

SOUTH JORDAN CITY
"COMBINED" CITY COUNCIL, MUNICIPAL BUILDING
AUTHORITY AND REDEVELOPMENT AGENCY MEETING

March 17, 2015

Present: Mayor Dave Alvord, Councilman Chuck Newton, Councilman Steve Barnes, Councilman Chris Rogers, Councilman Mark Seethaler, Councilman Don Shelton, CM Gary Whatcott, Fire Chief Andrew Butler, Administrative Services Director Dustin Lewis, Police Lieutenant Jason Knight, Strategic Services Director Don Tingey, Development Services Director Brad Klavano, City Attorney Ryan Loose, COS Paul Cunningham, City Commerce Director Brian Preece, Finance Director Sunil Naidu, IS Director John Day, Associate Public Works Director Colby Hill, Communications Director Tina Brown, City Council Secretary MaryAnn Dean

Others: Attachment A

**REGULAR MEETING – 6:00 PM
CITY COUNCIL CHAMBERS**

A. Welcome and Roll Call – *Mayor David Alvord*

Mayor Alvord welcomed everyone present. All members of the City Council were present.

B. Invocation – *City Manager Gary Whatcott*

CM Whatcott offered the invocation.

C. Pledge of Allegiance

Nathan Rock, Scout Troop 1506, led the audience in the Pledge of Allegiance.

Mayor Alvord recognized all of the scouts that were present.

D. Introduction of Ryan Loose as New City Attorney

Mayor Alvord read the introduction of Ryan Loose as the new City Attorney (Attachment B).

E. Minute Approval

1. March 3, 2015 Study Meeting
2. March 3, 2015 Regular Meeting

Councilman Barnes made a motion to approve the March 3, 2015 study meeting minutes and the March 3, 2015 regular meeting minutes, as printed. Councilman Shelton seconded the motion. The vote was unanimous in favor.

F. Public Comment:

Janalee Tobias, 1238 W. Jordan River Dr., said she would like the City Council to reverse the vote by mail decision. She said a lot of accusations happen the week before elections. Every day counts in the election process. How many people that voted early wished that they could rescind their vote? With vote by mail, others will fill out people's ballots for them. Vote by mail allows for the most fraud.

Regarding the Mulligans bond, she asked that the city put \$10,000 down for improvements to be done at Mulligans this spring. That will ensure that the city is serious about preserving Mulligans.

Dave Colton, 11072 Woodfield Rd., said 1055 West is where the cemetery is. When he first moved to South Jordan, he was told 1055 West was the old pony express trail. There are currently two monuments on that street; one that talks about the early settlers of South Jordan and another one that is a war memorial. Those monuments should be looked at and enjoyed. If they do something special with the road, they should give it a name. He recommended they name it Utah Trail.

Jeanne Jackman, 2610 W. 10950 S., said she agrees with staff's recommendation to lower infant burial and cremation fees at the cemetery. She said South Jordan's fees are in line with other communities except the perpetual care fee. She suggested they do away with the perpetual care fee and charge more for a non resident. Regarding the grand marshal in this year's parade, she recommended Joey Clegg. Mr. Clegg has done architectural designs for many monuments in the city, and hasn't charged for his expertise. He continues to make sure the upkeep on the monuments is done. He did the design for the Gale Center. He has served on the Historical Committee for 15 years. He is a wonderful person and great friend to South Jordan.

Austin Burton, 11325 Brown Summit Cir., said he has heard that they want to tear down the bridge on 10400 South 1300 West because it is ugly. He recommended they add *South Jordan* to the bridge with the tree symbol on either side to make it look better.

Matthew Colton, 11072 Woodfield Rd., said when they went to Sunrise Park, there were places for light poles, but no actual light poles. There were metal bars where someone could get cut. They need to finish Sunrise Park.

McKay Margetts, thinks it would be a good idea to do a public safety building rather than having it in city hall.

John Geilmann, said he had a conversation with someone recently regarding the City Council meeting regulations on how many people can speak and how long they can speak in this public forum. The person said those regulations were done to shorten the meetings. Mr. Geilmann recommended that the City Council not talk as much, and listen more. It will make the meetings go faster. They can do their business in an expedited manner.

Aleta Taylor, 11131 S. Anna Cir., said voting by mail is a concern for her. She is not sure there is enough voting by mail to push the issue to a point that they eliminate other options. As a candidate, it is almost impossible to get all of the information out before the vote by mail ballots. It encourages those who vote without having much information and that is somewhat irresponsible. Neither money or convenience are good enough reasons to eliminate their chance to go to the polls. There is a percentage of ballots that don't count because someone forgot to sign their ballot or the signatures don't match.

Eliminating the opportunity to come to the polls is premature. She said if people aren't going to the polls, there aren't poll watchers that can call their neighbors that haven't voted. That is a great community service for any candidate.

Mrs. Taylor concurred with Ms. Jackman's comments regarding Joey Clegg.

Dave DeGraw, filled out a speaker card but was not present to speak.

Merlynn Newbold, 10454 S. 1440 W., said she wishes the vote by mail issue would have been a public hearing. She feels they should have increased opportunities and try to get as many involved in their electoral system. She said they should have lots of options available. Of all their public duties, nothing is more important than preserving their right to vote and making it accessible to as many people as possible. Money is not the most important reason. They want to preserve their freedoms and allow as many avenues as possible.

Mayor Alvord asked staff to contact those that asked specific questions. Councilman Barnes asked that he be included in the follow up to those questions.

G. Presentations:

1. GFOA – CAFR Award Presentation. *(By Danyce Steck)*

Danyce Steck, comptroller for UTA, and South Jordan resident, presented the city (Kyle Mower) with the GFOA – CAFR award.

Finance Director Naidu said it means a lot to continue to receive this award. He recognized his staff.

2. Presentation from the Mulligans Commission in support of Resolution R2015-19 regarding the Mulligans Bond Payoff. *(By Mulligans Commission Member Deanna Kaufmann)*

Deanna Kaufmann, Mulligans Commission, presented a prepared presentation in support of the Mulligans bond payoff (Attachment C). The entire commission supports the bond payoff.

