

NORTH SALT LAKE CITY
CITY COUNCIL BUDGET MEETING
MARCH 26, 2016

FINAL

Mayor Arave called the meeting to order at 9:51 a.m.

PRESENT: Mayor Len Arave
Council Member Matt Jensen
Council Member Brian Horrocks
Council Member Stan Porter
Council Member Ryan Mumford
Council Member James Hood

STAFF PRESENT: Barry Edwards, City Manager; Ken Leetham, Assistant City Manager; Paul Ottoson, City Engineer; David Frandsen, Public Works Director; Jon Rueckert, Assistant Public Works Director; Janice Larsen, Finance Director; Chief Craig Black, Police Chief; Lieutenant Troy Johnson, Police Department; Chief Jeff Bassett, South Davis Metro Fire Agency; Brent Moyes, Golf Course Director; Linda Horrocks, Deputy Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: None

1. INTRODUCTION OF THE 2016-2017 FISCAL YEAR NORTH SALT LAKE
BUDGET-BARRY EDWARDS

Barry Edwards reported that the City is proceeding through a fiscal transition from an era of high growth to gradual growth. Property tax and sales tax will need to replace the reduction in impact fees and developmental revenue, with consideration given to the changing population demographics and labor market. He also explained the changing labor market which is affecting expenditures including fewer people available for mid-level and higher management positions. He added that the State has a very low unemployment rate of 4.9%, and public employment is less appealing.

For the fiscal year (FY) 2016 through 2017 there will be a changing mix of expenditures with less expenditure in development and more expenses in police staffing and wages and also in the fire agency. There have been more expenses for "soft services" such as recreation programs, city beautification, housing and aging-related programs. The City is also facing aging infrastructure with the water systems reaching the end of a useful life cycle which is causing increasing

expenses with repairs to the existing facilities. The roads will also need more attention particularly those in subdivisions built 13 years ago that have reached one-half of their useful life and will need crack sealing, slurry, overlays, etc. The parks and sprinkling systems are aging and will also need to be replaced. Previously the City could rely on impact fees and developers to build new roads and other facilities, but in the future, the burden of keeping all facilities safe and vibrant will fall to the General Fund and its revenue resources. The City will now need to budget for and transition away from one-time revenues to more sustainable options.

The General Fund is projected to be \$10.2 million with an increase of \$590,000.00 but does not include the 10% property tax. Expenditures are projected at \$10.4 million with an increase of \$854,000.00. In regards to revenue, sales tax is up, property tax is up a little, building fees are down and court revenue is expected to go up due to the West Bountiful consolidation.

Estimated expenditures include a total General Fund increase of 8.9%, salary and benefits (including police) are estimated to increase 7%, a salary increase (without police) is 4%:2% merit and 2% cost of living (COLA)/ market adjustment, fire and police constitutes 53.8% of the total General Fund increase, and the court costs increase by \$58,000 due to consolidation with West Bountiful.

In regards to personnel costs, there will be no new full-time positions; however, 28 clerical hours were added to accommodate the West Bountiful court workload, the police scale modification has been included in the budget, there is a 3.2% combined increase for non-sworn employees and a 8% estimated increase in health insurance.

City staff is currently serving more residents with fewer employees compared to 2003-2015. For 2016 the City has 11 Public Works employees, 25 Public Safety employees, 4 Community Development staff, 2 Court employees, 5 employees in Administration which equals 2.3 full time employees per 1,000 residents.

Individual salary increases compared by year are 5.50 % in 2012, under 4% for 2013 through 2016. 2017 is estimated to be right near 4%. These percentages are without the sworn employees. There is approximately a 10% turnover rate in employment including the replacement of a City Planner and inspector, etc. within the last year.

2. COMMUNITY DEVELOPMENT

Ken Leetham reported that the Community Development department includes himself, a senior planner, Sherrie Llewelyn; a building official, Larry Palmer; a long range planner, Ali Avery; and administration, Deena Christensen. This department is responsible for all development and

construction applications, economic development, long range planning, various grant programs, some code enforcement activities and also provides support to the DRC, hearing officer, Planning Commission and City Council.

