priorities, discussion on revenues and expenses, and fund summaries. She first reviewed the budget calendar that started in January with the department head requests, adoption of a tentative budget in May, a public hearing in June, and ending on June 18th with the adoption of the fiscal year 2025 final budget, certified tax rate, and URS elections.

Ken Leetham spoke on personnel needs including a new position in public safety (a school resource officer for Spectrum Academy) at a cost of \$165,000 a year with a grant of \$70,000 for the first three years and also a full time court clerk at the cost of \$38,000 per year.

Chief Black reported on the need for the school resource officer for Spectrum Academy during the school year. He explained that in 2023 there had been 20 cases at Spectrum Academy alone. He said this officer would also be responsible for juvenile investigations throughout the City and that the law involving juveniles was different. He spoke on the need for this position, the special certification, and responsibilities for the school resource officer. He clarified that for the first three years the cost for the school resource officer would be \$95,000 (\$165,000 minus the \$70,000 grant).

Councilmember Van Langeveld asked about the school resource officers at other schools in the City. Chief Black said every high school had an officer and per recent legislation every school would be required to have a guardian onsite but was unsure of the details. He spoke on how Davis County would pay approximately fifty percent of the salary for those officers. He explained that this officer would assist with criminal investigations at other schools in the City.

Councilmember Van Langeveld suggested consideration for mental health staff that could assist with behavioral issues at the schools rather than having a full police officer. Chief Black responded that every officer in the department was crisis intervention trained and said the Spectrum campus had mental health workers who specialized in assisting with the unique behaviors of the students there. He was unsure if the other schools had mental health personnel but said that the department was very rarely called to a situation that required force.

Councilmember Baskin asked why parents were not called in instances when a child needed to be restrained/touched. She said this collaboration seemed to be the missing piece. Chief Black explained that the policy to never touch/restrain a child to intervene was not a law but just a conscious school policy. He spoke on potential issues with the guardian program including armed individuals who would use force with a child.

Councilmember Knowlton arrived at 8:45 a.m.

Ken Leetham spoke on the full time court clerk position which would include moving a current part time clerk to a full time benefited position and decreasing a junior part time clerk from 25 hours to 20 hours per week. He said West Bountiful would be interested in sharing the cost increase for this change. He mentioned that since 2020 the caseload for the court showed a 39% increase in City cases and a 72% increase in West Bountiful cases.

Ken Leetham reviewed the need for the increased hours as well as the court revenue versus the deficit. He explained the deficit was approximately \$60,000. He then spoke on the 3.3% Cost of Living Adjustment (COLA) increase for staff and an 8% medical insurance increase.

Heidi Voordeckers said that staff had received bids for the medical insurance plan and how any cost savings would be negated in the disruptive change to employee plans from Select Health to another plan.

Ken Leetham reviewed the URS retirement system and the net savings of \$26,200 after the URS rate changes and proposed pickups.

Heidi Voordeckers reported on operating budgets including new itemization for City events and golf maintenance to better track spending in these areas.

Councilmember Van Langeveld suggested itemization for the Unity in the Community and food truck events and an increased budget of \$3,000 for the year. She also mentioned itemization for the Parks and Arts Board and the Health and Wellness Committee events and the associated budgets. Councilmember Baskin requested the Senior Lunch Bunch budget be increased to \$9,600.

Heidi Voordeckers continued her review with the Capital projects and associated costs including:

INFRASTRUCTURE

- Parks: \$11,209,300
- Streets: \$2,212,298
- Water: \$1,335,000
- Storm: \$1,205,000

VEHICLES

- Rotate five (5) Public Safety vehicles: \$325,000 (less \$20,000 for trade-in)
- Purchase one (1) new Public Safety vehicle (for new position): \$65,000
- Replace Admin/Eng vehicle: \$32,000 (less \$4,000 for trad-in)
- Replace Water truck: \$62,000 (less \$10,000 for trade-in)
- Street Sweeper: reallocated from FY 2024
- Snowplow: reallocated from FY 2024

OTHER EQUIPMENT

- Admin – replace two (2) copier/ scanners: \$15,000/ea.
- Parks – flatbed trailer: \$18,000
- Water – excavation trailer: \$60,000
- Water – skid loader: \$85,000
- Fleet - forklift: \$45,000

She also shared the City Council priorities:

BEAUTIFICATION, PLACE-MAKING

- HWY 89 Signage: \$110,000 (Fund 22)
- Redwood Rd. Signage, Trees, Grounds - \$342,540 (Fund 21)
- Parks Trees - \$75,000 (Fund 10, new on-going)

GOLF COURSE (Fund 55)

- Sledding - \$30,000
- Trees - \$10,000

PROGRAMS

- Expand Winterfest - \$8,000 (Fund 10)
- Homeowner Tree Planting Incentive - \$10,000 (Fund 10)
- Hardship Policy for Utilities - Cost TBD

Tyler Abegglen clarified that the sledding was a proposed \$30,000 in revenues based off information from the Spanish Fork program. He said that the City would receive 3% revenue shares the first year and then 5% on a five year agreement. He mentioned there would also be increased food revenues and costs as well.