Mayor Alvord thanked Mrs. Kaufmann for her service and expertise on the issue. He is pleased they were able to come together with a solution.

3. Discussion and Potential Action on Resolution R2015-06 and Interlocal Contract with Salt Lake County Election division for Vote-By-Mail Election in 2015 approved by Council 2/17/2015. *(By City Recorder, Anna West)*

Mayor Alvord said when the City Council passed the Resolution regarding vote by mail, they made some assumptions about cost. Since that time, they have learned that there is not a significant cost savings. There have been some issues that have made them reconsider this decision.

Sherrie Swensen, Salt Lake County Clerk and RoseAnn Mitchell, Salt Lake County Elections Director were introduced.

Ms. Mitchell indicated that they will conduct the election whichever method the city chooses. They offer the option of vote by mail. For those that have done vote by mail, they have found it to be successful. It increased voter turnout.

Ms. Swensen said they are not taking away the opportunity to vote on election day. A vote center would be available for someone who prefers to vote at a vote center, or if someone didn't receive a ballot, or if someone misplaced their ballot, or if they needed to do an audio vote. They are hoping that their voting equipment will last through 2020. It will be helpful if they don't have to deploy as many in the upcoming elections. She said there are also concerns with having schools serve as polling locations. There have been problems with registered sex offenders being in the schools and there have been cases where equipment in the school was stolen. It can be a potentially dangerous situation. Without schools, there are not enough polling locations because they have to meet ADA requirements. By sending out ballots ahead of time, they feel the voters have more time to consider all of the issues. They can wait to submit their ballot until election day at a voting center. It has to be postmarked the day before the election to count. She noted that they received a federal grant for \$10 million for their current voting machines, but there are other costs associated with it, totaling \$2.5 million, that the county did not pass onto the municipalities. Replacing the voting equipment will be very expensive and they don't foresee a grant next time. She said it is not just about the cost of the machines. They verify every single ballot signature. The secrecy of the ballot is protected.

Ms. Swensen reviewed the voting process. If the signatures don't match, there is an opportunity for that person to still cast their vote. They have two weeks of canvassing after election night. There is time to notify the voter of a problem, such as the ballot not being signed. They cannot change their vote. They can only validate their vote with a signature. When ballots are received early, they start verifying signatures. They can start running tabulations, but no one sees the tabulation results until after the polls close on election day. She believes vote by mail is the trend of the future.

Mayor Alvord asked what happens if all but one of the cities in the County converted to vote by mail. Ms. Swensen said they would accommodate that one city.

Councilman Shelton said under the current system for the coming election, how many polling stations would South Jordan have? Ms. Mitchell said 6, 2 in each of the 3 districts that are up for election.

It was reiterated that vote by mail increases voter participation. Ms. Swensen said some polling locations have a very low turnout and then they are accused of being wasteful.

Councilman Shelton asked if vote by mail is secure from manipulation similar to the traditional voting machine. Ms. Swensen said she feels vote by mail is just as secure.

Councilman Shelton said he wonders if they should consider vote by mail and 3 polling locations instead of 6. Ms. Mitchell said the voters would be allowed to go to any of the polling locations; they don't need to go to a polling location in their district.

Councilman Newton asked if vote by mail preserves the right to vote? Ms. Swensen said every voter gets a ballot and does not have to worry about time or their capability. They receive the ballot early

enough to study the issue and she believes the voters are more educated. They have seen that vote by mail increases voter participation.

Councilman Newton asked why is the cost savings so small? Ms. Swensen said they offer a pay return postage on the ballots. They don't have to include that but they feel it facilitates more people voting. Ms. Swensen indicated that the process is labor intensive and they did not depreciate the cost for equipment. They are not passing all of the charges onto the cities. If they get new voting equipment in the future, that will be at the cost of the County taxpayers.

Ms. Swensen reiterated that ballots are counted with vote by mail. If they didn't sign or can't match the signature, and they can't get the voter to respond back to them, they can't count the vote.

Councilman Newton asked what is the difference of an absentee ballot versus a vote by mail? Ms. Swensen said it is the same ballot. Absentee ballot is for someone who wants to vote by mail for one election cycle. With vote by mail, it is an ongoing permanent vote by mail. She referred to the problems noted in the Heritage report. She said that would not happen in Salt Lake County. They would have caught the fact that 2 people lived at the same address with the same first name and birthday, and they would have verified the signature.

Councilman Newton asked about the concern regarding voter fraud. Ms. Swensen said she has not seen a case of fraud in Salt Lake County with vote by mail. There have been cases where someone sent in an absentee ballot and then went to the polling place. Usually, that is because they forgot they already submitted a ballot. They cannot change their vote with a provisional ballot.

Councilman Newton reiterated that if they vote by mail, it creates less wear on their current voting machines. If more people require the use of the voting machines, they could be out of date by 2016 and wouldn't last until 2020.

Ms. Swensen reiterated that the new voting systems are very pricey. They are hoping to minimize the number of machines that they will have to purchase. She also reiterated the fact that using a school as a polling location is not a good option any longer.

Ms. Swensen said they are not proposing early voting in South Jordan. They had proposed one voting center on election day. They can do two voting centers if South Jordan wanted. She feels three voting centers in South Jordan would be wasteful. She said people can also vote in the County clerk's office up to 20 days before the election.

Ms. Swensen reviewed the current ways that someone can study the ballot ahead of time. The Lt. Governor's office provides a voter pamphlet for the general election. It is not provided to everyone. Candidates can submit a bio to the Lt. Governor to put on their website. Most candidates have web pages and fliers. A person can request a sample ballot at the Salt Lake County Clerk's website. They can mail a sample ballot to a person if they don't have internet access. Sample ballots are available at vote.utah.gov for general elections. She is not sure if it is available for municipal elections.