Long term planning includes applying for and administering Community and Development Block Grants (CDBG) and park and tree programs and grants. Other goals and objectives include the completion of the Town Center plan, which includes urban design, open space, parks and a walk-ability strategy. Additional goals include streetscapes, pedestrian spaces, sidewalk and path connections, street lights, building types, expansion and investment in open space, parks and paths and a commitment to a land use plan.

City staff will also be completing the boat take-out park on the Jordan River with construction to be funded through a \$28,000.00 Utah Waypoint Grant and \$2,500.00 from the Jordan River Commission. Staff is also anticipating grant revenue from a \$79,500.00 Boater Access grant with the City to contribute \$29,200.00 (in kind). Expected construction of this project should commence August of this year.

Mr. Leetham then addressed additional projects for the staff including the Foxboro Wetlands Park, completion of the grocery store in Foxboro, CDBG program funds, and the completion of Phase 1 of a parks, open space, trails and tree city re-investment strategy.

The creation of a multi-year park improvement plan for the Foxboro Wetlands Park will be achieved through the following steps: obtain input from USACE, conduct a public meeting on the proposed design, adopt a multi-year plan for the park, and begin work on Phase 1 (\$105,000.00) with staff to continue efforts to obtain additional financing.

The completion of the Lee's Marketplace grocery store development in Foxboro's next steps include approval of rezoning to a P District and the adoption of the Development Agreement.

The City expects to continue the CDBG Housing Assistance Program (\$50,000.00) with the application submitted for 2016-2017 to include all areas of the City, an increased limit on per case expenditures and the proposed establishment of a housing fund to supplement the program.

The completion of Phase 1 of the parks, open space, trails and tree city re-investment strategy includes an in-house inventory of existing conditions, evaluation of deficiencies and opportunities, obtain public input, analysis to create recommendations and the adoption of a plan strategy.

3. GOLF COURSE

Brent Moyes reported on the 2015 highlights for Eaglewood Golf Course which included: consistent and well maintained course conditions, a new white tee-box on Hole #16, a 34% margin on merchandising, a 22% increase in participation for the men's association, flood mitigation and all the clubhouse offices are now occupied. 2016 and 2017 goals include increased tournaments, 14,000 rounds, a Junior PGA League, better water conservation and excellent customer service through additional training.

Mr. Moyes said his proposed strategies include a possible mobile app for tee times, specials, etc., a frequent player card, inclusion in the Davis County Golf passport (this booklet promotes the course through a package deal for tourists or for locals), inclusion in the PGA golf passbook, the PGA Junior league, free clinics, and inclusion in the Enterprise newspaper through articles and ads.

Budget requests for the golf course include an Optec double face color display to replace the current electronic sign at the course. This sign would be \$15,000 installed and is approximately 6'x3'.

Long-range goals for the golf course include replacing the irrigation system, updating and remodeling the clubhouse, and golf course beautification/re-design.

Council Member Horrocks asked when the golf course bond would be paid off and if the course would be a source of revenue in the future. Janice Larsen replied that it would be paid off in 2017. It was determined that the golf course is an amenity to the City but would not necessarily generate revenue in the future.

4. ENGINEERING DEPARTMENT

Paul Ottoson reported on Capital projects in the Engineering Department and said that the golf course is now on secondary water for the third season. For the next fiscal year it is recommended that the new water line be taken from the pump house near Hole #8 and continue up to Hole #2 and up Eaglewood Loop to be connected to add 66 new homes to the secondary water line. The more homes that can be switched from culinary water to secondary water the better water costs will be.

