

CITY OF NORTH SALT LAKE
CITY COUNCIL MEETING-BUDGET
CITY HALL-10 EAST CENTER STREET, NORTH SALT LAKE
MARCH 31, 2026

FINAL

Mayor Horrocks welcomed those present at 4:10 p.m. Alisa Van Langeveld provided the thought and led those present in the Pledge of Allegiance.

PRESENT: Mayor Brian Horrocks
Councilmember Tammy Clayton
Councilmember Suzette Jackson
Councilmember Ted Knowlton
Councilmember Heidi Smoot
Councilmember Alisa Van Langeveld

STAFF PRESENT: Ken Leetham, City Manager; David Frandsen, Assistant City Manager; Heidi Voordeckers, Finance Director; Wendy Page, City Recorder.

OTHERS PRESENT: Dee Lalliss, Lisa Midgley, residents.

1. CITIZEN COMMENT

There were no citizen comments.

2. DISCUSSION OF PROPOSED FISCAL YEAR 2027 BUDGET

Ken Leetham spoke on reflecting where the City had come from and where it was going. He suggested the potential to change the annual meeting name from “budget retreat” to session, clinic, or roundtable. He shared three concepts including problem solving as an organization, responding to and correcting mistakes, and levels of service standards to aspire to. He provided the following highlights to show what the City had accomplished from 2006 on:

- Population growth from 16,383 to 24,811
- Tripled public park space (Legacy Park, Tunnel Springs Phase 1, Wild Rose trailhead Park, three miles of trail above Wild Rose, Springhill Geologic Park, resolved 12 cases for affected landslide homeowners, Deer Hollow Park, Foxboro Wetlands, Flash Cario Dog Park)
- City Hall (demolition and construction)

- Master planning
 - Hatch Park
 - US-89
 - 130 East/Center Street intersection
 - Active transportation
 - Establishment of Committees (Arts, Trails, Health and Wellness, Civic Events)

Councilmember Knowlton arrived at 4:25 p.m.

Condition of the City strengths:

- Strong, stable, diverse revenues
- Mixture of land uses (44% residential, 33% industrial, 4% commercial)
- Good infrastructure maintenance systems
- Good cash reserves and savings for capital projects
- Manageable near-term challenges (inflation, staffing)
- Good underlying systems to provide sustainable levels of service

Mr. Leetham shared a graph showing the phases of the City and explained that as of 2024 the current phase was between low/moderate growth and sustainability/build out. He continued that expenses (staff, equipment, administration) and infrastructure needs (maintenance & replacement) were rising and would present significant challenges in the future.

Councilmember Knowlton asked when the infrastructure bubble would begin to affect the City. Ken Leetham replied that he felt this was impacting the City now and said he would present a solution for water, storm drain, and streets. He said there was a challenge in parks as the focus was currently on Hatch Park and the need for reinvestment in older parks through multiyear effort.

Ken Leetham noted that this year was similar to past years with reasonable growth in both revenues and expenses. He said staff was not proposing a tax increase for FY27, but there were some proposed increases related to City departments. He continued that each department was instructed to propose expenditures they needed and nothing more. He concluded that staff was conservative in making projections with public funds.

Heidi Voordeckers reviewed the proposed budget for fiscal year 2026-2027 with a focus on changes related to personnel, operating costs, special budget requests, and capital projects detailed in the presentation. She explained that the Public Safety merit increase was created a few years ago when police wages on the Wasatch Front dramatically increased. Ken Leetham

mentioned the City did not want to risk losing staff to other cities and counties due to wage discrepancies and so the City adopted a new step structure . He said the non-sworn staff was on a 20 year schedule while Public Safety was on an 8 year schedule which depressed the merit.

Councilmember Jackson asked if there was an issue with the eight year cap and discontentment. Heidi Voordeckers replied that there were opportunities for promotion for those that were motivated.

Ken Leetham mentioned that police officers could also retire at 20 years and receive a pension at that time.

Councilmember Smoot asked why the City (public sector) provided a cost of living adjustment (COLA) while private sector entities did not. Councilmember Van Langeveld commented that the City operated like a nonprofit with funds going back into the City while in the private sector for profit organizations shared their profits with their employees.