Heidi Voordeckers continued with funded General Plan objectives including:

GENERAL PLAN OBJECTIVES

- Expand Sidewalk Replacement Program: +\$35,000 (Fund 10)
- Expand Street Striping Program: +\$35,000, and \$15,000 for small street striping machine (Fund 10)
- Safety and Street Signage: +\$10,000 (Fund 10)
- Trails/Active Transportation: +\$310,280 in matching (Fund 41)

She spoke on Council priorities in the future which included:

CONTINUED BEAUTIFICATION, PLACE-MAKING

- HWY 89: Ability to invest in improvements once developer commitments met (estimated 2027-2034)
- Redwood Rd: Continued funding of area improvements until project area expires in 2031
- I-15 Interchange Enhancements
- Public Art

ATTRACT RETAIL/COMMERCIAL TO TOWN CENTER

- Potential use of approx. \$700k in Fund Balance (Fund 25)

PARKS

- Tunnel Springs Park Expansion
- Pickle Ball Courts (Landslide)
- Circuit Trails around Every Park

Councilmember Van Langeveld commented that she did not want to focus on only attracting retail/commercial to the town center. She would like to see the proposed \$700,000 be used for this purpose citywide.

Ken Leetham said these items would be revisited in future City Council meetings as well as parks, public parking in the town center, a cemetery, 1100 North Bridge, homeless resource plan, and use of housing funds (\$1.1 million in fund balance).

There was a brief recess from 9:53 a.m. to 10:06 a.m.

Heidi Voordeckers reported on fiscal year 2025 proposed general expenses (outflow) and revenues in all funds. She said the total expenditure amount allocated for fiscal year 2025 was \$64,864,675. She noted that \$12.1 million was transfers to departments so it was closer to \$52 million in expenditures. She provided a breakdown of those funds with \$12.8 for personnel, \$13.2 for operating, \$26.1 for Capital (projects), and a fund balance of \$459,220. She explained that the expenditures for Capital were significantly higher this year due to Hatch Park and the Foxboro Wetlands Park. She presented a graph showing governmental (\$48,938,640) versus proprietary (\$15,926,035) expenses for the proposed fiscal year 2025. She also showed a pie chart for proposed fiscal year 2025 expenditures with the allocation percentage per fund including General Fund (22.2%), redevelopment (10%), housing (0.3%), debt service (18%), park development (17.6%), police facilities (0.2%), roadway development (5.7%), water & pressurized irrigation (10.9%), stormwater (3.8%), golf (5.2%), fleet (1.9%), building authority (0.2%), capital improvements (1.2%), and solid waste (2.7%).

Ms. Voordeckers then focused on revenues (inflow) for fiscal year 2025 which equaled expenditures at \$64,864,675. She explained revenues were user fees, taxes, and any new funds coming in with an estimated total of \$34.3 million. She said the transfers in (which matched the transfers out) were \$12.1 million. She explained that the debt service or borrowed funds were \$14.2 million for construction/Capital projects. She mentioned that \$4.1 million was attributed to use of fund balance. Ms. Voordeckers then shared a graph comparing fiscal year 2025 proposed governmental (\$48,938,640) versus proprietary (\$15,926,035) revenues. She explained that governmental funds usually managed the statutory responsibilities (administrative, streets) and funded by taxes while proprietary (water, storm, garbage) was business type activities.

Heidi Voordeckers commented that she would provide a summary for each of the government fund types including the General Fund, RDA Funds, Housing, Local Building Authority, RAP Tax/Parks debt service, Capital Projects Fund, Park Development fees, Public Safety

development fees, Public Safety development fees, and Roadway development fees. She focused on the General Fund and revenues with property tax projected growth was 2%, sales tax had slowed and was budgeted at 6.76%, there was an increase in development fees, and expenditures due to an increase in the fire contract of 3.5%.

The Council asked questions related to sales tax including past increases, the proposed flat sales tax for fiscal year 2025, home sales, and inflation.