Ms. Swensen reviewed the ways people can currently sign up for vote by mail. Councilman Barnes asked why more people don't sign up? Ms. Swensen said they are unaware. People still have the idea that vote by mail is for those that can't go to a polling place.

Councilman Barnes asked if people still surrender their vote by mail ballots at polling locations? Ms. Swensen said yes. She does not have statistics if that is a more secure way to do it. She noted that people can remark their ballot. As long as they can distinguish the intent, they can count the vote.

Councilman Barnes asked about signature verification. Ms. Swensen reviewed the process. A signature can be escalated up to three times to verify. They go to great lengths and do their very best to count it. For anyone that had a question on their signature last year, the county sent them all cards asking that they submit a new signature.

Councilman Barnes asked about training people receive to verify signatures. Ms. Mitchell referred to their written procedures and guidelines. It is a dying art. Councilman Barnes said the signature verification is of concern to him. He said signatures of the elderly, for example, get worse over time.

Councilman Barnes asked what percentage responds to the notices that their ballots were rejected. Ms. Mitchell said a high percentage. South Jordan had 12 total votes not counted last election.

Councilman Barnes asked if going back to paper ballots is a consideration? Ms. Swensen said there is a lot of human error involved with paper ballots. It is not a feasible option.

Councilman Seethaler asked if early voting is problematic. Should they wait until the end of the election to determine the candidate to vote for? Ms. Swensen said that is up to the individual.

Councilman Seethaler noted that although the bid is only about \$4000 less for the vote by mail option, the cost per voter is much less because they have a higher voter turnout.

Councilman Seethaler asked if they are taking away a person's right to vote with this option? Ms. Swensen said they are not taking away voting rights. She feels those rights are being extended.

Councilman Seethaler asked about the concern that there is decreased privacy and it is not a secret ballot? Ms. Swensen said it is a secret ballot.

Councilman Seethaler asked if there is any sense that voter fraud is a real issue? Ms. Swensen said she has not heard of one case in Salt Lake County. There is nothing to support that concern.

Councilman Seethaler asked if a person can confirm that their vote was counted? Ms. Swensen said yes, they can track their ballot on the County website.

Councilman Rogers asked what is needed for the ballot tracking system? Ms. Swensen said name and date of birth. Councilman Rogers asked what is the plan for voting machines beyond 2020? Ms. Swensen said their plan is not fully strategized. Their plan is to move toward vote by mail for the County for both the primary and general election for 2016. That will have to be approved by the County Council.

Ms. Swensen further reviewed their verification checks. They compare birthdays, addresses, and names in a household before the ballots go out. When the ballots come back, they verify signatures.

Councilman Rogers asked if the tracking system will let the person know if their ballot was accepted with no issues? Ms. Swensen said yes.

Ms. Swensen indicated that Davis County did their election entirely vote by mail. Weber County did a bond election by mail. There are 8 counties in the state that are strictly vote by mail. Councilman Rogers asked if there have been any concerns about voter fraud and how was the vote by mail been received in those counties? Ms. Swensen said it has been well received. Some of those counties do not offer any place to vote on election day, but Salt Lake County will always provide an opportunity to go to a voting place on election day.

Ms. Swensen reviewed the process for someone to request a ballot if they did not receive one. Councilman Rogers asked if the ballot can be altered once it is submitted? Ms. Swensen said no, it is against the law.

Mayor Alvord said there has been little discussion about what is wrong with the current system. There is not a lot of clamor to change the current system. If they had a lot of residents weigh in on the issue, he is not sure how they would vote. He has not heard what problem they are solving with this change. He said they need to ask why change it if they don't have a problem?

Councilman Rogers said with the information received from the County Clerk, he is leaning towards continuing with the vote by mail decision. He said the increased voter participation is evident and significant. He feels it increases voter's freedoms and the ability to exercise their right to vote. He said both circumstances have both vote by mail and in person voting, but the question is which method is the presumption. No significant voter fraud has been seen. He said he does not want to make schools unsafe. He said the vote by mail option still allows people to drop off their ballot in person. It also allows the voters to become more educated.

Councilman Seethaler concurred with Councilman Rogers. He said no concerns that have been expressed to him are actual concerns that they should steer clear of the vote by mail option. The voting booth is still there. There are no violations of right or privacy limitations. They should bear in mind laws and principles, not just traditions. It is favorable that more voters can participate at a lower cost per voter.

Councilman Barnes said there are a lot of arguments for vote by mail that he agrees with. They have all of those options available to them today. They are not talking about one method over the other, just which method is going to be the de facto. He does not feel there is a reason to change what they have right now. Everyone already has the option for vote by mail and the ability to educate themselves early. If those people feel there is value in voting at a polling location, they will find a way to get there. The majority of the people voting early is concerning because there is not as much information available as the person that is voting on election day. No one knows what is going on in a home and it is hard to quantify potential for concern. They have all of the options today and he does not know why they need to make vote by mail the de facto.

Councilman Newton said in 2012, the legislature overwhelming voted for vote by mail. Everyone else across the state and nation are going to vote by mail because they are not making the machines anymore. By going with the vote by mail option, they can increase the use of the voting machines to 2020. It does not make sense to be part of the problem, but rather to be part of the solution. The

equipment will fail, they will have fewer voting booths, longer lines, and more frustration. It seems reasonable to go to vote by mail, while still having a couple of voting machines available at city hall.

Councilman Shelton said he is a traditional person and loves going to the neighborhood polling location. The problem they are solving with this change is low voter turnout. This option enhances democracy. He feels a second discussion on this issue was a waste of time.

Mayor Alvord said the way they vote deserved to be vetted and he is glad they took the issue seriously.

Councilman Seethaler made a motion to vote on this issue. Councilman Newton seconded the motion.

Councilman Rogers made a motion to ratify the previous decision made by the City Council approving Resolution R2015-06 and Interlocal contract with Salt Lake County Election Division for Vote-By-Mail Election in 2015 that was approved on 2/17/2015. Councilman Seethaler seconded the motion. Roll call vote. The vote was 4-1 in favor, with Councilman Barnes opposed.