Ken Leetham added that the City made a commitment to retain employees by paying fair market wages. He spoke on the struggle with entry level wages and said until the market changed, the City would continue to provide COLAs and moderate merit increases annually. Heidi Voordeckers noted that the City reviewed data from other local government entities to see what was being offered for COLAs to stay competitive. She said that merit increases were awarded case by case based on performance.

Councilmember Jackson commented that one issue for governmental entities was decreasing revenues, depreciation of buildings and infrastructure, stagnant population, rising inflation and costs and then COLA and merit resulting in personnel bloat. She spoke on being aware of the balance with tenured employees and increased taxes. Heidi Voordeckers replied that it was a challenge when property tax only increased marginally and sales tax varied but said the City had a diverse tax base and staffing costs were more affordable versus water utilities and operating supplies.

Ms. Voordeckers noted several things including collecting interest on overnight deposits via the Sweep Account, that the City did not currently participate in outside investing, the increase in bank charges for the golf course was related to an increase in sales volume, and no credit card fees were charged to customers at the golf course.

Councilmember Jackson mentioned the credit card fee policy at the golf course and who would make this decision. Heidi Voordeckers replied that this was most likely a City Council decision but said the Golf Course Manager could research whether other golf courses charged this fee.

Ken Leetham commented that the golf course recently added sales tax to transactions which generated revenue. He suggested the potential for increasing the overall fee to cover the credit card fee.

Councilmember Jackson said it seemed fair to recapture that fee and should not negatively affect the golf course. She felt this was a discussion worth having. Heidi Voordeckers commented that the golf course did not accept cash.

Councilmember Van Langeveld was also in favor of reviewing the credit card fee policy at the golf course.

Heidi Voordeckers mentioned that the City did charge a credit card fee for building permits but did not charge a fee for utility bills. She explained that the credit card processing fee was a separate line item on the charge and went directly to the processor.

Councilmember Van Langeveld spoke on the golf course being solvent and the \$675,000 golf equipment line item. Heidi Voordeckers replied that this was covered by the revenue from the golf course but said that at this time of year prior to full operations there may be negative cash flow and the combined City fund balances helped them to make their purchases which they would then pay interest on when paying back to those funds.

Heidi Voordeckers shared the equipment replacement requests including a concrete grinder (Streets), mower replacement-3 (Parks), and a tow behind chipper replacement (Parks) that was currently working but would be placed on hold in purchasing as she was uncertain on how revenues would pan out based on political impacts and sales tax collections. She noted that the golf course was self sustaining and the proposal was to fund the cart replacements with a fee increase and trade in value. She spoke on the Cat 380 excavator for the Water Department and said the City needed this machine and had previously rented this equipment for \$20,000 per year. Councilmember Jackson commented that it would be eight years before the City broke even on the Cat 380 excavator and asked if the equipment had longer than an eight year lifespan. David Frandsen replied that the City kept up on their equipment maintenance and felt the excavator would last eight to ten years.

Heidi Voordeckers clarified the proposed equipment replacement for FY 2027 had a total trade value of \$236,000 with a total purchase price of \$975,000 for a total net cost of \$614,000 (excluding the three pieces of equipment she had previously mentioned that were on a hold). She then reviewed the Weber Basin water allotment which increased by 9.3% which was \$140,000. She noted that even though there was a delayed start to the water season that there was not a reduced fee due to having a contracted rate with contracted increases. She clarified collecting

user fees and water rate increases for the capital replacement plan (utilizing \$800,000 to replace water lines) while balancing water operating costs.

Councilmember Jackson asked if the water price from Weber Basin was changeable at will or if there was a cap and how to plan for this. She asked who regulated Weber Basin. Ken Leetham replied that the escalations were in the contract and he did not believe there was a cap. He replied they were State agencies.

Mayor Horrocks commented that the City had paid for 800 acre feet of water whether it was provided or not. Heidi Voordeckers added that the 800 acre feet was the largest allotment and had a contracted price based on the time of purchase.