Heidi Voordeckers reviewed the General Fund revenues (taxes, impact fees, etc.) and expenditures (COLA, administrative, public safety, etc.). She explained that the General Fund balance must not exceed 35% of current year general fund revenues so the limit for the FY 2025 budget was \$4.7 million and staff was proposing \$4.1 million or 30.6%. She shared a pie chart with the General Fund proposed expenditures by department with police (43.2%), fire (13%), streets (12.2%), planning (4.1%), parks (10.6%), admin (7.4%), judicial (3.2%), legislative (1.9%), buildings (1.4%), engineering (1%), and building inspection (2%).

Ms. Voordeckers then spoke on the General Fund tax collection history and presented graphs comparing annual tax revenues (sales, property, franchise taxes) for 2020-2025 as well as comparing the annual change in collections for the same data. She explained that there were still five months of projections in the current fiscal year 2024.

Ken Leetham reported on proposed legislation related to fees (transportation utility fee) and said the Council could fund street repairs and maintenance using this type of fee. He explained that this would include a study and financial analysis prior to implementation and would result in a monthly fee per resident. He also said the City could charge a public safety fee to partially fund the City's fire assessment through a monthly fee. He explained that the bill related to the transportation utility fee did not pass through the State Legislature but could still be implemented per case law. He said staff was in favor of this as the City had aging infrastructure and the lack of funding for road maintenance/repair.

Councilmember Jackson asked how the roads were currently being funded. Heidi Voordeckers replied that funds came from impact fees, transportation fuel tax, and Class C Road Funds (State paid).

Heidi Voordeckers shared comparative information on General Fund revenue (taxes, licenses, grants, fees, etc.) history from fiscal year 2021 through proposed fiscal year 2025 with a proposed total for 2025 of \$14.1 million. She commented that property tax was stable and increases were only related to new properties (like the annexation or new building) or a truth in taxation process. She then reviewed the Redevelopment Agency (RDA) Fund revenues and expenditures. She explained that the RDA areas included Eaglewood Village with a collection rate of 75% (through 2026), Redwood Road with a collection rate of 45% (through 2031), and Highway 89 with a collection rate of 45% (through 2034). She commented that the funds should

be expended before the project area expired. Ms. Voordeckers then reviewed the Housing Fund which was funded through those RDA contributions and the Local Building Authority Fund which was funded through rents received from Hatch Park properties. She focused on the RAP Tax/debt service fund and said RAP tax funding must be authorized by ballot measure every ten years (2027).

Heidi Voordeckers explained that the Capital Projects Fund collected excess General Fund balance for rainy day reserves or capital projects. She said this fund received revenue through transfers from other funds and the impact fees were used to pay down the public safety portion of the building cost. She mentioned the transfer of \$705,000 to Streets as well as \$100,000 for improvements on City Hall (boiler, deck garden, maintenance). She noted that \$2.9 million was a receivable from the Golf Course which could potentially be used for repayment on the Golf Course loan balance in the future. Ms. Voordeckers reviewed the Parks Development Fee Fund with revenues restricted to impact fees, grants, and transfers in (generally RAP tax funds). She said this fund accounted for all parks and trails capital expenditures including playground equipment, court improvements, and replacement. She presented the park projects (annual repair, Center Street, Redwood Road trail, Hatch Park) with the method of funding for a project total of \$11.2 million.

Heidi Voordeckers reviewed the Public Safety Fund with revenues consisting solely of impact fees and interest on fund balance. She explained the accrued earnings were transferred to the Capital Projects Fund for repayment of construction costs on the City Hall building. She then spoke on the Roadway Development Fund with revenues from impact fees, fuel tax, C Roads, grants, and transfers from the Capital Projects Fund. She commented that there was \$3 million in this account for the 1100 North bridge project which would roll over into the next fiscal year.

Councilmember Van Langeveld asked if the City no longer pursued the 1100 North bridge project if the grant funds would need to be returned. Ken Leetham replied any grant funds that had not been expended would need to be returned. He explained that the funds were obtained for the study of a grade separation at 1100 North and could not be used for anything outside of that scope.

Heidi Voordeckers reported on the Road Capital Projects and how they would be funded. She shared the list of projects and commented that the 900 North project may be delayed to further discuss other funding options.

Ken Leetham spoke on the possibility of creating a special assessment area for the industrial park for several projects that would occur in this area. He said this would allow for an annual assessment from property owners in the industrial park. He explained that staff would present an analysis and a proposal to the Council.

Mayor Horrocks asked about private roads and Class C Road fees. Karyn Baxter replied that the total percentage of Class C Road funds were allocated by center lane miles of public streets so an HOA/private road would not be eligible.