The City Council took a brief recess.

Councilman Rogers made a motion to discuss action item M., I., K., and then proceed with the rest of the agenda. Councilman Seethaler seconded the motion. The vote was unanimous in favor.

M. **Action Item:** Resolution R2015-29, Consideration for adoption of a resolution of the City Council of the City of South Jordan, Utah declaring its intention to designate an assessment area for the purpose of levying assessments against properties within the assessment area to finance the construction and installation of Road, Sewer, Storm Water, Culinary Water and related improvements, and related matters. *(By CFO, Sunil Naidu)*

It was noted that both Kennecott representatives and bond counsel are present. They had a discussion in the work session about this item.

Councilman Seethaler said the Resolution declares their intention for an assessment area. The area is within Daybreak and owned by Kennecott Land. The additional assessment and consideration is for infrastructure projects. Tonight they are indicating their intention. Is this the proper action for the city, and if so, why? Finance Director Naidu said yes. It promotes economic growth and provides needed infrastructure. It will expedite growth in the city. If Kennecott were to issue the bonds by themselves, the cost would be higher and they would pass the higher cost to future residents and businesses. They are using the city's credit to reduce the cost to develop the acreage suitable for both residential and commercial development.

Councilman Seethaler asked if the risk is worth the benefit? Finance Director Naidu said there is not much of a risk, knowing the laws requiring the amount of collateral and the city's ability to sell the property. The risk is minimal.

Councilman Barnes asked if the potential for economic gain to the city with this assistance will pay itself back? City Commerce Director Preece said yes, many times over. He believes it is a win/win.

Councilman Newton said it's a slam dunk.

Councilman Shelton asked for an explanation of what risk the city has. Laura Lewis, financial advisor, concurred that the risk is very minimal because of the collateral. The assessments go against the property owners that benefit from this. The city gets the asset, as in the public infrastructure. There has to be a bidding process and the infrastructure will be built to city standards. From the bond proceeds, they fund the debt service reserve fund. When the proceeds are issued, money is held by a third party trustee and remains there for the city's benefit in the unlikely event of a default. Payments from the assessment payers are due in advance of the bond payments so they will have a window of time to know if there is a problem coming. If there is a problem, they will have time to send out a demand notice and start the foreclosure process if needed. The lien trumps everything except property tax liens. They are also doing a transaction with a well-known developer that is well capitalized.

Councilman Newton made a motion to approve Resolution R2015-29. Councilman Shelton seconded the motion. Roll call vote. The vote was unanimous in favor.

RECESS CITY COUNCIL AND MOVE TO MUNICIPAL BUILDING AUTHORITY MEETING (MBA)

Councilman Rogers made a motion to recess the City Council meeting and go into a Municipal Building Authority meeting. Councilman Barnes seconded the motion. The vote was unanimous in favor.

I. **Public Hearing: Municipal Building Authority Resolution MBA 2015-01**, Consideration for adoption of a resolution of the Governing Board of the Municipal Building Authority (the "Authority") of the City of South Jordan, Utah, authorizing and approving the execution of an Amending Supplemental Indenture of Trust and the defeasance of certain bonds of the Authority; and related matters.
(By CFO, Sunil Naidu)

Chairman Alvord opened the public hearing.

John Geilmann, 11034 Crystal View Way, said he is the former city attorney and former city manager of the City of South Jordan. He said Mr. Seethaler previously stated that to vote for paying off this bond is "irresponsible". As long as the bond is in place, the property is the security for the loan and no one can mess with that property as long as that security is in place. He has concerns about what might happen if that security is removed. If the city has \$4 million in surplus, that money should be used for the needs of the city and not paying off the bond. He said they will save some on interest, but they are forgetting about the return on human investment. If the concern is that Mulligans needs to be renovated, they could put some of this surplus money into the renovations rather than putting in \$20,000 a year. They can do road projects, take care of senior citizens, they could take care of so many things with \$4 million rather than paying off a bond that doesn't need to be paid off. He read from Resolution R2015-19, section 2, that asks the residents to trust the city. He said he worries about that. He said as a former City Manager, former City Attorney, and candidate for the 4th District Council seat that will be open this fall, he is recommending that they not spend the money to pay off the bond. They should use it for the needs of the city.

Chairman Alvord closed the public hearing.

Board Member Newton referred to the tentative budget that has been reached that has all of the projects included that Mr. Geilmann referred to. He noted the priority based budgeting process. Finance Director Naidu said priority based budgeting helps them look at programs of the city, not just departments. He said it breaks down how much the various programs cost the city. It allows the Council to have a more in depth understanding than before.

Board Member Newton said the budget outlines a new fire station, 12 projects, plus a 3 percent raise for staff. He asked if there is anything out of order with the budget? Finance Director Naidu said no.

Finance Director Naidu said the annual debt service that they will be saving annually is \$500,000. They are also saving \$1.6 million in interest payments.

Board Member Rogers made a motion to approve Municipal Building Authority Resolution MBA 2015-01. Board Member Seethaler seconded the motion.

Board Member Barnes said he is not opposed to amending the supplemental indenture of trust but he is opposed to the defeasance of the bonds. He wishes these were done in 2 separate Resolutions. He said they do save interest, but there are opportunity costs as well.

Board Member Newton said the Mulligans Commission has done a great job analyzing this. Going forward, there are opportunities. There are some lower cost things that can be done up front. He feels they are on the right track. He said he feels this is a great way to go to keep the property open space.

Roll call vote. The vote was 4-1 in favor, with Board Member Barnes opposed.

ADJOURN MBA MEETING AND MOVE BACK TO CITY COUNCIL MEETING

Board Member Seethaler made a motion to adjourn the MBA meeting and go back to a City Council meeting. Board Member Rogers seconded the motion. The vote was unanimous in favor.

