

NORTH SALT LAKE CITY  
CITY COUNCIL BUDGET MEETING  
MARCH 21, 2015

**FINAL**

Mayor Arave called the meeting to order at 8:09 a.m.

PRESENT: Mayor Len Arave  
Council Member Brian Horrocks  
Council Member Conrad Jacobson  
Council Member Stan Porter  
Council Member Matt Jensen  
Council Member Ryan Mumford

STAFF PRESENT: Barry Edwards, City Manager; Ken Leetham, Assistant City Manager and Community and Economic Development Director; Paul Ottoson, Public Works Director and City Engineer; Jon Rueckert, Assistant Public Works Director; Janice Larsen, Finance Director; Chief Craig Black, Police Chief; Chief Jeff Bassett, Fire Chief; Lieutenant Troy Johnson, Police Lieutenant; David Church, City Attorney; Brent Moyes, Golf Course Director, Linda Horrocks, Deputy Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: none.

1. INTRODUCTION OF THE 2015-2016 FISCAL YEAR NORTH SALT LAKE  
BUDGET

Barry Edwards reported that the August 2014 landslide has had a large impact on the City, and its budget. Building permits in the landslide area have completely stopped, decreasing building permit revenues and impact fees. City staff had anticipated a decrease as the City is close to build-out, but new home development was not expected to stop for several more years. The City will now need to rely on utility rates to complete capital projects. He explained that some roads have reached their 50-year life and that while the golf course will be paid off in 2017, it will need some additional maintenance done at that time. He stated that the budget being presented to the City Council today includes one new job position, but all other areas of the budget are basically a continuation from the previous year. He expressed that the slide has had a huge impact on the City staff's time as well which has taken away from other projects; however, many great things were still accomplished in the City. Mr. Edwards then said that Chris Robinson talked to the City about two parcels he owns in Foxboro with one to be developed for a grocery store and the other for multi-family housing.

## 2. FINANCE DEPARTMENT REPORT

Janice Larsen reported that City staff has implemented electronic systems to save time. These programs include implementation of a new time clock system, TimeClock Plus, which allows employees to use their ID cards to clock in and sign in under a specific project. This system also cuts down on paperwork as it has an electronic time-off request, the ability to print department schedules and to display employee hours which can be electronically approved. City staff also purchased a Caselle add-in which eliminates data entry for journal entries, budget adoption and real time capital project/cash flow reports. Mrs. Larsen also reported on other time saving procedures that have been implemented including electronic purchase orders, adjusted utility billing cycles, creating uniform hiring procedures, revised travel forms, using State mail service and workload realignment. As City staff realigned certain tasks it resulted in the elimination of the monthly contract with an outside CPA firm. Mrs. Larsen said that upcoming goals include revising the employee handbook, a 15 point fleet replacement policy, present financial policies to the City Council for adoption, internal control review and cash handler training in all departments receipting cash.

Mayor Arave commented that all the vehicles are insured through the trust and asked if self insuring had been considered. Janice Larsen replied that City staff would review that option.

Janice Larsen then suggested the council consider adopting certain financial policies for the City, including setting a target amount for the reserve fund, determining when to bond or lease, and a replacement policy for infrastructure, etc.

Mayor Arave asked how many residents currently pay their utility bills online. Janice Larsen replied that it was at least 50% but that it would be good to increase that percentage. City staff will send out another notice to inform residents of the online utility payment option.

## 3. COMMUNITY DEVELOPMENT REPORT

Ken Leetham reported that his department consists of himself, Ali Avery and Jim Spung who are the City Planners, Jerry Thompson, the Building Official, and an administrative assistant, Deena Christensen. This department is responsible for long range planning, various grant programs, some code enforcement activities and all development and construction applications including support to the Development Review Committee (DRC), the Hearing Officer, Planning Commission and City Council.