He explained that for the secondary water transmission line from the golf course to the top of Tanglewood Drive would cost \$650,000.00 and that the 350 North water line from Main Street to US 89 would be \$290,000.00. This is a preliminary design and City staff will present a plan to

bring secondary water to other areas of the City with estimated costs. The water capital projects for 2017 include the secondary water transmission line (golf course to top of Tanglewood Drive) at \$650,000.00 and the 350 North water line (Main Street to US 89) for \$290,000.00 for a total cost of \$940,000.00.

Streets capital projects for 2017 include: 350 North Street (Main Street to US 89) for \$345,000.00, 130 East (Orchard Drive to Center Street) \$220,000.00, misc slurry seals for \$250,000.00, Fox Hollow Drive (Foxboro Drive to the wetlands) \$68,000.00, Foxboro Drive (Cutler Drive to Fox Hollow Drive) \$106,000.00, and 725 East repairs (east of LDS church) \$12,000.00 for a total of \$1,001,000.00.

Storm Water capital projects include: video tape and clean storm drain pipes \$250,000.00. There are a lot of older areas in the City with corrugated pipe that need to be cleaned and possibly replaced. This project will be going out for bid.

5. PUBLIC WORKS

David Frandsen reported on a cycle for success including a visual method for what the department is trying to accomplish, setting goals and objectives, creating habits and developing knowledge, tracking progress, having and sharing success, and making adjustments.

He explained that the department would focus on proactive management which includes preventative maintenance, setting benchmarks throughout the departments and a detailed maintenance calendar. The departments have a meeting schedule set for every morning Monday-Thursday at 7a.m. for a quick overview and coordination between departments. They will also focus on monthly and annual reports for a visual perspective of what is done and to establish future goals/benchmarks. Objectives and goals include adopting a tree policy, creating a tree pruning program (annual maintenance), GIS inventory of trees, a central control system (water/weather tracking) to save money by detecting leaks, not watering when raining, etc. and a UTV for spraying pesticides.

Mr. Frandsen then reported on storm water development and said that the objectives include an operation and maintenance plan, a storm water management plan update, a sweeping plan, and enhanced recordkeeping for proactive/preventative maintenance and to utilize other departments.

Street Department objectives and goals include: pavement management (crack sealing, slurry), filling pot holes 25 times a year, a street sign replacement plan (7-10 year cycle), completing a backlog of concrete work, and a focus on organization.

Jon Rueckert reported on fleet maintenance including the following items: mileage/fuel tracking for each vehicle, enhanced preventative maintenance, new vehicles, installation of a fuel island for small equipment and upgraded tool boxes in the shop.

Jon Rueckert then reported on the Water Department objectives which include preventative maintenance, valve actuating, fire hydrants, flushing/flow testing, digital record keeping, pump log, pumping records, a sanitary survey, tower based meter reading, an updated water conservation plan, a backflow program, and a WaterSense Partnership.

Jon Rueckert also provided an update on the external network throughout the City and said that the equipment needs to be installed on the Wi-Fi tower, air fiber dishes need to be installed, the equipment at City Hall needs to be upgraded, and installation at the Public Works building, Legacy Park, the golf course maintenance shed and Hatch Park needs to be completed. Future Wi-Fi projects include Deer Hollow Park, Tunnel Springs Park, Wi-Fi repeaters in vehicles and SCADA integration.

Power savings for the City from 2013-2015 include a goal to save 25% by November of this year and the City is already at 24%. Upcoming energy conservation projects include 5200 tank and Gary tank jockey pump, (for an estimated savings of \$22,683.00 a year), a Steel tank jockey pump (for an estimated savings of \$8,000.00 a year), a Morton pump house bypass (estimated savings of \$8,000.00 a year) and continued education for employees.

David Frandsen then reported on the Public Works building needs including painting, a wash bay and carpet replacement.

Public outreach/social media will be utilized to communicate the department's value to residents, combat misconceptions and create positive steps towards a budget.

David Frandsen then concluded by saying that other goals and objectives include creation of a specification manual, employee training, website upgrades, shared job folders, safety program and monthly meetings, employee events and seminars.

