SOUTH SALT LAKE CITY ON THE MOVE

CITY COUNCIL
BEN PENDER
COREY THOMAS
SHARLA BYNUM
PORTIA MILA
SHANE SIWIK
MARK KINDRED
RAY DEWOLFE

220 E MORRIS AVE
SUITE 200
SOUTH SALT LAKE CITY
UTAH
84115
P 801.483.6027
F 801.464.6770
TTY: 711
SSLC.COM

CHERIE WOOD
MAYOR

220 E MORRIS AVE
SUITE 200
SOUTH SALT LAKE CITY
UTAH
84115
P 801.464.6757
801.464.6770
TTY: 711

South Salt Lake City Council
REGULAR MEETING AGENDA

Public notice is hereby given that the South Salt Lake City Council will hold a Regular Meeting on **Wednesday, July 11, 2018** in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **7:00 p.m.,** or as soon thereafter as possible.

Conducting: Corey Thomas, District
Council Chair: Ben Pender
Sergeant at Arms: Amanda Gencarella

Opening Ceremonies

1. Welcome/Introductions — Corey Thomas
2. Serious Moment of Reflection/Pledge of Allegiance — Ray deWolfe

Approval of Minutes

May 23, 2018 Work Meeting
May 23, 2018 Regular Meeting

No Action Comments

1. Scheduling — City Recorder
2. Citizen Comments/Questions
   a. Response to Comments/Questions
   (at the discretion of the conducting Council Member)
3. Mayor Comments
4. City Attorney Comments
5. City Council Comments
6. Council Attorney Comments
7. Information
   a. PR and Media Coverage — Mayor Wood
   b. Opportunity South Salt Lake — Mayor Wood
   c. Storm Water Education — Mayor Wood

Action Items

Appointments by the Mayor

Chad Ewell – Appointment to the Planning Commission

Unfinished Business

1. An Ordinance amending Section 2.08.060, City Council Powers and Duties — Mark Kindred

2. A Resolution Adopting Rule 23 of the City Council Rules of Procedure regarding Council staff — Shane Siwik

3. An Ordinance of the South Salt Lake City Council Enacting Title 13.25 to Create Storm Water Utility, Implement Storm Water User Fees, and Establish a Storm Water User Fund — Mayor Wood

See Page Two for Continuation of Agenda

New Business

1. Approval of the 2017-2018 Financial Audit Engagement Letter — Mayor Wood

Motion for Closed Meeting

Adjourn

Posted July 6, 2018

Those needing auxiliary communicative aids or other services for this meeting should contact Craig Burton at 801-483-6027, giving at least 24 hours' notice.

In accordance with State Statute and Council Policy, one or more Council Members may be connected via speakerphone.

Citizen Comments/Question Policy

Time is made available for anyone in the audience to address the Council and/or Mayor concerning matters pertaining to City business. When a member of the audience addresses the Council and/or Mayor, he or she will come to the podium and state his or her name and address. Citizens will be asked to limit their remarks/questions to five (5) minutes each. In meetings during which numerous individuals wish to comment, the time for all citizen comments may be limited to three (3) minutes each, at the discretion of the conducting Council Member. The conducting Council Member shall have discretion as to who will respond to a comment/question. In all cases the criteria for response will be that comments/questions must be pertinent to City business, that there are no argumentative questions and no personal attacks. Some comments/questions may have to wait for a response until the next regular council meeting. The conducting Council Member will inform a citizen when he or she has used the allotted time. Grievances by City employees must be processed in accordance with adopted personnel rules.

CITY OF SOUTH SALT LAKE
CITY COUNCIL MEETING

COUNCIL MEETING	Wednesday, July 11, 2018 7:00 p.m.
CITY OFFICES	220 East Morris Avenue South Salt Lake, Utah 84115
PRESIDING	Council Chair Ben Pender
CONDUCTING:	Corey Thomas
SERIOUS MOMENT OF REFLECTION/ PLEDGE OF ALLEGIANCE	Ray deWolfe
SERGEANT AT ARMS	Ryan Cram

COUNCIL MEMBERS PRESENT:
Sharla Bynum, Ray deWolfe, Portia Mila, Ben Pender, Shane Siwik and Corey Thomas

COUNCIL MEMBERS EXCUSED:
Mark Kindred

STAFF PRESENT:
Mayor Wood
Kyle Kershaw, Finance Director
Dennis Pay, City Engineer
Craig Burton, City Recorder
Ariel Andrus, Deputy City Recorder

OTHERS PRESENT:
See attached list.

APPROVAL OF MINUTES

May 23, 2018 Work Meeting. Council Chair Pender made a motion to approve these minutes.

MOTION: Ben Pender
SECOND: Portia Mila
Voice Vote:

Bynum:	Yes
deWolfe:	Yes
Kindred:	Absent
Mila:	Yes
Pender:	Yes
Siwik:	Yes
Thomas:	Yes

May 23, 2018 Regular Meeting. Council Chair Pender made a motion to approve these minutes.

MOTION: Ben Pender
SECOND: Ray deWolfe
Voice Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

NO ACTION COMMENTS

1. **SCHEDULING.** The City Recorder informed those at the meeting of upcoming events, meetings, activities, etc.

2. **CITIZEN COMMENTS/QUESTIONS.** None

3. **MAYOR COMMENTS.** Mayor Wood said the Veterans event that was held on July 3rd was very well attended and is a great new tradition for the City. She thanked the City staff that worked on the 4th of July. The official countdown to South Salt Lake's eightieth birthday was kicked off with events around the City. She congratulated Council Member Bynum on her marriage.

4. **CITY ATTORNEY COMMENTS.** None

5. **CITY COUNCIL COMMENTS.** Council Member Bynum said the Veterans celebration was great. She also thanked City staff for all their hard work. Quench It in South Salt Lake had a ribbon cutting this week and she would like to see that business supported and be successful.

   Council Member deWolfe enjoyed the Fourth of July parade and the Freedom Fest afterwards.

   Council Member Siwik thanked Leslie Jones for all her hard work for the parade. He also congratulated Council Member Bynum.

   Council Chair Pender thanked the Mayor and staff for the Veterans Celebration.

   Council Member Mila thanked everyone that worked on the Fourth of July. The Veterans Celebration was a great event.

   Council Member Thomas agreed with everyone on the great Fourth of July

event. She was excited to see the large turnout for the 5K run this year. She also congratulated Council Member Bynum.