Mayor Horrocks mentioned that the City had wells and utilization rates. David Frandsen replied that the City pumped wells to the maximum of what they could provide but the water tables and aquifers were down.

Ken Leetham estimated that the City water reliance was about 50% Weber Basin and 50% from wells. He mentioned a well that was undeveloped and the potential to utilize it one day. He said while the City had water rights to utilize some of the water, permission was needed from the State which currently had a moratorium on new wells. He added that there were other items impacting this including water conservation per the State, overallocation of water rights, the Great Salt Lake water levels, falling aquifer levels, weather, and increased water use.

Heidi Voordeckers noted that for the interdepartmental fleet that the fleet fund was an internal service fund setup to manage vehicle replacement. She said that each department paid into the overhead a proportionate share based on their total valuation of equipment and vehicles. She explained that staff was proposing to not charge this back to the departments this year as there was approximately a \$1 million fund balance.

Ms. Voordeckers reviewed the fleet replacements for FY 2027 including three 2017 Ford Explorers (Police), one new position (Police), a 2007 Chevy asphalt patch truck (Streets), and a 2015 Ram 1500 (Water) with a total trade value of \$15,000, total purchase price of \$378,000, and a net cost of \$363,000.

Councilmember Jackson asked if the Fleet fund balance could be reallocated elsewhere. She wondered since Public Works would not be charged this year if those savings could be used for the mowers. Ken Leetham replied that the funds could be reallocated per the City Council. He said the savings were in the General Fund to reduce the projected use of fund balance. He

explained the proposal was to not charge the overhead to departments this year (one time) as a strategy to make the General Fund stronger.

There was a brief recess from 5:46 p.m. to 6:13 p.m.

Heidi Voordeckers continued her review of special requests under the General Fund and explained that she had created a new section under the Streets budget for beautification (tree planting, etc.) She added that the Eagleridge Drive tree project would be a capital project so it would not be recognized there. She noted that each of the committees would present their requests to the City Council.

Councilmember Van Langeveld clarified that the additional \$2,000 request from the Events Committee was for two additional Unity in the Community events. She clarified that there would be six events with a total budget of \$6,000.

Councilmember Jackson spoke on the different committee requests and the need for a discussion. Heidi Voordeckers replied that she included all the requested items for review and said the department heads knew their department best and included those requests for review. She added that outside requests from the committees would be also be reviewed and decided on by the Council. She continued that the final budget would not be adopted until June and this was the first review of all the budget requests that had been made. She said staff would fine tune and present the tentative budget in May.

Councilmember Jackson asked about the internal promotion request in the Parks Department for \$10,000. David Frandsen replied that every department had a lead worker except for Parks so this request would be to promote an individual in the Parks Department to a lead.

Heidi Voordeckers commented that this was technically a reclassification of the position as an employee was doing the work of a lead worker and was comparable to the lead worker in other departments.

Councilmember Jackson mentioned that she had questions about the neighborhood potluck and the corresponding \$5,000 budget request. Councilmember Van Langeveld noted that the Health and Wellness Committee would provide a presentation next week and could review the program then.

Councilmember Clayton commented on the Civic Events Committee presentation including a potential name change for the Unity in the Community event series and more detail related to the budget request.

Heidi Voordeckers then reported on the special requests for the Road Fund including \$55,000 for cameras at railroad crossings with a transfer from the Capital Projects Fund to the Streets Fund. She continued that there would be \$235,000 in the Water Operating Fund related to the purchase of the Excavator (CAT 380) and maintenance at well and tank sites.

Ken Leetham noted that the cameras at the railroad crossings were to provide a solution for the public to see in real time if the crossings were open or delayed.

Councilmember Jackson asked if there would be a presentation on utilizing AI in conjunction with the cameras to provide advanced warning. Ken Leetham replied that the strongest tool was a live feed for the public to view on their devices. He said there was not an advanced warning system that he was aware of. He said Front Runner was not difficult to predict unlike Big West Oil which took the longest and said they were unwilling to commit to sharing a schedule. He also spoke on collecting data to look for trends.