6. SOUTH DAVIS METRO FIRE

Chief Jeff Bassett reported that a salary survey was done which shows a 10% turnover rate. The main reason employees chose to leave is due to pay, then safety related to staffing issues and then the lack of advancement potential. The district is currently 7.4% lower than average for comparable salaries which has led to the development of a new pay plan. If this plan is adopted, the estimated cost to the City would be \$100,000.00. Current full time employees with 0-5 years

of experience make up 46% of the department while those who have 6-10 years of experience make up 22% and those with 11-15 years of experience make up 15% with the remaining 17% at 16 years of experience or above.

Chief Bassett said that the items that can be purchased with the current capital for this year include the new engine, new heart monitor and handheld radios. Capital expenses for the service area are the new Centerville fire station, completion of the parking lot and storage building at the Foxboro Station, the Muller Park station remodel, a new 100 ft ladder truck and approval of a new tax rate in 2017.

Capital expenses for operations include radio replacements, radios for the mobile command, air packs for FY 18 and FY 19 at \$100,000 each year, a vehicle replacement plan, building repairs, cement repairs (including sinking/cracking driveways) and mechanical repairs.

Chief Bassett reported on staffing needs and said that 12-18 full-time firefighters will need to be hired, appropriate staffing for the engines and ladders trucks, additional ambulance staffing, a fire marshal, an HR director, and a CFO. He said other cities staff at least four employees on a truck; some will run with three, but his department only has two. This overloads his crews especially if they have to handjack/haul hoses due to fire hydrant placement.

Chief Bassett then compared the 2016 budget to other area fire departments and said this does not include staffing costs which would be another \$1 million. He said Layton's budget is approximately \$8 million, Metro is \$6 million, Sandy is at \$9 million and Murray is at \$7 million.

7. POLICE DEPARTMENT

Chief Craig Black reported on four general areas of improvement for the police department including exceptional and up-to-date equipment and technology, training, information sharing and overall operations. He said in regards to equipment and technology that the department switched to the Spillman Records Management System in 2014. Body cameras are worn by all officers and digital vehicle videos have replaced video cassettes in all vehicles. Other upgrades include newer handheld radios, court mandated interview rooms with reliable recordings, an automated license plate reader (ALPR), trackers (for proactive criminal apprehension), airsoft training weapons (active shooter training), training in schools and certification for motorcycle officers.

Chief Black then reported on training and said that active shooter training is being done in local schools, and monthly legal updates are performed for arrest and search and seizure. Lexipol

NSLPD policy daily training, and continuous critical incident training (CIT) should also be done. Other training includes community and police cooperation, the citizen's academy, neighborhood watches, citizen (active shooter), Night Out Against Crime, in-house training on firearms, evo, arrest control, taser, ASP, OC and lethality assessment program (LAP).

Chief Black then reported on information sharing which includes the Spillman system, the Palantir (Statewide) system, a daily shift log, and the Good Landlord Program. The police department also has weekly department staff meetings where domestic violence and lethality assessments, auto theft, theft and quality of life issues, and traffic incidents/enforcement are also discussed.

Overall operations include identifiable supervisor/officer in charge, minimum staffing levels formalized, geographic beats/sectors and new leadership professional development. Chief Black also discussed the full time positions which include a K-9 officer, a CLO (community liaison officer), a detective, and traffic, SWAT, DARE and UTIP (truck inspection program) officers.

Chief Black then spoke about the most significant risks or threats to the City's public safety operations which include an increase in calls for service and overall crime and legislative mandates. He reported on the increase in calls for service with 9,567 calls in 2013, 9,967 in 2014 and 12,678 calls in 2015. There was also an increase in crime reports with 2,646 in 2013, 3,490 in 2014 and 3,918 in 2015.