6. **COUNCIL ATTORNEY COMMENTS.** None

7. **INFORMATION**
   a. **PR and Media Coverage.** Consultant, Lindsey Ferrari, gave a presentation to the Council for all the information items. A copy is attached to these minutes and incorporated by this reference.

   b. **Opportunity South Salt Lake**

   c. **Storm Water Education**

ACTION ITEMS
APPPOINTMENTS BY THE MAYOR

Council Member Beverly made a motion to give advice and consent to appoint Chad Ewell to the Planning Commission.

MOTION: Sharla Bynum
SECOND: Portia Mila
Roll Call Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Yes
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

UNFINISHED BUSINESS

1. **An Ordinance amending Section 2.08.060, City Council Powers and Duties**

Council Member Siwik made a motion to move this Ordinance to a future meeting to be determined.

MOTION: Shane Siwik
SECOND: Ben Pender
Roll Call Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

2. **A Resolution Adopting Rule 23 of the City Council Rules of Procedure regarding Council staff.**

Council Member Siwik made a motion to move this Ordinance to a future meeting to be determined.

MOTION: Shane Siwik
SECOND: Ben Pender
Roll Call Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

3. **An Ordinance of the South Salt Lake City Council Enacting Title 13.25 to Create Storm Water Utility, Implement Storm Water User Fees, and Establish a Storm Water User Fund**

Council Chair Pender made a motion to move this ordinance to a date to be determined.

MOTION: Ben Pender
SECOND: Portia Mila
Voice Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

NEW BUSINESS

1. **Approval of the 2017-2018 Financial Audit Engagement Letter**

Council Chair Pender made a motion to suspend the rules to approve this letter at this meeting.

MOTION: Ben Pender
SECOND: Shane Siwik
Voice Vote:

Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

Council Member Siwik made a motion to approve this engagement letter

MOTION: Shane Siwik
SECOND: Ben Pender
Roll Call Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

Council Member deWolfe made a motion to adjourn.

MOTION: Ray deWolfe
SECOND: Portia Mila
Voice Vote:
Bynum: Yes
deWolfe: Yes
Kindred: Absent
Mila: Yes
Pender: Yes
Siwik: Yes
Thomas: Yes

The meeting adjourned at 7:39 p.m.

Ben Pender, Council Chair

~~Craig D. Burt~~on, City Recorder - Deputy
Ariel Andrus

July 11, 2018

CITY COUNCIL MEETING
LIST OF ATTENDEES

NAME	ADDRESS	REPRESENTING
Holly Vasic	525 E Garden Ave.	City Journals
Lindsey Ferrari	[illegible] Harrison	Mayors office
Shaun G. Hales	148E Gregson Ave.	
Chad Ewell	148 E. Gregson Ave.	

OPPORTUNITY SOUTH SALT LAKE WORKSHOP #3

Coordinates of Opportunity:

2100 S to I-80, State Street to I-15

- Site area: 147 acres
- One of the most well-connected urban cores of the region
- Nearly 500,000 annual average daily vehicle trips
- 2100 S Central Pointe TRAX Station is the only location in the UTA network to access all three TRAX lines as well as the S-Line streetcar
- Streetcar has annual average ridership of over 340,000 riders

OPPORTUNITY SOUTH SALT LAKE

Key Commercial Businesses:

Salt Lake Valley Dodge
Mountainland Design
Winco
RC Willey
Best Buy
Office Max
Granite Mill
Tesla

Key Residential Projects:

Ritz Apartments - 285 units
Liberty Crossing - 95 units
Liberty on Main - 100 units
Hi-Grade Apartments - 100 units
Central Pointe Condos - 76 units

Currently Constructed:

85,000-square-foot Winco grocery store
Liberty Crossing Townhomes
Hi-Grade Apartments

Current Zoning:

- Downtown South Salt Lake and the Crossing
- Downtown zoning encourages commercial office, mixed-use, multi-family, ground level retail
- Design encourages new attractive commercial and residential buildings while also allowing existing buildings to be adaptively reused

Status of Planning Documents:

In 2015 and 2016 the South Salt Lake City Council adopted a new masterplan and zoning for Downtown South Salt Lake