Planning achievements for 2014 include: 14 final subdivision plats, amendments or vacations, 30 conditional use permits, 25 site plans, 4 Land Use Ordinance amendments, 122 business license reviews and 7 various applications such as concept plans, development agreements and lot line adjustments. Building achievements include: 250 total projected building permits for the fiscal year 2014-2015, 193 projected single family homes in the fiscal year with 113 completed to date. Mr. Leetham commented that there would not be as many single family homes completed in the upcoming months due to the landslide but reported strong development in the Foxboro area which will continue for the next year. Achievements for the Planning Department include receiving a \$65,000 grant for Award of Local Resource Planning (LRP), creation of the US89/Town Center CDA project area, installation of City Geographic Information System (GIS) software and training, and the Towne Plaza approval. While the City does not have large future subdivisions planned growth will still occur in the redevelopment and commercial areas. Utah is third in the nation for job growth per percentage with the highest population growth rate which combines to create a market in Utah for all the cities along the Wasatch front. Mr. Leetham expressed that it was important for the City to continue to use and implement good development tools to produce great redevelopment and growth options. He also reported that other achievements the department had accomplished included completion of the new Mixed Commercial Zoning District, the ability to produce better products in the industrial areas of the City, property acquisition and grant for the canoe take-out area, close-out and reimbursement of \$300,000 for the Springhill landslide and successful challenge of US Census 2013 population estimate for the City which will help with a direct increase in sales tax revenue. The projected population estimate for 2014 is 18,630 residents.

Ken Leetham then reported on the goals and objectives for the year which include establishment of a shopping center with grocery store, completion of Town Center Land Use Plan and creation of affordable housing strategy. This would include using Funding sources, such as the Orbit CDA, for rehabilitation or construction of new units.

Council Member Jensen commented that affordable housing is a good option but that it does not always outweigh the negative aspects this housing brings to a community. He asked if there was an incentive to include affordable housing options in the City. Ken Leetham replied that a good part of the program would be investment in areas of the City that need improvement now. The State also requires that the City have an affordable housing plan whether it is utilized or not. Any affordable housing programs would be brought to the City Council before they were implemented.

Ken Leetham reported that other goals include the creation of the Foxboro Wetlands Park concept plans and Phase 1 of the Foxboro Wetlands Park with \$105,000 from Big West Oil, completion of park and recreation inventory and strategy for future investment in facilities, and

acquisition of vacant parcels adjacent to Springhill Park. These parcels were not included in the Springhill grant and have become code enforcement issues as they are being used for outdoor storage by the current property owners. If these parcels were purchased by the City they could be used as part of the trail, parking for the trail or a community garden.

Mayor Arave asked if two City planners would be necessary long term. Ken Leetham replied that development and redevelopment would continue to occur and that the City needs to plan for underutilized properties.

Ken Leetham then reported on the court achievements including reduced court clerk hours, a change in prosecution services, increased communication with Judge Miller, and improved evaluation of court procedures. Chief Black commented that trials have been scheduled for the first time in a year and he expressed that he is very encouraged with the new prosecutors.

Ken Leetham also said that court cases and revenues were slightly up from this time last year. Court goals and objectives include semi-monthly attendance at staff meetings, continued monitoring of caseload and cost controls, more timely case screenings by prosecutions, periodic evaluations of court processes and quarterly meetings with Judge Miller, the court administrator, our chief of police and city manager.

Council Member Horrocks asked if the court is covering its operating costs, and stated that the City Council needs to consider funding and rebuilding the reserves. Barry Edwards replied that the court is currently covering its costs and that it is convenient for the City's police and local residents to have the court. He said that West Bountiful would like to consider consolidating and using the City's court rooms. The arrangement would help cover the fees associated with building cleaning, etc.

#### 4. SOUTH DAVIS METRO FIRE

Chief Jeff Bassett reported on the 2015 budget and provided a comparison from 2014 of South Salt Lake to South Davis Metro Fire (SDMF). South Salt Lake has 15 firefighters on duty, 3 stations and serves a population of 92,200. SDMF has 20 firefighters on duty, 5 stations and serves a population of 95,000. Response times are under the national requirements and trucks are not staffed with the required 4 firefighters. Fire response is everything from fire alarms to assisting the ambulances with rescue or other medical related calls. Emergency response includes fire response, medical, ambulance transport, technical rescue, hazardous material at the refineries and anything else they are called for. Non emergency services include involvement with the City's staff meetings, DRC, First Aid, fire extinguisher and CPR trainings, fire safety, business inspections, plan reviews, community events and pre-plans. As call volume continues to rise 6

new firefighters will be hired in July 2015 which will allow all fire and ambulance units to be staffed with 2 personnel per unit. Other changes include one paramedic per ambulance, and moving the ladder truck to the Foxboro station to be near the industrial area. Chief Bassett explained that a new squad concept would be implemented which will be a rapid response squad that is staffed with part time employees 6 days a week on 10 hours shifts. He then explained issues that the firefighters face including the increased need for aid, understaffing, and hydrant spacing in older areas of town. Chief Bassett then reported that the request for mutual aid from other emergency response agencies has tripled and that total call volume has seen an 18.9% increase with fewer than 6,000 calls in 2013 to more than 6,000 calls in 2014. The average response time for fire is 5:54 and 5:41 for Emergency Medical Services (EMS) while the national standard is currently 4 minutes. Goals for the year include creating a special service area, bond payments, vehicle replacement plan and Funding, new fire station in Centerville, repairs to Muller Park Station at \$500,000, completion of storage building at Foxboro Station at \$300,000, cement repair work at all stations, salary surveys, and staffing issues.