K. **Action Item:** Resolution R2015-27, Consideration for adoption of a resolution approving the execution and delivery by the Municipal Building Authority (the "Authority") of the City of South Jordan, Utah (the "City") of an Amending Supplemental Indenture of Trust; authorizing the use of legally available funds of the City to defease bonds of the Authority; and related matters. *(By CFO, Sunil Naidu)*

Finance Director Naidu reviewed the background information on this item.

Councilman Rogers made a motion to approve Resolution R2015-27. Councilman Newton seconded the motion. Roll call vote. The vote was 4-1 in favor, with Councilman Barnes opposed.

H. **Summary Action Consent Items (Roll Call Vote):**

1. Resolution R2015-20, setting forth a Mobile Food Vendor Pilot program for a period of one year. *(By City Commerce Director, Brian Preece)*

2. Resolution R2015-22, Memorial Park Cemetery Fee Schedule. *(By Public Works Associate Director, Colby Hill)*
3. Resolution R2015-09, supporting the Jordan River Commission. *(By Strategic Services Director, Don Tingey)*
4. Resolution R2015-18, rescinding Resolution R2006-54 and declaring the Street known as 1055 West as a Historical route and establishing a City Standard for the roadway. *(By Development Services Director, Brad Klavano)*
5. Appointment of Joey Clegg as the Grand Marshall for the 2015 Country Fest Parade.
6. Appointment of Kacey Carroll to the Historical Committee for a 2-Year Term to fill the vacant position resigned by Richard McMullin. *(By Councilman Newton)*

Councilman Newton said he would like to discuss items 1, 2, and 4, and table item 3.

Councilman Newton made a motion to table item 3 until they can discuss it in a work session. Councilman Seethaler seconded the motion. The vote was unanimous in favor.

Councilman Newton made a motion to approve items 5 and 6 on the Summary Action Consent Calendar. Councilman Seethaler seconded the motion. The vote was unanimous in favor.

1. Resolution R2015-20, setting forth a Mobile Food Vendor Pilot program for a period of one year. *(By City Commerce Director, Brian Preece)*

City Commerce Director Preece reviewed the background information on this item. They are not supposed to sell anything but food (no t-shirts, for example). It was noted that this use is not allowed in a residential zone. They can be used at a church, if the church is not in a residential zone.

Councilman Rogers made a motion to approve Resolution R2015-20. Councilman Seethaler seconded the motion. Roll call vote. The vote was unanimous in favor.

2. Resolution R2015-22, Memorial Park Cemetery Fee Schedule. *(By Public Works Associate Director, Colby Hill)*

Public Works Associate Director Hill reviewed the background information on this item. The City Council approved a one time fee increase. Staff proposed a multi year fee schedule, but only one year was approved. There are no plans to increase fees further.

Councilman Rogers made a motion to approve Resolution R2015-22. Councilman Seethaler seconded the motion. Roll call vote. The vote was unanimous in favor.

3. Resolution R2015-09, supporting the Jordan River Commission. *(By Strategic Services Director, Don Tingey)*

This item was tabled. See motion at the beginning of the Summary Action discussion.

4. Resolution R2015-18, rescinding Resolution R2006-54 and declaring the Street known as 1055 West as a Historical route and establishing a City Standard for the roadway. *(By Development Services Director, Brad Klavano)*

Development Services Director Klavano reviewed the background information on this item. The residents are in favor of the proposal. He noted that the proposed construction is typical of a residential street.

Councilman Newton made a motion to approve Resolution R2015-18, and direct staff to prepare historical markers for 104th South pointing out 1055 West.

Councilman Newton amended his motion to include a section 2 to the Resolution rescinding Resolution R2006-54, and the effective date would then be section 3. Councilman Rogers seconded the motion. Roll call vote. The vote was unanimous in favor.

RECESS CITY COUNCIL AND MOVE TO REDEVELOPMENT AGENCY MEETING (RDA)

Councilman Newton made a motion to recess the City Council meeting and move to a Redevelopment Agency Meeting. Councilman Rogers seconded the motion. The vote was unanimous in favor.

- J. **Public Hearing:** Redevelopment Agency Resolution RDA 2015-02, designating the Riverton Chevrolet Community Development Project Area, authorizing the preparation of a draft project area plan and draft project area budget, and authorizing and directing all necessary action by the agency, staff, and Counsel. *(By City Commerce Director, Brian Preece)*

City Commerce Director Preece reviewed the background information on this item.

Chairman Alvord opened the public hearing. There were no comments. He closed the public hearing.

Logan Page, said his family has owned Riverton Chevrolet for 4 generations. They are excited to be part of South Jordan. He said they moved from Sandy because of small issues that they ran into with Sandy City and because their property was landlocked and they were looking to facilitate growth. Their plan is to develop 7-8 acres, and look for other options for the remainder of the property. He noted that if a franchise opportunity presented itself, they would entertain it. They don't have a construction start date yet. They are trying to work at a rapid rate.

Board Member Newton made a motion to approve Resolution RDA 2015-02. Board Member Seethaler seconded the motion. Roll call vote. The vote was unanimous in favor.

ADJOURN RDA MEETING AND MOVE BACK TO CITY COUNCIL MEETING

Board Member Newton made a motion to adjourn the RDA meeting and move back to City Council meeting. Board Member Seethaler seconded the motion. The vote was unanimous in favor.

- L. **Action Item:** Resolution R2015-19, resolving a plan to fully redeem the bonds outstanding which are collateralized by Mulligans Golf and Games. *(By Councilman Seethaler)*

Councilman Seethaler said the Resolution corresponds with the numbers presented by the Mulligans Commission earlier. This bond takes advantage of a call provision. The Resolution calls for a repayment of the bonds in full utilizing the reserve funds and the repayment will be made following the annual principal and interest payment due the 1st of April. \$3.9 million plus the accrued interest will be paid from the 2014 operating surplus. The reason for the \$20,000 a year repayment is to reclaim those funds without going through separate notification processes. Their intention is that as they redeem the bonds, the Mulligans enterprise fund will be less burdened. Mulligans will benefit the first year \$100,000, and about \$430,000 in following years unless and until they pay the city back more than \$20,000 a year. They anticipate that the city will not invest additional funds in Mulligans. They anticipate that Mulligans will have a positive cash flow to make repairs and entertain capital projects. They have looked at the budget and feel that the budget needs of the city are met. They will also research and bring back what is the best way to preserve the open space at Mulligans for future years. He said he appreciates the concept of return on human investment. They have all tried to ensure that the current needs are met before this bond is paid off, add to the reserve account, and fund all of the priority projects that they have.