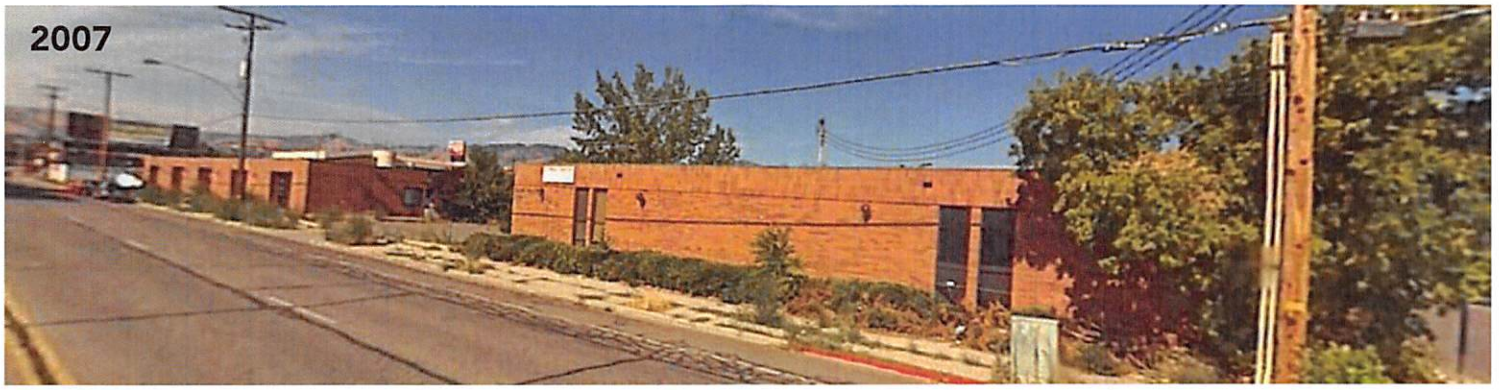
Downtown Vision

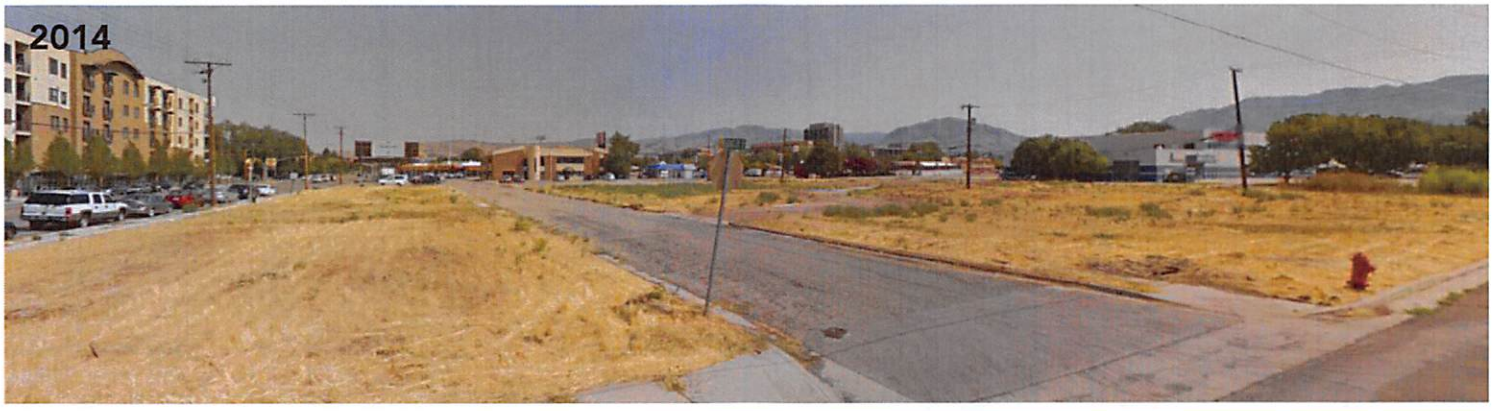
Icon for SSL identity, hot spot for urban living, unmatched access and mobility for all travelers, a legacy of community space and public spaces, a new business landscape and job opportunities, a creative and cultural hub, State Street revitalization