Heidi Voordeckers mentioned that the 900 North project also included an \$800,000 water component. She then focused on utility funds which included water/pressurized irrigation, storm, solid waste, golf, and fleet. She said staff was proposing the following rate increases for fiscal year 2025: an 8% water rate increase, a 12.50% storm water increase, and no increase for solid waste. She explained that the increases were recommended per the Water and Storm Rate Study and were intended to accommodate the capital funding plans of \$2.4 million per year for water and \$1.1 million per year for storm water. Ms. Voordeckers reviewed the Water Fund which included all water activity and capital projects. She said the proposed 8% utility rate increase was on both the base rate and the tiers and would result in an ending fund balance of \$889,000. She spoke on the Water Capital Projects including the 150 N waterline, 850 N/900 N/Madsen, Coventry/Freedom Dr/Freedom Cir, and the PRV vault and valve replacement for a total of \$1.3 million overall.

Heidi Voordeckers then highlighted the Storm Water Fund which accounted for all storm water utility activity and capital projects. She said there was a 12.5% utility rate increase which would leave an ending fund balance of \$925,000. She mentioned that the street sweeper that was approved in fiscal year 2024 would be delivered in fiscal year 2025. She noted that the storm water projects included Constitution Way, Eaglewood Golf Course, Coventry Lane/Freedom Dr/Freedom Cir, and annual storm water improvements for a total of \$1.2 million overall.

Jon Rueckert provided an update on the street sweeper and said a dual steering system would be installed on the street sweeper and then the sweeper equipment would be installed. Heidi Voordeckers commented that the current street sweeper would then be traded for approximately \$70,000.

Heidi Voordeckers reported on the Solid Waste Fund which accounted for all solid waste and recycling activity and did not include a proposed monthly fee increase. She said the proposed budget would leave approximately \$581,000 in unrestricted cash balance.

Mayor Horrocks commented that the City was paying a premium for solid waste services compared to other cities due to issues when switching companies. Heidi Voordeckers commented that staff could obtain bids from other companies.

Heidi Voordeckers reported on the Golf Fund with continued increases in revenue including through the event center, Grill, and sledding. She said there was an annual cost to continually replace aging equipment as it became available for purchase. She mentioned that the proposed budget would leave approximately \$221,400 in cash balance.

Tyler Abegglen commented that there were wait lists for equipment due to COVID and some equipment items may carry over until fiscal year 2025.

Heidi Voordeckers reported on the Fleet Internal Service Fund which provided all fleet services for the governmental funds. She said this fund included all vehicle purchases with a portion expensed back to the corresponding department. She mentioned that the Fleet Internal Fund had a growing fund balance and proposed that instead of redistributing the funds that the contributions from other funds be diminished by fifty percent. She reviewed the fleet replacement schedule which included vehicles for multiple departments including Streets, Admin, Police, Water, and Storm in fiscal year 2025 for a total of \$1,127,360. She explained that the vehicle replacement program included a fifteen point inspection to keep maintenance costs down and ensure the vehicles still had replacement value.

Councilmember Van Langeveld commended staff for their efforts in managing the City well and preparing a balanced budget.

There was a brief recess from 11:40 a.m. to 12:10 p.m.

Ken Leetham shared his prior planning experience with zoning that had restrictions based on race. He spoke on how important it was to remember that planning and zoning would impact a city for a long time.

Councilmember Knowlton commented that zoning affected the socioeconomic composition of a community and there were many communities that were keeping out segments of a population which had implications on race and opportunity. He said communities today that used zoning to restrict upper income had the same implications, even if the motivation was not nefarious, it had nefarious outcomes. Councilmember Baskin mentioned historic redlining and systemic racism related to mortgages and restricted areas.

Councilmember Jackson asked if there had been intentional zoning to counteract what had been done. Ken Leetham replied that things could change in that community and while sometimes the market and population tend to self-segregate, he said that he had seen many places become more cohesive due to more awareness of cultural differences.

The Council discussed zoning, legal immigration, self-segregation, equality and resources across the entire City, support for areas with disadvantages, health implications due to zoning, and having the option to live/work where you want.

Mayor Horrocks then invited the City Councilmembers to discuss their priorities. Councilmember Van Langeveld spoke on her priorities and the potential for an event coordinator in the future to help with events and recreation. She also requested an analysis of the increased revenue versus increased costs for the annexation area. She mentioned funding to help those

residents change their addresses. She was in favor of public art and working with the Parks and Arts Board for future budget needs.

Councilmember Jackson spoke on attracting retail/restaurants and other amenities to the Town Center and Redwood Road. She focused on increasing the amenities list for residents including restaurants, stores, etc. and upgrading the entrances to the City.