Councilman Seethaler recognized the members of the Mulligans Commission. He said their intent is to preserve the property. The bond itself provides little security given the fact that if the city wanted to sell or dispose of the property, the bond could immediately be paid off.

Councilman Seethaler made a motion to approve Resolution 2015-19 to fully redeem the bonds as soon as practical after April 1, 2015. Councilman Shelton seconded the motion.

Councilman Rogers said there has been some speculation that paying off the bond makes the property less secure or easier to sell. Is that a valid concern? Deanna Kaufman, Mulligans Commission, said there are tax penalties if the property is sold. If the city's intent was to sell the property, any penalties or interest would not be much of a barrier or protection from sale. If a buyer came, they would pay off or refinance the bond. She said the city would have to satisfy the bond similar to a mortgage.

Councilman Rogers said he supports the bond payoff. He said it is financially the best option, and the city is in the best financial position they have ever been. Not only have they paid for their needs, but they are doing a tax cut, and paying off this bond. He said he can't wait to see the recommendations from the Mulligans Commission.

Councilman Newton expressed support for paying off the bond.

Councilman Barnes said he understood that if they sold Mulligans with the current bond in place, it could spark an IRS audit. Finance Director Naidu said the bond holders wouldn't allow them to sell the property with the bond intact. It could trigger something from the IRS because they are changing the intent of the property.

Councilman Barnes asked why they are only paying the city back \$20,000 a year. Ms. Kaufman noted that it is a 500 year payback. Ms. Kaufmann said it demonstrates a repayment obligation to the city. It still frees up cash flow for Mulligans to pay for improvement to Mulligans, makes it sustainable, and preserves open space. This gives them the ability to use user fees for improvements.

Finance Director Naidu said it shows a commitment from the Council recognizing the loan to the enterprise fund and that there is an obligation to pay it back. If it takes 5 years for Mulligans to get to where the City Council wants it to be, Mulligans can transfer more than \$20,000 at that time, if needed. They wanted to put as much money as possible for the upkeep and renovation to Mulligans. And then this allows the payback to increase. They put it in the books so their intention was known.

Councilman Rogers said this amount allows it to be considered a loan rather than a transfer and it frees up cash flow for Mulligans. Councilman Seethaler said in future years, they can pay back more than \$20,000 if there are excess funds.

Roll call vote. The vote was 4-1 in favor, with Councilman Barnes opposed.

- N. **Action Item:** Resolution R2015-23, to appropriate an additional \$296,308.40 for the 2700 West Project from 11400 South to 10400 South. *(By Development Services Director, Brad Klavano)*

Development Services Director Klavano reviewed the background information on the item.

Councilman Newton made a motion to approve Resolution R2015-23. Councilman Barnes seconded the motion.

Finance Director Naidu said this is an impact fee qualified project. Councilman Seethaler asked if there are excess funds, is the intent to put them back into the impact fee account? Finance Director Naidu said yes, they have to go back to the impact fees account.

Roll call vote. The vote was unanimous in favor.

- O. **Reports and Comments:** *(Mayor, City Council, City Manager & City Attorney)*

Mayor Alvord noted a sewer board meeting that he attended. They are moving along on their new district office.

Mayor Alvord thanked staff for their efforts during this Legislative session. They had a very successful year for the city.

Mayor Alvord thanked staff for the budgeting process.

Councilman Seethaler said he has been meeting with the Mulligans Commission. Their information is on the website. It is a great group.

Councilman Barnes said even though the vote was the same, he thanked Councilman Seethaler and Councilman Rogers for putting the vote by mail issue back on the agenda. It was a worthy and important discussion. It was worth their time and consideration.

Councilman Newton thanked staff for their help during the Legislative session. He also thanked CM Whatcott for the budget session.

Councilman Shelton thanked Mayor Alvord for coming up with the idea for the Mulligans bond payoff. He feels it secures Mulligans for the future. It will be hard for future Council's to look at Mulligans and feel that there is a cash flow problem. Mayor Alvord indicated that it was a collaborative effort.

Councilman Shelton noted a resident's artwork that is on display at the Gale Center, beginning at the end of April. He noted a reception planned on April 28th at 7 pm. He noted that the PACD Board met and had a business planning discussion. He read both the mission statement and the vision for the PACD Board and said they are considering a name change for the board.

Councilman Shelton noted a luncheon he attended with the senior citizens today.

Councilman Shelton read a portion of a letter thanking the Council for Sunstone Park (Attachment D).

CM Whatcott said staff will be meeting with Salt Lake County on Friday to discuss the Welby project. They will be talking about a model for governance over it. He noted some difficulty getting the agreement together.

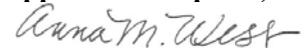
Administrative Services Director Lewis gave the City Council a report on the radon check for all city facilities (Attachment E). They were tested with a commercial grade radon detector and there were no problems reported.

Councilman Newton made a motion to extend the meeting past 11 o'clock p.m. Councilman Rogers seconded the motion. Vote was unanimous 5-0 in favor.

ADJOURNMENT

Councilman Rogers made a motion to recess the City Council meeting and go into a closed executive session to discuss the character, professional competence, or physical or mental health of an individual. Councilman Newton seconded the motion. The vote was unanimous 5-0 in favor.

This is a true and correct copy of the March 17, 2015 Council meeting minutes, which were approved on April 7, 2015.


South Jordan City Recorder

SOUTH JORDAN CITY
City Council Meeting
March 17, 2015
6:00 P.M.