- 2,500 multi-family units
- 4.5 million square-feet of commercial use

LIBERTY CROSSING TOWNHOMES
2209 S MAIN STREET

WINCO FOODS
2193 S MAIN STREET



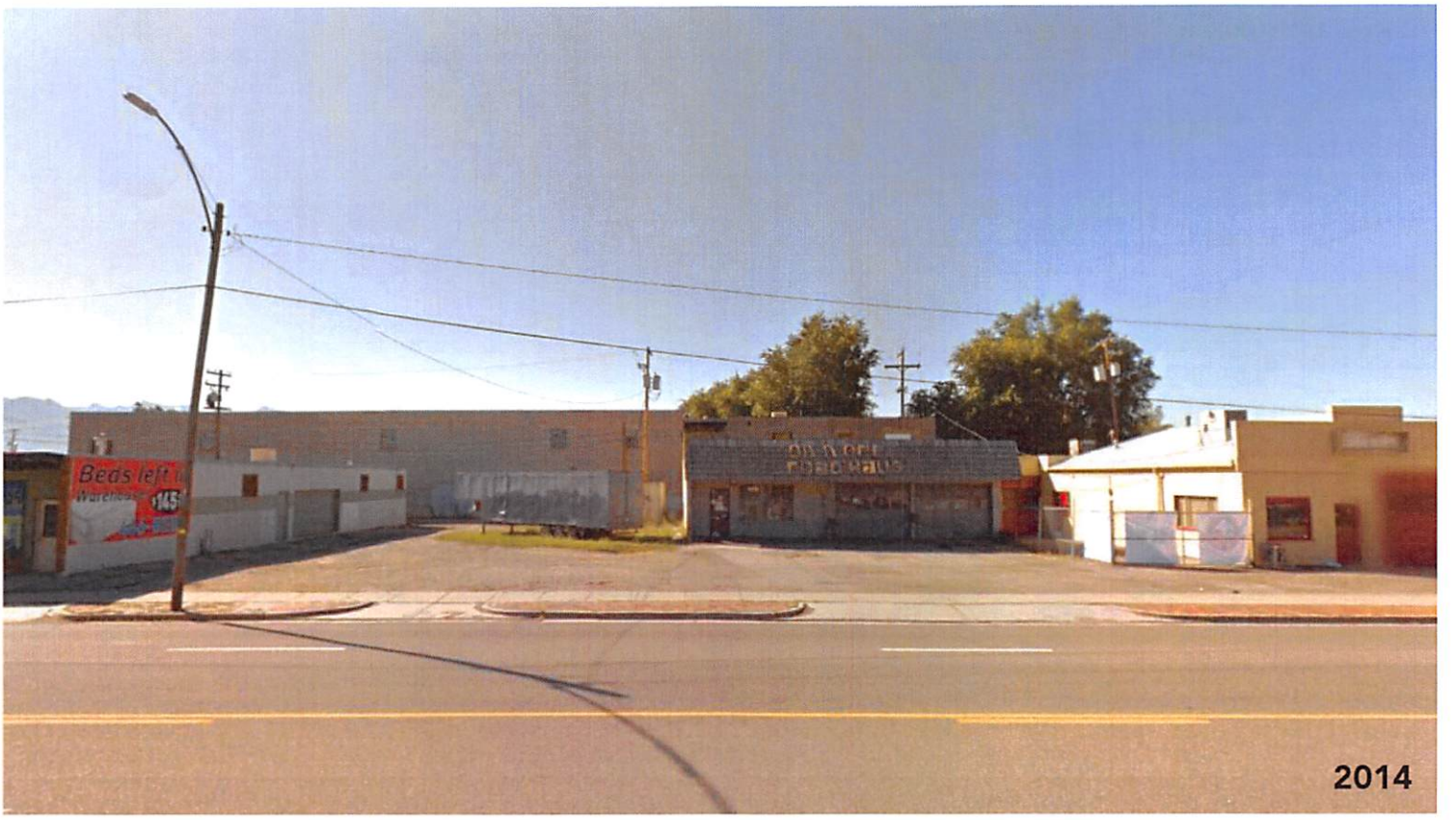


LIBERTY ON MAIN
28 EAST 2100 SOUTH

RITZ APARTMENTS
2265 S STATE STREET

2121 S STATE STREET

SALT LAKE MOTORCYCLE
165 WEST 2100 SOUTH



HIGRADE APARTMENTS
2140 S WEST TEMPLE

RC WILLEY
2301 SOUTH 300 WEST

2015

2015

2017

2017

ZELLER APARTMENTS
2255 SOUTH 300 EAST

2007

2015

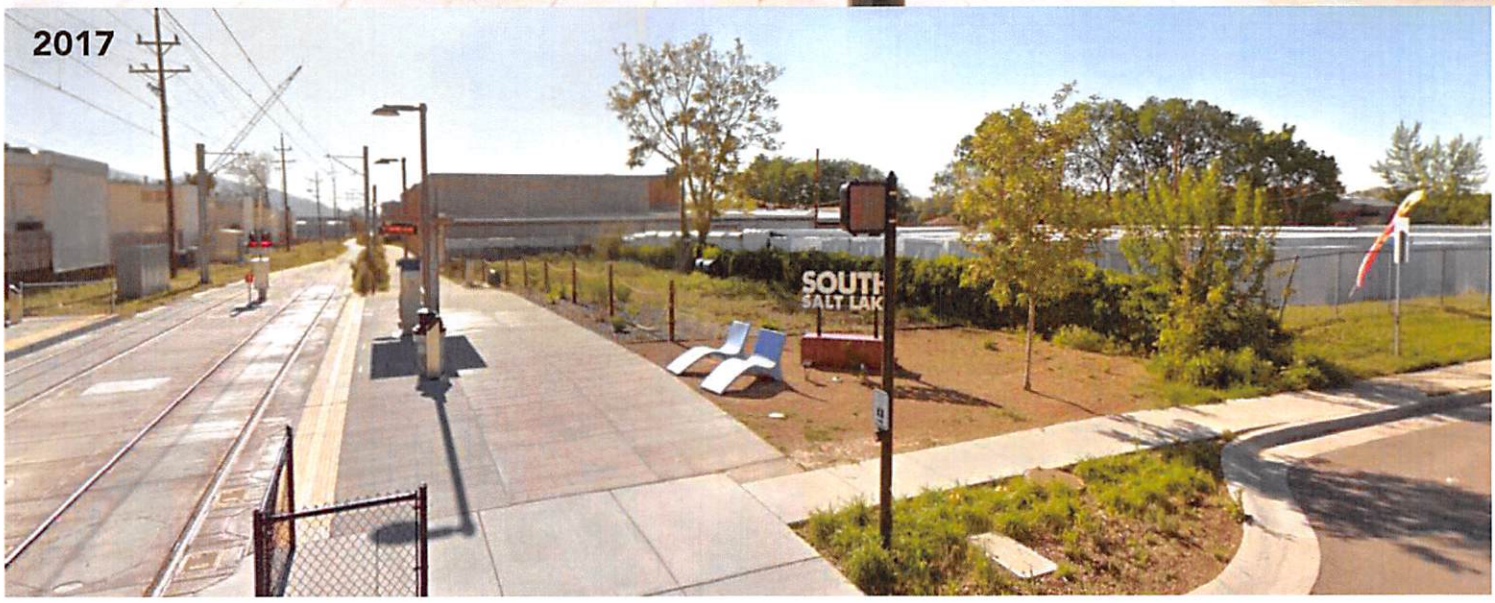
2018

MODA TOWNHOMES
2255 SOUTH 400 EAST

2015

2017

GATEWAY PARK
2230 SOUTH 500 EAST



Downtown South Salt Lake

A new and identifiable city core with unparalleled regional connections

Census Tract 1115, and specifically the area located at 2100 S. State Street, sits at arguably the most important transportation crossroads of the Salt Lake Valley. Served by Interstates 80 and 15, State Street, and the Utah Transit Authority's Trax light rail and S-line streetcar, this area is one of the most well-connected urban cores of the region. It is a vital lynchpin connecting the residents and businesses of South Salt Lake with the adjacent communities of downtown Salt Lake City, Sugar House, and West Valley.

With this transportation backbone in place, the City of South Salt Lake has embarked on an aggressive redevelopment project to provide employment and housing opportunities to an underserved area of both the City and Salt Lake County. Redevelopment in this census tract area could be the most significant action in South Salt Lake's 80-year history and likely the next century.

South Salt Lake City, its redevelopment agency and private investors recently kicked off Phase 1 of development to realize the city's vision for creating a new urban core. South Salt Lake has branded this area as its first "downtown" with all the ingredients for a true regional destination: unique character and historic assets, true diversity, a burgeoning creative industry district, pedestrian friendly trails and greenway, and affordability for investment by businesses and residents.

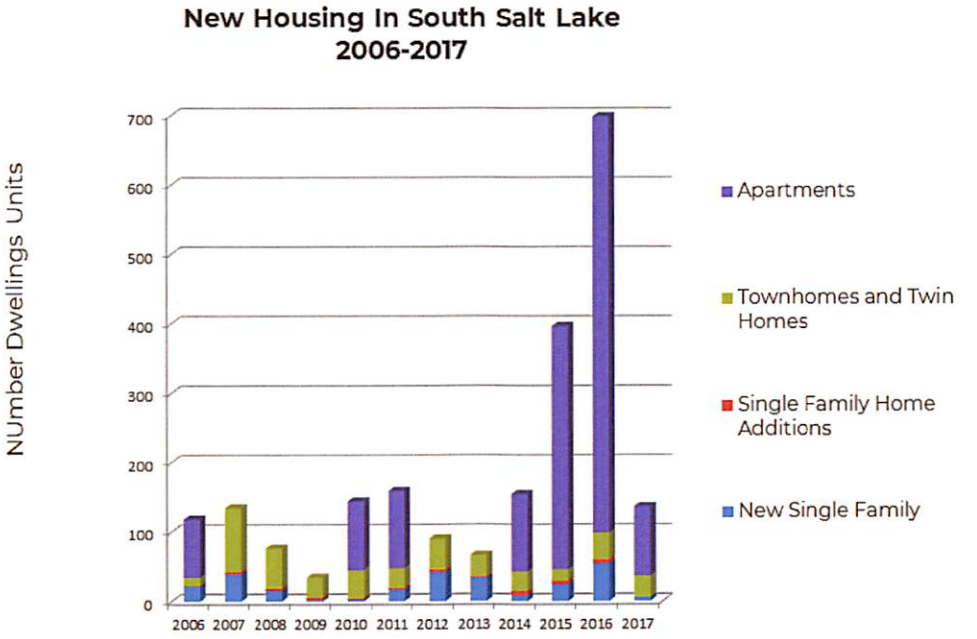
NEIGHBORHOOD

MAP 1: REGIONAL CONTEXT

In 2015 and 2016 the City secured grant funding from Wasatch Regional Council to help the City develop and adopt a new Downtown Master Plan and form-based zoning code which incentivizes and guides future public/private investment. The new zoning code is an economic development tool that outlines a vision of anticipated development and sets the stage for a quick entitlement process.