Chief Black said index crimes per 1,000 residents are slightly higher than the numbers for Bountiful and Woods Cross due to the City's proximity to Salt Lake. In 2015 North Salt Lake had less than 30, Bountiful had 20, Woods Cross had 15 and Salt Lake had over 50.

Chief Black then spoke about the recent legislative mandates which include immigration arrest requirements (2010), mandatory vehicle impound requirements (2014), justice reform initiative (2015) and body camera legislation (2016). Upcoming issues of significant concern include GRAMA modifications regarding digital media, medical/recreational marijuana and asset forfeiture reform.

Chief Black then reported on the five year police department plan and goals which include: implementation of the authorized patrol/traffic cover position, increased patrol coverage, evaluation of shift schedules and shift coverage efficiency, community and officer safety, and effective patrol, increase in detective cases (especially as school issues arise -- Spectrum Academy), focus on identity/technology crimes, two to four more patrol officers (this will be evaluated by calls for service, case report, committed time), hiring of a professional

standards/training sergeant, continued focus on essential, relevant, and up to date training, hiring for an additional detective, task force position and clerk.

Chief Black then reviewed the department build-out plan with the expectation to have two sworn officers in patrol by FY 2018, one sworn officer (professional standards sergeant) and one records clerk by FY 2019, one sworn officer in detectives by 2020, two sworn officers in patrol by 2021, and one sworn officer (task force) by 2022. Currently the department has 27 police officers (1.2 officers per 1000 residents), four non-sworn clerks and one code enforcement officer for a total of 32 total police employees.

8. FINANCE DEPARTMENT

Janice Larsen reported on the end of the current fiscal year and said the General Fund (cash balance) is \$1,840,000.00 and the Capital Improvement Fund is \$1,137,000.00. The projection for the end of this fiscal year is that revenues will be \$210,000.00 over budget and expenditures will be under \$124,000.00 with an estimated \$74,000.00 contribution to the fund balance. The biggest portion of revenue over budget is sales tax at \$170,000.00 over budget. Building inspection and plan fees are over budget and the court fines and telephone and gas tax are under budget. In expenditures the police salaries and benefits will be under budget, public works will also be under budget with the snow plow services. If everything goes as planned City staff will request a budget adjustment from the General Fund to the Capital Support Fund.

Janice Larsen then reported on the FY 2016-17 preliminary budget. She presented the highlights of the budget including a transportation/sales/fuel tax increase of \$375,000.00 in revenue, court revenues of \$95,000.00, 5% increase in sales tax for \$227,000.00 increase, \$61,000.00 in property tax increases, and a decrease of \$160,000.00 in inspection and planning fees. For expenditures there will be an increased transfer to road capital, an increase in the court cost of \$58,400.00, a \$77,000.00 net increase in the police pay schedule and a salary and benefit increase of 7%.

Janice Larsen explained the budget revenue options for FY 2017 with a 10% property tax increase would be \$255,000.00. For FY 2018 the extension of the RAP Tax which expires April 2018 in the amount of \$360,000.00 with the annual revenue to fund \$337,000.00 debt payment through 2030. Budget expenditure options for FY 2017 include a \$195,000.00 one-time payment for additional road projects, for FY 2018: two additional police officers for \$204,000.00 (ongoing), miscellaneous capital projects (transfer to Golf and Parks) of \$150,000.00, for FY 2019: one police officer and one police clerk for \$181,000.00 (ongoing) and miscellaneous capital projects (transfer to the Golf and Parks) \$150,000.00.

Janice Larsen then explained the fiscal impacts of the possible budget options including option 1 with the extension of the RAP Tax, a property tax increase and two new officers, option 2 with the extension of the RAP Tax, a property tax increase and all staff and capital expense increases, option 3 with the RAP Tax extension, no property tax increase and the hiring of two officers, and option 4 with no extension of the RAP Tax, no property tax increase and no change in expenses. The proposed property tax increase is 10% and would require a Truth in Taxation hearing set by the County. The tentative budget will be distributed to the City Council in April.