Heidi Voordeckers then provided an overview on fiscal year 2026-2027 Capital Projects. She continued that this fund was used to fund improvements to the building and transfers to other areas for projects. She spoke on the proposal to transfer \$325,000 from Capital Projects for the Eagleridge Drive tree project. She discussed improvements to the community garden such as cleanup, removal of fencing, and redoing the irrigation and planter boxes.

Councilmember Van Langeveld requested an overview of the community garden including citizen utilization and how much input it generated. She noted that the \$40,000 request for the garden could cover all of the committee budgetary requests.

Councilmember Jackson asked who sponsored the community garden. Ken Leetham replied a staff member managed the program and Public Works maintained the site.

Councilmember Clayton spoke on the history of the property including a poorly managed fourplex that was demolished. She said the current use was an improvement over what it used to be. Mayor Horrocks added that there were issues with the property owner and the decision by the City to purchase the property for the potential use by Orchard Elementary at that time.

Councilmember Jackson asked if there was a cost to rent the boxes. Heidi Voordeckers replied that there was a fee and that the 15 planter boxes were always filled.

The Council briefly discussed the property including the cost analysis, potential to sell, how much beautification benefit versus the \$40,000 improvement costs, and conversion to a City

park. Ken Leetham commented that there was time for the City Council to review and make a decision and would report on this item during the next Council meeting.

Mayor Horrocks mentioned the administration building (City Hall) interior painting and a potential change in color. Councilmember Smoot commented that there were certain things that would not be changed such as the furniture, flooring, wall coverings but said the accent colors would be updated from yellow to a gray/blue and would still be cohesive. She also added that there would be an approved palette if employees wanted to repaint their offices.

Heidi Voordeckers reviewed the Parks Capital Projects Fund 41 and the proposed projects. She noted that currently there was not enough funds for the \$500,000 towards annual repair and replacement at Mathis Park. She explained a majority of funding in this account was tied to the Hatch Park debt service payment. She spoke on reviewing the request for Mathis Park and potentially returning with a request for funding on a smaller scale.

Mayor Horrocks mentioned the need to fix the fence panels at Mathis Park. David Frandsen replied that the fencing had been completed and staff would look into any missing panels.

Heidi Voordeckers spoke on the restroom at the dog park which would cost \$150,000 and be split with Woods Cross so the City's portion was \$75,000. She continued with the Orchard Drive bike lane trail connection project to be paid with a \$196,000 grant and \$49,000 in City funds. She added that the City had also reviewed a \$15,000 grant for the Wild Rose Trail connection project. David Frandsen added that the restrooms at the dog park were a win as Woods Cross had not been in favor of installing the restrooms initially.

Mayor Horrocks commented that the dog park was basically complete and asked what the \$75,000 would be utilized for next year. Heidi Voordeckers replied that the project came in under budget so those funds would return to the Park Capital Fund and this would be a new allocation as the park was complete.

David Frandsen added that this project was being completed sooner than later and the underground utilities had already been installed.

Heidi Voordeckers reported on the Roads Capital projects Fund 44 and mentioned the multiyear Main Street project with a cost of \$6 million and had several million dollars in grant funding. She shared that this project would tie up all reserves of impact fees for fiscal year 2026. She spoke on expending Road cash reserves and only programming a single year as there were no prior accruals. She noted the total request for Road Capital Projects was over \$3 million and shared that funding sources included transportation tax, C Roads, and road impact fees.

Ms. Voordeckers continued that \$705,000 was being contributed from the Capital Projects Fund to maintain the street preservation schedule. She encouraged discussion on the long term plan for water and streets annual investment. She noted that the Vista View Lane/Country Court and 250 North/3100 South street replacement projects would roll to fiscal year 2028.

Mayor Horrocks asked if it was worth pursuing County grants. Ken Leetham replied that staff could research this. Heidi Voordeckers commented that the City received over \$900,000 in grants for trail connections in the current fiscal year.

Heidi Voordeckers reviewed Water Capital Projects Fund 52 and said operating costs and water were increasing. She explained that the collected amount each year was \$845,000 from water operating fund contributions. She spoke on the five year plan and how the accumulated annual amount was not enough to cover the water capital schedule.