147 Acres of Opportunity

Over the next twenty-five years, the City has planned for 2,500 multi-family housing units and 4.5 million square feet of commercial use -- all anchored by multi-modal transit. Private development has recently completed an 85,000-square foot grocery store and construction is underway on two affordable housing developments, with a third to begin construction in 2019.

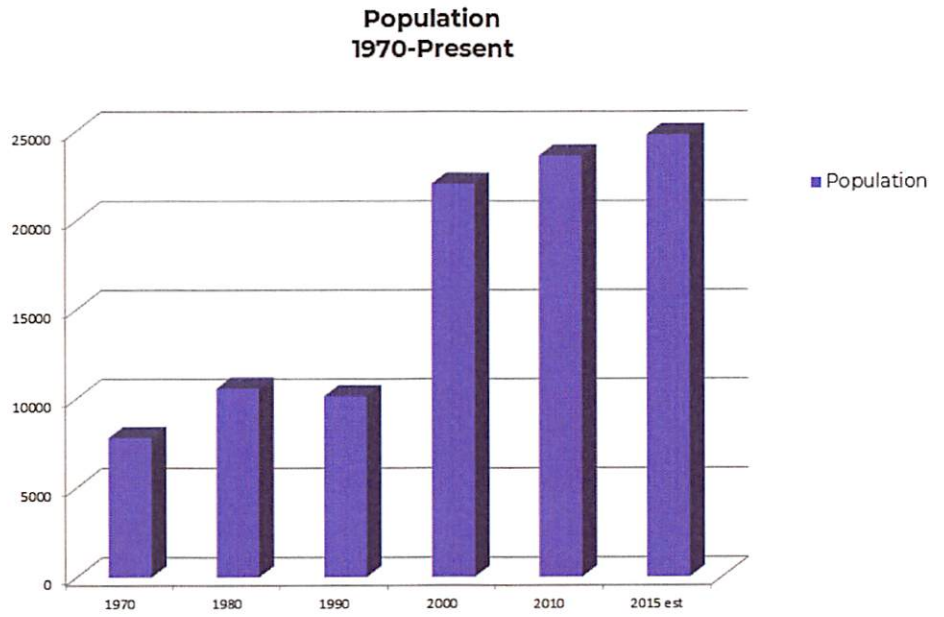


Source: South Salt Lake Community and Economic Development Department

With this being a redevelopment site the appropriate utility infrastructure is in place to support new business investment. While key areas around transit are slated for higher density redevelopment, the area also boasts a strong small business environment with approximately 250 businesses and 3,000 employees coming to this area every day to work. This area also is the home to a growing creative arts district that supports diverse uses that help to sustain a downtown district and bring people to live, work and play.

Poised for Change

With all of the great things happening in Downtown South Salt Lake, there are many opportunities to help support new and existing residents and businesses in the area. An Opportunity Zone credit will help to bring much needed private investment into one of the lowest median income areas of Salt Lake County and the State of Utah. According to the American Community Survey, South Salt Lake's median income is $36,345, which is 61% of the Salt Lake County average median income. The U.S. Census Bureau indicates that in 2007, 22.3% of SSL residents fell under the poverty line; in 2011 that share of residents below the poverty line increased to 23.8%. Using a broader measure of poverty status provided by the U.S. Department of Housing and Urban Development, the Bureau of Economic and Business Research concluded that 37% of the South Salt Lake residents are considered "poor," and that South Salt Lake had among the highest concentrations of poverty in Salt Lake County (BEBR, 2013).



Source: U.S Census Bureau, South Salt Lake General Plan
Note: 1998 South Salt Lake annexation increased population by 10,000

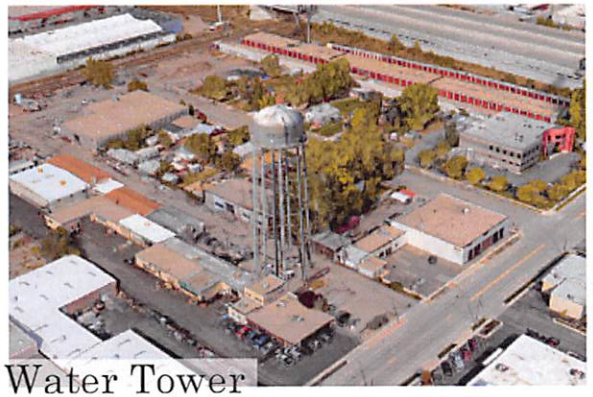
Due to South Salt Lake's central location, affordability and transportation connections, the past ten years have seen a resurgence in population and housing growth. The U.S. Census Bureau records that the City has a population of 24,748 residents with an average population increase of 4.8% per year since 2006, the City has issued building permits for over 2,100 residential units.

South Salt Lake sees the Opportunity Zone designation as a catalyst for redevelopment that will improve the quality of life for South Salt Lake residents and provide economic opportunities for existing and future business owners. This funding option will help to attract new commercial investment, jobs and revitalization opportunities that otherwise may not be possible. With the infrastructure in place and a City that is ready for development, South Salt Lake believes that incentivizing this census tract area will have profound impact on helping to meet the local and regional demands while providing opportunities where needed most.