## 5. POLICE DEPARTMENT

Chief Black reported on the 2014-2015 accomplishments for the City's police department. These included the implementation of new and more effective records management system, training of a third detective and retention of current employees. He then reported on the Spillman records management system which was implemented July 2014 and included extensive in-class and field training. Benefits with using the new system include access to information at the end of each patrol shift and the ability for weekly staff meetings with supervisors to review incident reports and develop timely and effective strategies to resolving identified problems.

Officer Chris Benedict was hired in 2012 and was moved to the detective position for investigation of sexual assaults of adults and children. He has completed all mandated training to conduct these investigations and will hold this position for 5 years before being rotated out. He is now the third detective which allows the caseload to become more manageable.

Chief Black then reported on public safety issues including the increase in call and case loads, and the decrease in available coverage during peak hours. Case loads in 2010 were 2,264 cases with an average of 6.2 cases per day. 2015 year to date statistics include 495 cases with 9.6 cases per day. The proposal for a new police officer this year is for coverage during the increase in calls which occur Sunday evening and Monday mornings due to the discovery of weekend crimes and increase in traffic accidents.

Theft continues to be the most plaguing crime in the City with a high year high of 335 incidents for 2015. This is more than accidents, assaults and sex offenses in the City combined. Auto theft

continues to rise but the department's recovery rate is over 90%. Residential and business burglaries are also at five year high levels. Notable successes include assaults remaining at the same level as last year at 76, vehicle burglaries remaining at 73, graffiti dropped to a six year low at 20 reported incidents, accidents have dropped from last year but a higher than they were in 2010 and 2011.

Goals include training and retaining officers, creating a retention plan and implementing a time in service/performance based pay scale, hiring one full time officer to help staff the peak call time periods and alleviate the high case load during that shift, provide better patrol coverage of the City and increase proactive enforcement activity during peak hours.

Chief Black also reported on long term projects (for the next 3-5 years) including acquiring the ability for real-time crime analysis, participation in a drug task force, and adding another detective.

Chief Black then provided an update on the code enforcement officer and said there was a 90% increase in cases with 319 total cases in 2014.

The police department received grants in 2014-2015 including a \$10,000 highway safety grant for two digital in-car cameras, and the JAG grant for \$7,500 worth of upgrades to the two interview rooms. This included Milestone software, soundproofing and new digital cameras and sound.

Mayor Arave asked how often the license plate reader was used. Lieutenant Troy Johnson replied that it is used 2-3 times a week for an 8-10 hour shift. He said that City police officers try to work with those who are reported as not having valid car insurance.

## 6. GENERAL FUND RECAP

Janice Larsen reported that the City will contribute \$270,000 to the General Fund for the 2014-2015 fiscal year. Highlights for the current year budget include a growth in sales tax revenue, continued growth in property tax and the passing of House Bill 362 which includes a transportation tax. Ms. Larsen stated that for the 2016 fiscal year, the city can expect revenue decreases from continued decline in building inspection and permit revenues, an increase in staffing for one additional firefighter and one police officer. She added that there has been an approximate 50% increase in water utility customer accounts from 2011 to 2015.

Ms. Larsen then discussed the City's direction for the years 2017-2019 and said that following decades of strong residential growth there would be a significant slowdown. There will also be a

transition from building new infrastructure to maintaining existing infrastructure. Park areas have increased from 20.5 acres in 2008 to 41.5 acres in 2015. And as mentioned earlier, although the final golf course payment of \$580,000 will be in 2017, there will be costs to maintain the watering system, club house, etc. She added that with the increased growth in the city, it also necessitates an increase in public safety staffing needs. She presented a chart showing projected revenue and expenditures from now to 2019.

Barry Edwards reported that the City is dealing with revenue and expenditure issues due to multiple things including the landslide and decrease in building permits, the decrease in impact fee revenues, an increase cost for public safety and an aging infrastructure. He stated that staff recommends a 10% increase by 2019 on property tax rates to adjust for inflation. He added that this could be done gradually. Mayor Arave stated that a truth in taxation hearing would be required if property taxes are raised.