Councilmember Jackson mentioned three major water line breaks in Bountiful and expressed appreciation for the City's careful plan for replacement and scheduled maintenance. She asked about the advantage to putting in secondary water systems. Heidi Voordeckers replied that the meter cost, utility rate, and tiers were lower for the secondary water line.

Ken Leetham spoke on why the City decided to do an expansion of the secondary water system years ago. He said from a public safety and policy standpoint that diversified water sources was similar to a diversified tax base and would help to lessen any impact to the City. He noted the opportunity to purchase that source of water from Weber Basin Water for the golf course. He explained that the contract produced 50% more water than the golf course was using at the time, and the course has since reduced its use, resulting in expanding the secondary system into those neighborhoods.

Councilmember Jackson clarified that secondary water came from Weber Basin while culinary water came from the City wells. Ken Leetham added the City may receive some culinary water from Weber Basin.

David Frandsen added that the City also had secondary water sources. He noted that Utah was the highest per capita water usage in the U.S.

Councilmember Jackson clarified that there was not a monetary advantage to having secondary water (which may be untreated) but there was a sourcing advantage.

Heidi Voordeckers continued her review with Storm Water Capital Projects Fund 53 including \$150,000 annually to inspect, repair, clean storm drains. She noted there was also \$40,000

allotted to annual storm water improvements. She mentioned a single project with a storm water (Storm Water Capital Fund \$260,000) and street component (Road Capital Fund \$580,000).

Heidi Voordeckers reviewed a summary of each fund. She highlighted the different revenues that funded the General Fund (taxes, licenses and permits, etc.) and expenditures (legislative, administrative, buildings, etc.) She shared that property tax projected growth was 1.0%, sales tax projected growth was 3.0%, and court fines were declining. She noted an increase in the fire contract of 3.7% related to expenditures. She continued that expenditures also included the police department (salaries and wages) and public works (streets, engineering).

Mayor Horrocks asked hypothetically if the fire department was funded through property tax revenue what the property tax adjustment would be to eliminate that allocation. Heidi Voordeckers replied that the fire department became a taxing entity around 2018 and every participating entity (cities and counties) had to give up a portion of their tax rate to cover that portion of the tax rate.

Ken Leetham said if the fire district raised their property tax rate it would not necessarily mean the City would have to lower their property tax rate. He said the district could fund 100% through property tax and was increasing their rate this year.

Heidi Voordeckers continued with the General Fund-10 review including community development (planning and zoning, building inspection), growth in the Parks budget (Unity in the Community events, Winter Fest event, tree plantings, mural). She explained that the City had committed \$1.5 million of General Fund reserves to the Hatch Park project. She said this would be a deficit of one time spending but original budgeting for fiscal year 2026 anticipated a spend down of \$321,000 and variances or impacts (sales tax, building permit fees) of \$518,480.

Ms. Voordeckers added that statutory requirements for the General Fund included a limit on fund balance of 35% of current revenues. She noted the limit for the FY 2027 budget was \$5,077,320 compared to the proposed \$4,266,766 or 28.9%. She continued that the use of fund balance must not exceed 5% of current year revenues with the limit for the FY 2027 budget was \$721,265 compared to the proposed spend down of \$233,240 or 1.9%. She shared that the original FY 2026 budget contemplated a budgetary spend-down of \$321,500 of fund balance and instead of a spend-down, the FY 2026 ending budget anticipated a return to fund balance of \$518,480 which was a positive net change from budget to actual of \$839,980.

Heidi Voordeckers reviewed the Redevelopment Agency Funds (RDA)-20-25 which included tax increment that was collected from project areas and meant to be spent in those same areas. She noted that the first several years were committed to pay the debt service for Hatch Park. She said

the commitments to the developers would be met this year with the RDA receiving 100% of the funds. She continued that 5% of the funds went to the General Fund for administration and 10% to the Housing Fund for related projects. She shared the proposed ending fund balance for the RDA was \$6 million.

Ms. Voordeckers reviewed the RDA project areas including Eaglewood Village which would end in FY 2028, Redwood Road which would end in FY 2033, and Highway 89 which would end in FY 2036.