SOUTH SALT LAKE

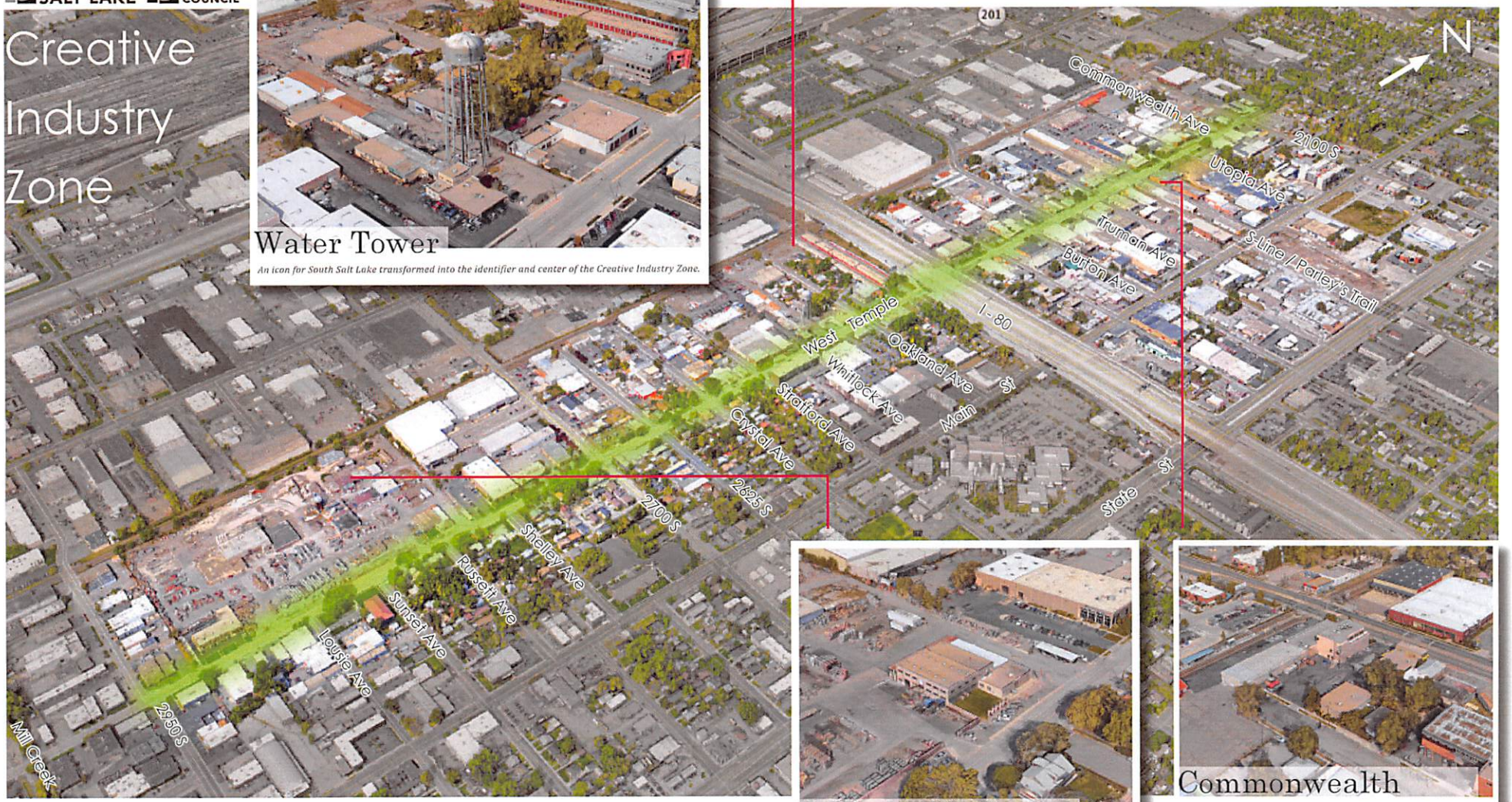
SOUTH SALT LAKE ARTS COUNCIL

Creative Industry Zone



Water Tower

An icon for South Salt Lake transformed into the identifier and center of the Creative Industry Zone.



Buehner Block

With medium density housing, the site provides opportunities to create a significant public green space and an arts incubator.

Commonwealth

A growing mixed-use neighborhood centered on a public park/plaza and retail spaces with opportunities to showcase art, culture, food, music, dance and everyday enjoyment. It also supports an existing cluster of craftsman industries and creative incubation.

Chad Christian Ewell

148 E Gregson Ave., Salt Lake City, UT. 84115
801-835-8743
chadewell@gmail.com

EXPERIENCE

General Manager
National Directory of Chiropractic, Inc.
September 2005 - Current

During my tenure at NDC I have managed or assisted in a wide variety of policy, staff, and operational implementations, including but not limited to: Interviewing, hiring, training, mentoring, and management of staff, collaboration with executive team and implementation of timelines for projected policy changes and operational functions, building vendor relations, coordination and implementation of presence at tradeshows and conferences, and overall management of day to day operational functions.

Duties include:

- Executive Assistant
- Administrative Assistant
- Scheduling and coordinating travel arrangements, appointments and meeting schedules for CEO and Staff
- General, Operations and Office Manager
- Oversee productivity of clerical, administrative, and customer support staff
- Information preparation and records/reports management
- Vendor Relations Manager, Built and maintained professional business relationships with over 200 different Chiropractic Schools, Suppliers, and Distributors
- General Office Manager
- Project assessment for delegation and assignment to various departments.
- Work directly with CEO to monitor database and sales
- Account Manager: Interface and maintain relationships with over 800 Chiropractic Doctors regarding accounts and Billing, Including, but not limited to: Extensive Customer Support, Collections, Account Reconciliation, Program Renewals, Negotiations, Cancellations, Etc. resulting in an annual revenue of over 800k.
- Account Executive: Work directly with high profile accounts to determine client needs, project scope, budgetary specifications respond to and resolve client inquiries.
- Write Contracts, Reports, and Negotiation Agreements between CEO and Clients.
- Extensive knowledge and experience working in Trade Show setting including travel arrangements, material preparation, team coordination, set up/tear down, sales, and wrap reports.
- Manage and implement company Social Media and email advertising & marketing concepts
- Interviewing, Hiring, Training and various other Human Resource Tasks.
- Experience with decision making to increase ROI, while working directly with publishers and distributors to cut costs for production of online services, and printed publication.

Customer Support Representative
JetBlue
Feb 2017 – Current

Duties include:

- Responded to and handled customer complaints, inquiries, and general travel booking support requests in a professional and timely manner.
- Further developed personal organizational and multi-tasking skills in a fast paced environment.
- Assist customers in navigating company website and troubleshooting any technical difficulties.
- Promptly and methodically responded to customer inquiries to identify and resolve issues with

initiative and good judgment.

- Performed a variety of concurrent tasks, handled escalations, time critical issues, maintained time sensitive records.
- Maintain a high-volume workload within a fast paced environment and met performance benchmarks in all areas (speed, sales, accuracy and volume).