ALL THOSE ATTENDING, PLEASE
PRINT NAME & ADDRESS

PRINT NAME

PRINT ADDRESS

| | |
|--|--------------------------------------|
| Paul L. Beckstead | 9860 So 3265 West. |
| Deanna Kaufman | 10293 S Jordan Creek Dr So Jo 84095 |
| MAX SHOURA | 10330 S 3925 W. So Jo 84095 |
| Spencer Huntsman | 4643 W. South Jordan UT. 84095 |
| Paul Huntsman | " " |
| John Geilman | 11034 Crystal View Way S.J. UT 84095 |
| Rozan Mitchell | SLCO Elections Division |
| Cameron Broadbent / Scout Troop 1522 (13 people) | 10962 S. Manitowishkey, South Jordan |
| Todd Hougaard | 10012 S Tee Shot, S.J. |
| Dylan Vlat | 9286 S. Tee shot, S.J. |
| Eugene Day | " " |
| Pariser Sorenson | 9498 S Tee box Dr |
| Clark Hodges | 9802 Birdie way South Jordan |
| Cam Koncinski | 1893 Pervenche lane S.J. |
| Jeff Lyon | 11373 S Apple Grove Ln |
| Brent Taylor | 11324 S. Pervenche Ln S.J. |
| Mike Carn | 4317 W. Elk Rim Road |
| Tylan Carn | 4317 W. Elk Rim Road |
| Hayden Wineser | 4331 W. 9980 So |
| Keith Ludwig | 4086 W Liberty Cr. Drive |
| Paul Vlat (Troop 1157) | 10458 Royal Tee care |
| Judith [unclear] | 235 W. Jordan Ridge Dr. |
| Delby Wentz | Riverton, VT |

David L. Alvord, *Mayor*
Mark Seethaler, *Councilman*
Chuck Newton, *Councilman*
Donald J. Shelton, *Councilman*
Steve Barnes, *Councilman*
Christopher J. Rogers, *Councilman*

3-17-15 CC Meeting
Attachment B



PH: 801.254.3742 EMAIL: info@sjc.utah.gov FAX: 801.254.3393

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Cell: (801) 300-0042
tbrown@sjc.utah.gov

FOR IMMEDIATE RELEASE:

South Jordan City Council Selects New City Attorney

SOUTH JORDAN, UT – March 6, 2015—South Jordan City is pleased to announce their new City Attorney, Ryan Loose. Mr. Loose was selected by the City Council for his new position.

Mr. Loose worked in the South Jordan City Attorney’s Office for the past nine years, most of which were as the Assistant City Attorney. He served as the interim City Attorney for the past month prior to his selection as the City Attorney.

“We are pleased to have Mr. Loose as our new City Attorney. His knowledge and experience is a great asset to this City, and we look forward to continuing to work with him,” said South Jordan City Mayor Dave Alvord.

Mr. Loose grew up in Riverton and attended Bingham High School. He earned a bachelor’s degree in Political Science from Weber State University, and a Juris Doctorate and a Masters of Public Administration from Brigham Young University.

“I am grateful for the opportunity provided by the City Council to work with the residents, Mayor and Council, and staff in South Jordan,” said Ryan Loose, South Jordan City Attorney.

###

The City of South Jordan, one of the fastest growing cities in the United States, is located 20 miles southwest of Salt Lake City, and home to more than 64,000 residents. In 2010, 2012, and 2014, South Jordan was named one of the Top 20 “Best Place to Live in America” by Money Magazine.



Mulligans Commission

Recommendation Favoring
Mulligans Bond Payoff April 2015

City Council Meeting, March 17, 2015



Agenda

- Immediate positive financial impacts
 - Interest savings
 - High rate of return
 - Reduction in city debt level
 - Free cash flow
- Cash positive advantages – today and tomorrow
- Investing in open space is good public policy
- Recommendation in favor of Resolution R2015-17

Interest Savings

- After 4/1/2015 the Mulligans bond is callable and can be paid off to **avoid all future principal and interest payments**

| | |
|------------------|--|
| \$4,640,000 | – payable bonds |
| <u>- 724,031</u> | – reserve amount |
| \$3,915,969 | – net amount for Mulligans bond payoff |

- **No additional fees** assessed, due to call provision
- As much as **\$1,653,562** in interest expense will be **saved** by South Jordan

High Rate of Return

- Discounting the interest savings to *2015 dollars*, the present value savings over the remaining life of the bond payments is **\$1,170,525**
- This computes to an internal rate of return of approximately **30%**