Councilmember Jackson asked about the 5% administration fee. Heidi Voordeckers replied that when the money was received from the RDA each year that 5% of the revenues went into the General Fund.

Ken Leetham commented that this fee was utilized to cover staff time, RDA Board, and consultants for the administration of the RDA. He said the RDA Board would meet and adopt an annual budget soon. He also mentioned determining the use of the RDA funds.

Heidi Voordeckers reviewed the Housing Fund-27 and the anticipated FY 2027 ending balance of \$1.6 million. She explained that these funds were restricted for housing.

Ken Leetham said the draft strategy housing plan would be presented to the City Council by July 1st. He suggested some funds could be utilized towards the home repair grant program to help low and moderate income residents reinvest in their properties. He also added that the City could use these funds to assist first time homebuyers, partner with the Davis Housing Authority, or direct funds to neighborhoods in need of reinvestment. Councilmember Knowlton requested that staff present the plan earlier than July even if it was not complete.

Councilmember Jackson was in favor of keeping the funds in the City and not partnering with outside entities.

Councilmember Van Langeveld asked if the funds could be used for sidewalk repairs in front of homes through a homeowner grant. She mentioned potentially using part of the funding to assist homeowners in the annexation area in changing their addresses.

Heidi Voordeckers continued with the Local Building Authority Fund-28 which was funded through repayment to the City. She explained that it was a funding mechanism for the City to borrow money to purchase or build on property such as the homes purchased and demolished for Hatch Park. She said the transfer was \$100,000 per year through park impact fees and RAP tax and how this fund would be closed out next year.

Ms. Voordeckers stated the RAP Tax/Debt Service Fund collected RAP tax revenues. She said the interest collected was restricted and explained the transfer out would go to the Parks Capital Fund. She shared that the existing debt service for Legacy Park would expire June 2030 which would free up \$250,000 a year for Hatch Park debt service coverage or Mathis Park. She noted that there may be the potential for refinancing to a lower rate (current rate was 5.4%). She commented that every city spent their RAP tax differently with the City focused on using it for infrastructure.

Councilmember Jackson asked about the utilization of RAP tax in surrounding cities. Ken Leetham replied that other Davis County cities had also adopted the RAP tax and Salt Lake County had a ZAP tax.

Heidi Voordeckers said that Placer.ai allowed staff to see the contribution to the sales tax base or percentage. Ken Leetham commented that staff could compile these reports including a review of the origin of customers that made purchases in the City.

Heidi Voordeckers then reviewed Capital Projects Fund-40 including expenditures of \$104,050 and revenues (excess from the General Fund or interest) of \$200,000. She noted that the ending fund balance was \$5.5 million but \$2.9 million of that was a loan due from the Golf Fund. She continued that the available fund balance was \$2.6 million with \$705,000 to Streets Capital Fund plus \$1.5 million to Hatch Park.

Ms. Voordeckers presented the Parks Development Fee Fund-41 summary with revenue from impact fees and expenditures related to Parks and Trails capital expenditures. She noted the difficulty in projecting funds and the staff recommendation to hold off on any projects related to impact fees in FY 2027. She added that the proposed FY 2027 ending fund balance was \$336,251 which was dependent on impact fees being recognized.

Ms. Voordeckers reviewed the Public Safety Fund-43 summary with revenues solely from impact fees and interest on fund balance. She said the fund paid for the construction cost for the police department in the administrative building. She noted the proposed FY 2027 ending fund balance was \$52,112.

Heidi Voordeckers then presented the Roadway Development Fund-44 and associated challenges with restricted impact fees including \$2 million set aside for the 1100 North bridge project. She continued that these funds redirected to the Main Street project for matching funds with a grant.

She reviewed expenditures and revenues (impact fees, fuel tax, C Roads, grants, and transfers in from Capital Projects Fund). She noted that the \$12 million in expenditures would not be spent

by the end of the fiscal year. She explained that rarely were all of the projects scheduled by July 1st completed by June 30th of the next year. Ms. Voordeckers continued that projects were funded July 1st, plans were developed in the fall/winter, and bid in January-March, with construction in March-April. She explained the transfer out included the Eagleridge beautification project and the railroad cameras.