Program Coordinator
Utah Arts Festival
June 2005 – June 2017

Duties include:

- Attend and participate in coordinator meetings leading up to and after festival.
- Promote "Friends With Benefits" program, in addition to fundraising campaigns to increase individual giving.
- Plan and execute special events during Utah Arts Festival for "Friends With Benefits" program VIP Guests.
- Recruit and manage volunteer staff for event, including scheduling, managing agenda of events, training and delegating staff members.
- Prepare, track and adhere to budget constraints.
- Build and maintain working relationships with sponsors, vendors and advertisers.
- Coordinate supplier, distributors and vendors.

Administrative Assistant/Legal Aid
Shapiro & Meinhold, L.L.P.
04/2004 - 06/2005

Duties include:

- Monitor and record financial statements, and balances.
- Monitor and record court proceedings on filed bankruptcies
- Initiate and perform inter-office filing and record keeping
- Assist attorney in all court, client, inter-office, and personal and business tasks
- Correspond with numerous clients and opposing counsels
- Drafted, prepared and filed various legal and correspondence documents

Assistant Manager
GAP, Inc.
07/1997-04/2004

Duties include:

- 3 years Supervisory/Management experience.
- Extensive business plan and strategy experience
- Organized, implemented, trained and lead new Visuals Team.
- Human Resource Experience including, but not limited to: Scheduling, payroll, hiring, training, etc.
- Merchandising and product placement planner
- Performed associate development and training to newly hired staff.
- Completed multiple management training courses.

EDUCATION

Provo High School, Provo UT
1994-1999
Southern Utah University, Cedar City UT
1999-2001

ORDINANCE NO. 2018-_____

AN ORDINANCE OF THE CITY OF SOUTH SALT LAKE CITY COUNCIL AMENDING SECTION 2.08.060, CITY COUNCIL POWERS AND DUTIES

WHEREAS, the City of South Salt Lake operates under a council-mayor form of government, which separates the duties and responsibilities of each; and

WHEREAS, this council finds that it should have the ability to hire and direct staff to assist the council in formulating policy pursuant to State law and carrying out its legislative functions;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of South Salt Lake:

Section 1. Section 2.08.060 of the City of South Salt Lake Municipal Code is amended to read:

2.08.060 - Powers and duties.

A. The city council shall act as the legislative body of the city government. It shall have the power to enact city policies, but the power of enforcement of such policies rests with the mayor.

B. The city council shall pass ordinances, appropriate funds, review municipal administration, and perform all duties that may be required of it by law.

C. The city council shall have power to pass resolutions and ordinances concerning matters such as:

1. Tax levies;
2. Adoption of the city budget;
3. Sewer, water, and other service rates;
4. Licensing fees and other fees set forth in the South Salt Lake Municipal Code;
5. Zoning and building regulations.

D. The city council shall consider and give, where appropriate, its advice and consent to the mayor on all proposed appointments of city officers and appointments to commissions, committees or other bodies established to provide advice or assistance to the operation of the city government.

E. The council shall supervise, appoint, and direct its own staff and establish job descriptions, job functions, job classifications or reclassifications and compensation therefor, within the budgeted appropriations and consistent with state law.

F. The city council shall have power to make and enforce any additional rules and regulations for the government of the council, the preservation of order, and the transaction of the business of the council as may be necessary.

~~F~~G. The city council shall, by ordinance, provide for the manner in which:

1. Municipal property is bought, sold, traded, encumbered, or otherwise transferred; and
2. Subdivisions or annexations are approved, disapproved or otherwise regulated.

Section 2. Repealer. Ordinances in conflict herewith are hereby repealed.

Section 3. Effective Date. This ordinance will take effect upon execution by the Mayor or after fifteen days from transmission to the office of the Mayor if neither approved nor disapproved by the Mayor.

DATED this _____ day of _____, 2018.

BY THE CITY COUNCIL:

_____
Ben Pender, Council Chair

ATTEST:

_____
Craig D. Burton, City Recorder

City Council Vote as Recorded:

Beverly	_____
deWolfe	_____
Kindred	_____
Mila	_____
Pender	_____
Siwik	_____
Thomas	_____

Transmitted to the Mayor's office on this _____ day of_____, 2018.

_____
Craig D. Burton, City Recorder

MAYOR'S ACTION: _____

Dated this _____ day of _____, 2018.

_____
Cherie Wood, Mayor

ATTEST:

_____
Craig D. Burton, City Recorder

RESOLUTION NO. R2018 -____

A RESOLUTION OF THE CITY OF SOUTH SALT LAKE CITY COUNCIL ADOPTING RULE 23 OF THE CITY COUNCIL RULES OF PROCEDURE REGARDING COUNCIL STAFF

WHEREAS, the City Council has established Rules of Procedure by which it governs its actions; and

WHEREAS, this Council finds it to be in the best interest to adopt a new Rule to allow members flexibility in working with the Council's staff to perform its duties and responsibilities;

BE IT RESOLVED, THEREFORE, by the City Council of the City of South Salt Lake:

Section 1. Rule 23 of the South Salt Lake City Council Rules of Procedure is adopted to read:

Rule 23: Council Staff.

Any member of the City Council may, individually or jointly with another member, contact staff employed by the Council to initiate legislation, ask questions, seek opinions, request the drafting of documents, reports, and audits, prepare items for discussion at Council meetings, make assignments, and to do all other things necessary for the business of the Council.

Section 2. Effective Date. This Resolution will take effect immediately upon passage.

DATED this _____ day of _____, 2018.