Decrease Debt Level, Improve Cash Flow, and Reduce Risk

| Payment Date | Principal Payment | Coupon | Interest Payment | Total P+I |
|--------------|-------------------|--------|------------------|-----------------|
| 10/1/2015 | - | - | \$ 99,868.75 | \$ 99,868.75 |
| 4/1/2016 | \$ 250,000 | 4.000% | \$ 99,868.75 | \$ 349,868.75 |
| 10/1/2016 | - | - | \$ 94,868.75 | \$ 94,868.75 |
| 4/1/2017 | \$ 260,000 | 4.000% | \$ 94,868.75 | \$ 354,868.75 |
| 10/1/2017 | - | - | \$ 89,668.75 | \$ 89,668.75 |
| 4/1/2018 | \$ 270,000 | 5.000% | \$ 89,668.75 | \$ 359,668.75 |
| 10/1/2018 | - | - | \$ 82,918.75 | \$ 82,918.75 |
| 4/1/2019 | \$ 285,000 | 4.000% | \$ 82,918.75 | \$ 367,918.75 |
| 10/1/2019 | - | - | \$ 77,218.75 | \$ 77,218.75 |
| 4/1/2020 | \$ 295,000 | 4.000% | \$ 77,218.75 | \$ 372,218.75 |
| 10/1/2020 | - | - | \$ 71,318.75 | \$ 71,318.75 |
| 4/1/2021 | \$ 310,000 | 4.125% | \$ 71,318.75 | \$ 381,318.75 |
| 10/1/2021 | - | - | \$ 64,925.00 | \$ 64,925.00 |
| 4/1/2022 | \$ 320,000 | 4.125% | \$ 64,925.00 | \$ 384,925.00 |
| 10/1/2022 | - | - | \$ 58,325.00 | \$ 58,325.00 |
| 4/1/2023 | \$ 335,000 | 4.250% | \$ 58,325.00 | \$ 393,325.00 |
| 10/1/2023 | - | - | \$ 51,206.25 | \$ 51,206.25 |
| 4/1/2024 | \$ 345,000 | 4.250% | \$ 51,206.25 | \$ 396,206.25 |
| 10/1/2024 | - | - | \$ 43,875.00 | \$ 43,875.00 |
| 4/1/2025 | \$ 360,000 | 4.250% | \$ 43,875.00 | \$ 403,875.00 |
| 10/1/2025 | - | - | \$ 36,225.00 | \$ 36,225.00 |
| 4/1/2026 | \$ 375,000 | 4.500% | \$ 36,225.00 | \$ 411,225.00 |
| 10/1/2026 | - | - | \$ 27,787.50 | \$ 27,787.50 |
| 4/1/2027 | \$ 395,000 | 4.500% | \$ 27,787.50 | \$ 422,787.50 |
| 10/1/2027 | - | - | \$ 18,900.00 | \$ 18,900.00 |
| 4/1/2028 | \$ 410,000 | 4.500% | \$ 18,900.00 | \$ 428,900.00 |
| 10/1/2028 | - | - | \$ 9,675.00 | \$ 9,675.00 |
| 4/1/2029 | \$ 430,000 | 4.500% | \$ 9,675.00 | \$ 439,675.00 |
| | \$ 4,640,000 | - | \$ 1,653,562.50 | \$ 6,293,562.50 |

- Decrease overall debt level for the city
- Paying off the callable bonds after 4/1/15 frees up a total of **\$6,293,563** (less interim interest due at payment date) through FY2029
- Removes risk that cash shortfalls from Mulligans to pay the bond (~\$450K annually) must be found from other City sources

• Mulligans Commission – Bond Payoff

Advantages – Today and Tomorrow

- Enabling Mulligans to operate cash positive frees up net operating funds for reinvestment:
 - Near term (2015-2016):
 - Facility upgrades
 - Improved service offerings
 - Expanded marketing programs
 - Future: capital improvements, to be determined, that would add to appeal and increase usage and benefit of Mulligans
- Eventually, excess Mulligans cash could:
 - Benefit South Jordan ongoing, contributing surplus cash to the city – something unique for a city recreational operation
 - Contribute to distinctive opportunities (e.g. potential arts endowment) that otherwise would not be afforded from General Fund resources

Good Public Policy

Other municipalities along the Wasatch Front have used general funds to purchase open space for:

- Open space preservation
- Public recreation (hiking, biking, horseback riding, trailheads)
- Geological assets, nature area, and riparian habitat conservation



Corner Canyon



Suncrest



Bonneville Shoreline Preserve



Kilyon Canyon

Examples: Municipal Open Space Initiatives

| Municipality | Date | Area | Acreage | Funding | Purpose | Notes |
|---------------------------------------|------|-------------------------------|---------|---|---|--|
| Draper | 2005 | Corner Canyon | 1,021 | Bonding and grants | Open space preservation, public recreation (hiking, biking, horseback riding, trailheads) | Salt Lake County holds the permanent conservation easement on the property to prevent future Draper governments from selling the property. |
| Salt Lake County / Open Space Program | 2006 | Bonneville Shoreline Preserve | 56 | Open Space bond program | Trail, nature area, buffer zone between foothills and cities of Salt Lake and South Salt Lake | |
| Salt Lake County / Open Space Program | 2010 | Kilyon Canyon | 265 | Open Space bond program | Preserve geologic assets and old growth conifers; protect riparian habitat; public enjoyment | |
| Draper | 2012 | Suncrest | 2,400 | Re-allocation of capital funds budget; re-financing of other city bonds to take advantage of lower interest rates | Open space, access to trailheads in the mountains; other plans TBD | |

Recommendation

- **Positively consider Resolution R2015-19** to pay-off the Mulligans bonds outstanding once callable on April 1, 2015
- Factor the nine supporting arguments in the 'Whereas' clauses
- Reserve the required funding as specified in SECTION 2
- Benefit from debt reduction, interest savings, and a cash-positive, self-sustaining and improved Mulligans Golf & Games



Dear City Council,

I would like to express my opinion on the Sunstone Park. I would like to say great idea. I love the park. Whenever my younger cousins come over they always want to go to the park. I know a lot of people who love the park, especially me. It is a great place to go sledding, play tag, football, soccer, and much much more. I really like the Design. The park is so close to my house so that means ~~###~~ whenever I want to go to the park I don't have to go to the one by the cemetery. Thank you for building the park.

~~#####~~ Sincerely,

Derick Larsen

P.S. You guys rock!

Attachment E
3-17-15 C.C.
Mtg.

SOUTH JORDAN CITY CITY COUNCIL REPORT

Council Meeting Date: 03/17/2015

Issue: Radon testing in City buildings

Submitted By: Dustin Lewis

Department: Administrative Services

First Reading Report Date: NA

Staff Recommendation (Motion Ready): NA

BACKGROUND: In January 2015, the City Council asked staff to test the radon levels in all City Buildings. Staff worked with the Salt Lake Valley Health Department and used their equipment to test each of the buildings.

TEAM FINDINGS:

| Building | Radon Level Average pCi/L |
|---------------------|------------------------------|
| City Hall | 0.5 |
| Gale Center | 1.0 |
| Fire Station #61 | 3.1 |
| Community Center | 1.3 |
| PW Building | 1.9 |
| Fire Station #62 | 3.2 |
| Facilities Building | 0.8 |
| Animal Control | 1.9 |
| Mulligans | 2.1 |
| Mulligans shop | 2.1 |
| Recreation Center | 0.7 |

RECOMMENDATIONS: None

City Council Action Requested:


Department Head

3/17/2015
Date