Heidi Voordeckers reviewed the Proprietary Fund summaries including the Water Operating Fund-51. She explained that these funds operated as a business and were fully self-sustaining. She added that there were no transfers between these funds except for the Water Operating Fund due to the creation of its own fund to transfer money to fund capital projects. She noted that the golf course had proposed to add a new fund for their capital planning (maintenance at the course, carts, etc.) which could be discussed by the Council along with the plan for the golf course to begin their repayment to the City.

Ms. Voordeckers continued with the Water Operating Fund and remaining with the schedule proposed by the Bowen Collins study with a 6% utility increase this year on both the base and tiers. She noted several items including \$991,990 operating income that could be applied to capital projects and the \$780,500 expense was for the proposed excavator. She reviewed the capital projects schedule and the potential need for debt issuance to complete some projects including the replacement of old PVC and cast iron pipes. She said a professional firm may review the proposed plan.

Ken Leetham commented that the City Engineer had recently finished a report on the City's water system pipes which included plastic pipes from the 1970s, cast iron pipe, and concrete pipe that needed to be replaced. He spoke on hiring a qualified engineering firm to collect data on the physical condition of the pipes and a recommendation for a five or six year replacement schedule. He said infrastructure replacement was the most expensive activity the City would engage in.

Mayor Horrocks mentioned lining the pipes. Ken Leetham replied that he was unsure but funds would need to be invested to determine the plan moving forward. He said cast iron would deteriorate and PVC would wear over time and a consultant could investigate the issues and help the City plan accordingly.

Councilmember Smoot asked what percentage of the City had PVC pipe. David Frandsen replied that the percentage was detailed in the annual reports. He said staff had spent time preparing record of what was in the ground and the conditions whenever work was done.

Ken Leetham said in the foothill areas there was PVC pipe but he estimated it was a third of the City or less.

Councilmember Van Langeveld requested the timeline for proposing a bond. Ken Leetham replied that the investigations may take a few months and the plan would also take several months which meant staff could propose to borrow funds next year.

Councilmember Jackson asked if the bond would then have to go on the ballot. Ken Leetham responded that a general obligation bond (which had lower interest rates) would have to go on the ballot but not a water revenue bond.

Heidi Voordeckers commented that a water revenue bond was secured by water rates and water revenue collections whereas the general obligation was secured by property tax.

Councilmember Jackson clarified that the proposal was a five year plan to update the entire City. She asked if this meant cutting into the roads every time to update. Ken Leetham replied that this would impact the cost to replace lines and the cost to repair roads. He said it was a significant study and should be performed by an expert.

Heidi Voordeckers mentioned the associated costs for roads was part of the five year plan for road projects including AC and CI pipe and the industrial area. Ken Leetham added that the existing water revenue bonds would retire in 2030 and open up bonding capacity in the existing rate structure. He suggested a five year phase and then another five year block with a significant rate change.

Councilmember Jackson commented that infrastructure was one of the most important things and the importance of doing due diligence to hire a firm. David Frandsen noted that staff had performed over ten projects in house and saved 50-70%.

Councilmember Jackson spoke on unexpected water line breaks and the efforts of Public Works to fix the issues and restore water. She said the other part of the City Council's job beyond planning ahead was to spread the word about the amount of work put in by staff.

Councilmember Van Langeveld was also in favor of the advanced planning for infrastructure but said she was leery of bonding for anything else until Hatch Park was completed in 2027.

Councilmember Smoot commented that once the report was completed that she would not want to postpone and risk a serious water issue just to avoid taking on too many bonds. She spoke on weighing the severity and risk for a huge disaster to avoid bonding.

Ken Leetham said once staff and the City Council had the results of the study they would have more knowledge to determine a plan and funding. He mentioned there may even be capacity in the current rate structure and the ability to borrow funding without raising rates immediately. He noted that one of the positive things about Hatch Park was that the City assembled various funding sources to issue that debt without raising property taxes. He added that even if the City was debt averse, that issuing debt without a property tax increase may be the smart choice on occasion.