Janice Larsen then reported on the Redevelopment Agency (RDA) highlights including the project areas of Orbit, Redwood Road and Eaglewood Village. The revenue for FY 2016 is \$379,000.00. Expenditures include the developer payments of \$193,000.00, restricted for housing \$17,500.00, restricted for projects \$36,600.00. The revenue retained by the City includes administrative fees of \$20,500.00, and developer requirements which were not fulfilled in the amount of \$111,400.00.

The Community Development Block Grant (CDBG) is a new fund to track restricted revenue dedicated to redevelopment and low-income housing. There is \$18,000.00 in the FY 2016 and \$50,000.00 in revenue and expenditures in FY 2017.

In the Capital Projects Fund the cash balance at the end of fiscal year 2015-2016 is estimated to be \$830,000.00. For FY 2016-17 there will be a transfer of \$70,000.00 from public safety to repay the construction of the building and no new projects are currently planned.

Projects in the Parks Capital Projects fund for FY 2015-16 include the Center Street project, Foxboro Wetlands, boat takeout, etc. with many of the project carrying over into FY 2016-17.

The Public Safety Capital fund shows a cash balance of \$30,000.00 for the end of FY 2015-16. The budgeted impact revenue fee revenue for FY 2016-17 is \$43,000.00 with no new projects planned and the transfer of \$70,000.00 to repay the construction of the building.

Road capital projects for FY 2015-16 include a traffic study, the Towne Station (Center?) Road project, etc and include multiple projects carrying over into FY 2016-17.

The Water Fund capital projects, the Pressurized Irrigation Fund, the Storm Water Fund, the Solid Waste Fund, and the Golf Fund show current projects and include some projects which will carry over into the FY 2016-17. The Enterprise Fund shows a small increase of 1.5% and Fleet Budget includes a plan to pay cash for future vehicles and light trucks.

9. CONCLUSION AND DISCUSSION

Council Member Mumford commented that he would like to propose the City look at a policy to pay salary and wages for 2-4 weeks to employees for the birth or adoption of a child. He also said he is concerned that the Foxboro Wetlands project may be cut due to budget restraints and that he does not want that to happen. He is not in favor of a property tax increase this year and would rather cut and delay other projects.

Council Member Jensen said that he is in favor of raising property taxes as it has not been done in years and that it is better to do it now while the economy is good. However, the City cannot increase spending if taxes are raised. He would also like to keep the Foxboro Wetlands project.

Council Member Horrocks stated that it may be time to raise property taxes but asked if every other option had been explored first. He is also in favor of the Foxboro Wetlands project and the possibility of extending the walking path around Tunnel Springs Park. He suggested that something be done about the voles at Tunnel Springs Park, and suggested considering a water feature at the golf course clubhouse as Brent Moyes had brought up in past years. Council Member Horrocks also requested that the Tennis Club not be allowed to use the City's courts this summer.

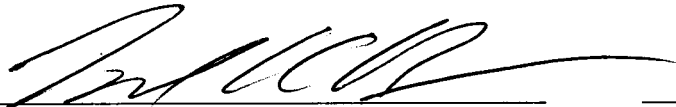
Council Member Porter said that he had received requests from citizens for shade at the splash pad.

Council Member Hood also had a request from citizens for sculptures along the roads and paintings in City Hall. He asked that the Youth City Council budget be increased (possibly through donations or sponsors), and agreed that property taxes need to be raised as well.

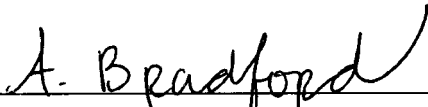
Mayor Arave commented that the City has not raised property taxes in a long time and that the fire department has not increased employees in years. The primary function of City staff is to provide public safety, water and streets. He said a property tax increase needs to be done going forward and could be done through small increases every year.

10. ADJOURN

Mayor Arave adjourned the meeting at 3:23 p.m.



Mayor



Secretary