## 7. PUBLIC WORKS/ENGINEERING

Paul Ottoson reported on the 2014 accomplishments in the Public Works and Engineering Departments. The biggest project of the year was the 1100 North street reconstruction project. The original cost was \$5,500,000.00 million dollars with the City's share at \$3,000,000.00. After the State Funds Exchange program the City's share is \$1,481,000.00 for a savings of \$1,518,600.00. Woods Cross will be contributing \$763,260 for their portion of the project. Mr. Ottoson said that these are not final costs as the project is not yet completed. He also said that the City was able to use a geo-grid fabric because of the cost savings which contributes towards a better street.

Paul Ottoson then reported on the fiscal year 2014-2015 engineering projects that were designed in-house including the Freda Well conversion to secondary water, the Center Street overlay, Elk Hollow Drive and Cove Circle street reconstructions, Lofty Lane, Hidden Lane and Hidden Circle street reconstruction, City-wide street preservation projects, 1100 North water line project, Overland Drive realignment, and the golf course hole #13 flood protection project, for a total cost of \$1,117,000.00 (and an approximate savings of engineering consultant fees of \$112,000.00). Public Works projects completed in-house include: pressure reducing valve station for secondary water at the golf course, Nathan Clark detention basin, Wi-Fi tower, replacing sand with bark mulch at Foxboro parks and the emergency sinkhole project.

Mr. Ottoson stated that the Public Works proposed five-year street and water projects include the secondary water and street reconstruction projects at Woodbriar Way, 500 North street reconstruction, 130 East property acquisition and sidewalk, streetlights on Center Street and 1100 North, 350 North reconstruction, Eaglewood Drive overlay, Orchard Drive sidewalks, 900

North and Center Street reconstruction and street preservation projects. The total amount for these projects is \$3,883,500.00. The five year park goals include: replace sand with bark mulch at all City parks, installation of Deer Hollow Park playground, Urban Fishery cleanup, new parking lot, tennis court refurbishment and replacement of playground equipment at Hatch Park and replacement of playground equipment at Palmquist Park for the total cost of \$1,293,000.00. The Storm Water five year plan includes: the Eagleridge SD project Phase 1, miscellaneous SD projects, Center Street box culvert, detention basin and piping by 1100 North, replacement of pipe and storm drains, system clean for a total of \$3,974,700.00.

Jon Rueckert then reported on the City's water and the department's desire to improve the energy efficiency of the City's water delivery system. Rocky Mountain Power has hired Cascade Energy to oversee a program similar to Watts Smart and has partnered the City with two entities: Mountain Regional Water and Park City with the objective to explore the ways to manage water resources while being more efficient. He used modeling software to present an energy plan that could be implemented in the City and said that the goal is for the City to save 15% of kilowatts used which would translate to approximately \$50,000 to \$70,000 in savings. He said that this is a mindset and the City would need to look for different ways each year to save energy starting with low cost items such as changing regulator settings, etc.

#### 8. PUBLIC WORKS RECAP

Janice Larsen reported on the Capital projects section and general government capital projects for fiscal year 2014-2015 including receiving and repaying the \$300,000 related to the Springhill landslide, \$200,000 for slide mitigation and \$336,000 for road capital projects. The Parks Capital Fund repayment is \$350,000 for the loan due, the Golf Fund continues to owe \$1,718,250.00, and the ending cash balance is expected to be \$1,453,869.00.

She then reported on fiscal year 2015-2016 and said that the Parks Capital Fund would be repaying \$100,000 which is the remaining balance due to capital projects; Public Safety Capital Projects Fund will transfer a cash balance \$60,000 into Capital Projects Fund and Deer Hollow Park is budgeted at \$100,000 for playground equipment.

Ms. Larsen then reported that the RAP tax bond which was in effect in 2010 will not be retired until 2030. The Parks Capital Fund will be repaying \$350,000 of the loan due to Capital Projects. Impact fee revenues will be very close to \$600,000 with the budget ending balance to remain in a negative position.

Mrs. Larsen then reported on the fiscal year 2014-2015 Road Capital Projects Fund and said that the actual impact fee revenue will be very close to the budget of \$650,000. The 1100 North

widening will be completed and revenue will be received from the State by the end of the year. Overland Drive will also be completed and revenue will also be received from the State.