Heidi Voordeckers reviewed Storm Water Fund-53 and said that while it did not have a similar infrastructure backlog or replacement at this time that it was necessary to schedule aggressive replacement as soon as fund balance was accrued. She added that the proposal was to follow the same 10% increase for capital infrastructure. She noted this allowed for an extra \$150,00 a year for camera review and repair as well as one project per year.

Mayor Horrocks spoke on the camera review of the storm water system and if it would be more cost effective to purchase the equipment and have this performed in house. David Frandsen replied that he had been considering this for ten years. He said the equipment, specialized tools, van, and employees would cost several million dollars.

Ken Leetham spoke on the potential to share equipment with other cities.

Heidi Voordeckers then reviewed the Solid Waste Fund-54 which had limited payroll and wages as it was contracted out to ACE. She said the renewal for the contracted services had a small increase which staff would continue to monitor. She continued that the solid waste fund had a health fund balance of approximately \$1 million. She added that the year round Saturday pickup had been added, rates had held the same, and this was sustainable for some time. Ms. Voordeckers commented that this fund did not have large capital savings needs minus the one time large investment with the annexation area.

Councilmember Van Langeveld asked if some of the spend down from this fund could be used for awnings or carports at the Public Works building to cover recycling bins or similar. Heidi Voordeckers replied affirmatively.

Councilmember Jackson mentioned the City's annual yard cleanup and asked if this service was provided by ACE or Public Works. David Frandsen replied that staff unloaded the material and then ACE hauled it away.

Mayor Horrocks mentioned that he had approached Amazon about placing a roll off dumpster in their parking lot for cardboard recycling. He then met with Wasatch Integrated who was not

interested in pickup at that time but the new CEO was in favor of recycling. He said the City had 85% recycling rates.

Councilmember Van Langeveld asked if Amazon could reuse the boxes directly instead of processing through a recycling plant. She noted that her local girl scout troop would advocate for this.

Heidi Voordeckers reported on the Golf Fund-55 and that the golf course now ran independently. She noted that previously the golf course borrowed \$2.9 million over several years through operating deficits but now had a stable plan for fiscal year 2027. She continued that the ending cash balance of \$243,000 despite the purchase of new golf carts. She added that any time the golf course General Manager provided a new revenue projection they achieved it.

Councilmember Jackson spoke on the anticipated need to replace the irrigation system at the golf course. She said this may affect the repayment plan for the debt. Ken Leetham replied that there would be a long range planning effort for the irrigation system as well. He noted that the replacement for the irrigation system was several years away and the Golf Committee, staff, and Council would work on a long range plan. He noted that the golf course may have capacity to borrow funds independently as well.

Heidi Voordeckers spoke on the golf course repayment plan and said that it needed to be sustainable to allow the City to reprogram those funds out of the capital project fund.

Ms. Voordeckers finished by reported on Fleet Internal Service Fund-61 which operated solely to service vehicles and equipment. She said it was funded by capital replacement cost which was the depreciation cost on the vehicles from the prior year. She explained that each department was charged the deprecation through capital allocation every month and user fees covered operating expenses. She added that staff was proposing not to make the transfer of \$420,000 and instead provide relief to the General Fund.

Heidi Voordeckers commented on the FY 2026 proposed revenues by fund with \$42,393,435 and shared a graph with revenue collected with 34% through the General Fund as well as the Road Development Fund, Water Operating Fund, Golf Fund, RDA, etc. She then showed a similar graph for expenditures with FY 2027 proposed revenues by fund with \$42,393,435 including the General Fund at 35%, Water Capital Fund, etc. She reviewed next steps included:


- May 5, 2026 adoption of the tentative budget
- June 2, 2026 public hearing to receive input on tentative budget
- June 16, 2026 adopt FY 2027 final budget, certified tax rate, URS elections

Councilmember Clayton thanked Heidi Voordeckers and staff for their efforts and their thorough review of the budget. Councilmember Van Langeveld was in agreement.

3. ADJOURN

Mayor Horrocks adjourned the meeting at 8:11 p.m.

The foregoing was approved by the City Council of the City of North Salt Lake on Tuesday May 5, 2026 by unanimous vote of all members present.



Brian Horrocks, Mayor



Wendy Page, City Recorder