Councilmember Knowlton reviewed the idea of incremental progress and the question of moving forward on US-89 planning and beautification now or after the General Plan revision. He noted that the City did not receive funding for the Utah Trail network. He mentioned the bus (BRT) Davis to Salt Lake line, the status of UDOT and the City. He suggested work session items to discuss US-89 as well as the tree planting program for private landowners.

Mayor Horrocks mentioned several items including the Foxboro Wetlands Park, indoor/outdoor lighting at the golf course clubhouse, and signage replacement at the roundabout. He suggested a work session to discuss emergency preparedness.

The Council had a discussion on emergency preparedness including coordinating with other cities, sharing information with residents, the Health and Wellness Committee, CERT and FEMA training, strategy, resources, resident and city preparedness and response, and the annual preparedness fair. Staff to research this item and provide a recommendation to the Council.

Chief Black said that emergency preparedness should be similar to neighborhood awareness/watch in that the City or police department should provide crime prevention or lifesaving measures but depended on the citizens to be aware of what was happening in their neighborhoods. He spoke on the need for volunteer support to help with items like turning off gas or checking on neighbors.

Mayor Horrocks also mentioned an updated photo of the new City Council, a Sister City program as a future discussion item, and the potential for "love notes" or adding some funds to the budget to support organizations/charities.

2. DISCUSSION ON 4/10 WORK SCHEDULE

Ken Leetham commented that this was in response to discussing the concerns and benefits of a 4/10 work schedule.

Councilmember Baskin said this was not a criticism of City staff but was meant to be an open discussion. She mentioned a State audit performed on the 4/10 week which showed the effect on productivity was not adequately measured, the effect on worker productivity was mixed, and the savings were minimal. She said there were mixed reviews and some cities continued to have 4/10 work weeks while some had discontinued the practice. She then spoke on articles and studies

which stated workers would prefer the 4/10 workweek, increased productivity, and improved access as a result of this schedule. She mentioned some complaints from residents, perspective of limited access, and suggested staggering the hours/days so the building was staffed every day or having an analysis done.

Mayor Horrocks talked on the benefits of a ten hour day for accessibility, reducing one day of commuting for employees, increased productivity,

Councilmember Clayton spoke on access, complaints, and how the 4/10 provided time for employees to schedule appointments. She mentioned how staff provided coverage for 24 hour needs now (police, public works) and seemed to be readily available.

Councilmember Knowlton mentioned that the clear downside was that some staff may leave and the upside was that it may increase convenience for residents. He suggested polling residents to assess this but felt the 4/10 week was an inconclusive positive in his opinion.

Councilmember Jackson commented that staff was accessible especially with the early morning and late evening hours with a 4/10 week. She said many people had cell phones and those who did not could access the internet through the libraries. She felt that staff would identify and rectify any problems with productivity.

The Council discussed the suggestion for staggering days and how feasible this option would be with hourly and part time employees and continuity of the departments.

Councilmember Van Langeveld commented that it seemed like the Public Works was on more of a 24 hour schedule and asked how this worked. Jon Rueckert replied that they had alternating schedules such as eight days on and four days off to ensure coverage of the phones, pump houses, etc.

Ken Leetham spoke on having employee coverage Monday through Friday and how this would result in 25% of the time department staff would not be 100% but adjustments could be made. He said that there was a need for supervisors to be onsite when the building was open to the public.

Councilmember Baskin also noted the personal contact and how everything was becoming remote. She also said the building was not being used on Fridays and if this was a cost saving or not. She mentioned that the more efficient the less humane things became.

3. CONSIDERATION OF RESOLUTION 2024-12R: A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN ALL DOCUMENTS RELATED TO THE PURCHASE OF THE PROPERTY LOCATED AT 85 WEST 150 NORTH

Ken Leetham said the City Council recently took action on the resolution to purchase the subject property at 85 West 150 North. Since that time, the title company has requested specific City Council authorization in order for the City Manager to sign closing documents.

Councilmember Van Langeveld moved that the City Council approve Resolution 2024-12R: A Resolution authorizing the City Manager to sign all documents related to the purchase of the property located at 85 West 150 North. Councilmember Clayton seconded the motion. The motion was approved by Councilmembers Baskin, Clayton, Jackson, Knowlton, and Van Langeveld.


4. ADJOURN

Mayor Horrocks adjourned the meeting at 2:04 p.m.

The foregoing was approved by the City Council of the City of North Salt Lake on Tuesday May 7, 2024 by unanimous vote of all members present.



Brian J. Horrocks, Mayor



Wendy Page, City Recorder