Janice Larsen then reported on the culinary water and east side pressurized irrigation and said that several projects need to be constructed to complete the east side pressurized irrigation system including major repair and replacement of cast iron pipes, etc. will be ongoing. Impact fee revenue will decrease in the upcoming years and City staff recommends a 3% utility rate increase to assist in funding capital projects.

Mrs. Larsen then reported on the Solid Waste Fund and said that because of a contract that City staff negotiated that a \$2 per can decrease could be given to residents. She recommended that this be given at the same time as the water rate increase.

Mrs. Larsen then reported on the Storm Water Fund and said that the City is paying a water bond out of the Storm Water Fund on storm and for the new street sweeper. The tier structure is currently \$2, \$3 and \$4 and City staff is recommending a monthly increase to residents which would increase it to \$3, \$5 and \$8 per month.

Barry Edwards summarized that City staff is proposing a rate increases of 3% for water rates, a rate decrease in recycling and a rate increase in storm water.

## 9. GOLF COURSE REPORT

Brent Moyes reported on the Eaglewood Golf Course 2014-2015 accomplishments which included a new food and beverage contract, raising \$9,500 for landslide victims, a Groupon for 2015, hole #13 flood protection, all office space rented, and 70 tournaments or 14,000 rounds played. He commented that it is more difficult to get tournaments as more golf courses are holding tournaments due to the downturn in the economy. He also said that the original goal for the Groupon was \$30,000 which has been achieved.

Mr. Moyes then reported on the goals for the 2015-2016 fiscal year: 55,000 rounds at \$20 per round for \$1,100,000.00 in total golf revenue, 14,000 tournaments rounds, increase in men's league participation, player development programs, frequent player cards, remodel clubhouse restrooms, plan for future irrigation needs and a merchandise goal of \$150,000 with 35% margins.

Mr. Moyes then proposed a change to golf rates after reviewing green fees from other courses in the area. He reported that the Bountiful golf course is the City's biggest competition as most of Salt Lake's courses have already increased their fees. He presented three options including: \$1

increase per 9 holes on weekdays and a \$2 per 9 holes on weekends; option 2 for a \$1 increase per 9 holes on all days, or option 3 which would be a \$2 increase per 9 holes on weekends.

**Council Member Jensen was excused at 1:52 p.m.**

**Council Member Porter moved to approve option 2 and increase golf rates \$1 per 9 holes on all days. Council Member Horrocks seconded the motion. The motion was approved by Council Members Mumford, Porter, Horrocks and Jacobson. Council Member Jensen was excused.**

Brent Moyes then presented the 2015-2016 budget requests including \$30,000 to remodel the clubhouse restrooms, \$10,000 to repair the cart garage ceiling and \$28,000 for a utility tractor with loader. Long term goals include improving the aesthetics and function of the clubhouse grounds with stucco on the front of the building, expansion of café seating on deck, design and addition of a water feature and a gazebo with a picture platform. Other goals include a marketing plan to include a punch card, coupons and continued social media campaigns, reduced accrued comp time and an updated irrigation system. Mr. Moyes then presented a quote with the estimated cost for a new irrigation system on holes 13 and 14 for the cost of \$593,200.00 which would help with long term water costs.

#### 10. CONCLUSION AND DISCUSSION

Barry Edwards reported on City personnel costs and the proposed cost of living (COLA) increase. There were 62 employees in 2011, 66 employees in 2014, 68 employees in 2015 and 69 employees proposed for 2016 with the addition of one police officer. City staff is proposing a 1.6% cost of living increase, 2% merit increase and a total increase of 3.6% for the 48 employees who are not at the top of their range. The COLA increase would be \$72,230.00 the merit increase would be \$40,510.00 for a total of \$112,740.00. The salary increase would be \$112,740, the benefit cost would be \$61,460 with the personnel cost increase would be \$174,000.00 from the General Fund. The total percentage increase across all operating budgets would be a 1.08% increase.

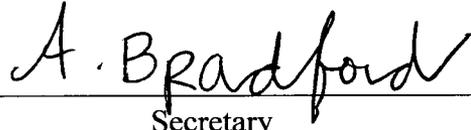
Council Member Porter asked that two items be added to the budget including the rest of the Gary Way trail and that a defibrillator be installed at the City Hall building. He also asked that the slats be replaced on the vinyl fence at the end of Hatch Park.

#### 11. ADJOURN

**Mayor Arave adjourned the meeting at 2:15 p.m.**



Mayor



Secretary