BY THE CITY COUNCIL:

_____
Ben Pender, Council Chair

ATTEST:

_____
Craig D. Burton, City Recorder

City Council Vote as Recorded:

Beverly	_____
deWolfe	_____
Kindred	_____
Mila	_____
Pender	_____
Siwik	_____
Thomas	_____

ORDINANCE NO. 2018-_____

AN ORDINANCE OF THE SOUTH SALT LAKE CITY COUNCIL ENACTING TITLE 13.25 TO CREATE A STORM WATER UTILITY, IMPLEMENT STORM WATER USER FEES, AND ESTABLISH A STORM WATER ENTERPRISE FUND

WHEREAS, the South Salt Lake City Council (the "Council") met in a regular session on June 13, 2018, to consider, among other things, enacting Title 13.25 of the City of South Salt Lake Code of Ordinances with respect to the creation and operation of a storm water utility; and

WHEREAS, the City of South Salt Lake ("City") owns and operates a storm water collection system which has been developed over many years and consists of a network of natural conveyances and manmade structures and conduits that collect, control and route storm water runoff; and

WHEREAS, the Council finds that inadequate management of the quantity and quality of storm water runoff causes flooding and property damage, carries concentration of heavy metals, oils, toxic materials into receiving and ground waters, and degrades the integrity of City neighborhoods and infrastructure; and

WHEREAS, the Council finds that such are hazards and pose a significant risk to public health, safety, and welfare; and

WHEREAS, the Council finds that such risks are best managed by a storm water system that is effectively maintained, improved, repaired, operated, regulated, and controlled, and thereby conveys a significant service to residents and businesses within the City limits; and

WHEREAS, the City has authority under the Utah Municipal Code, Utah Code Annotated Section 10-8-38(1)-(2), to "construct, reconstruct, maintain, and operate … culverts, drains, sewers, catch basins, manholes, cesspools, and all systems, equipment and facilities necessary to the proper drainage … of the city" and make a "reasonable charge" for such services;

WHEREAS, pursuant to the Federal Clean Water Act, 33 U.S.C. Chapter 26, the U.S. Environmental Protection Agency ("EPA") has established rules and regulations setting forth the National Pollutant Discharge Elimination System ("NPDES") permit requirements for municipal storm water discharges ("Phase II Permit Program"); and

WHEREAS, the State of Utah, through its Department of Environmental Quality ("DEQ"), has been delegated authority to administer the Phase II Permit Program and has adopted state rules and regulations implementing the Program; and

WHEREAS, the City, along with other municipalities in the Jordan Valley as a co-permittee of a Phase II Storm Water Permit, is required, among other things, to implement a storm water management program and associated ordinance to (1) control the contribution of pollutants to the storm water system associated with industrial sites, construction sites, and other activities within the City; (2) prohibit illicit discharges of pollutants into the storm water collection system spills, dumping, or disposal of materials other than storm water; (3) promote implementation of long-term storm water controls on development sites; (4) educate City residents and businesses about the storm water program; and (4) enforce compliance with the program and ordinance; and

WHEREAS, the City has an estimated $11.3 million in storm water capital needs and projected annual operations costs of $1,390,000 to implement the storm water program and make incremental capital improvements; and

WHEREAS, unlike all other co-permittees and most cities along the Wasatch Front, the City does not currently have a dedicated revenue source for storm water activities and capital costs;

WHEREAS, based on recommendations made to the City by consulting engineers Hansen, Allen, & Luce, Inc. ("Engineers"), the City Engineer, and City legal counsel, the Council finds that the owners of properties with impervious surfaces within the City contribute to, make use of, and benefit from the City's storm water collection system and should proportionately contribute to the funding of the City's efforts to maintain, operate, regulate, enforce, and improve the City's storm water collection system and storm water management program; and

WHEREAS, the Council finds that implementing a storm water utility will assist in achieving compliance with the requirements of the Phase II Storm Water Permit; and

WHEREAS, the Council finds that implementing a storm water utility will enable ongoing maintenance, operations and the improvement of the storm water collection system and implementation and enforcement of the storm water program; and

WHEREAS, the Council hereby finds that the establishment of a storm water utility is the most fair and equitable method to fund the City's storm water management program including the requirements of the Phase II Storm Water Permit, and the establishment of a storm water utility is in the best interest of the health, safety, and welfare of the public.

NOW, THEREFORE, BE IT ORDAINED by the South Salt Lake City Council that the following be adopted as Title 13.25 of the City of South Salt Lake Code of Ordinances:

13.25.01. Policy and Purpose.

The City has determined and hereby declares that the City's Storm Water System benefits and services all property within incorporated City limits and protects the health, safety, and welfare of the City and its residents, businesses, and visitors by managing and

controlling storm water runoff, reducing hazards to life and property from storm water runoff, reducing undesirable storm water conditions, and preventing polluted waters from entering receiving waters.

13.25.02 Definitions.

"Base Rate" means the standard Storm Water User's fee set forth in the Consolidated Fee Schedule for the City of South Salt Lake.

"BMP" means Best Management Practices to improve storm water quality and prevent or detain storm water runoff.

"City" means the City of South Salt Lake.

"Council" means City of South Salt Lake Council.

"County" means Salt Lake County.

"Customer" or "Person"' means any individual; public or private corporation and its officers; partnership; association; firm; trustee; executor of an estate; the State or its departments, institutions, bureaus, agencies; county; city; political subdivision; or any other governmental or legal entity recognized by law.

"Developed Property" means any parcel that has been altered from its natural conditions by grading, filling, overlaying, or the constructions of improvements or other impervious surfaces.

"Equivalent Residential Unit" or "ERU" means a unit equal to 2,700 square feet of impervious surface area. This is based on an average single-family residential parcel, which has an impervious surface area of 2,700 square feet. Total ERU's are calculated by dividing total square feet of impervious surface by 2,700 (one ERU), rounded *to* the nearest whole number.

"Impervious Surfaces" means any hard surface that prevents or hinders the absorption of water into the soil, or that causes reduced quality of runoff water, or causes water to runoff in greater quantities or at greater flow rates than the natural surface.

"Mitigation" means onsite facilities, BMPs or infrastructure which retain storm water onsite, manage water runoff, reduce storm water flow, and/or improve storm water quality.

"Other Developed Property" means all property that is not Single-Family Residential Property including, but not limited to, commercial, industrial, institutional, and multi-family residential property.

"Parcel" means a separately, segregated unit of land having an identified owner(s). A parcel has boundaries and a surface area which is identified and documented with an identification number by Salt Lake County.

"Phase II Permit" means the UPDES Permit issued to the Jordan Valley municipalities, including the City, Permit No. UTS000001, as amended.

"Reduced Rate" means the reduced Storm Water User's fee rate set forth in the Consolidated Fee Schedule for the City of South Salt Lake for property owners that meet the requirements of Section 13.25.04(D).

"Single-Family Residential" means any one parcel of land containing no more than one single-family dwelling unit.

"Storm Water" means water produced by storms, surface drainage, snow and ice melt, and any other water produced by natural means.

"Storm Water Fund" means the fund created by this ordinance to receive Storm Water User Fees and operate, maintain, and improve the City's Storm Water System.

"Storm Water Maintenance Agreement" means the permit required in Title 13.78.090 of the Storm Water Management Ordinance.

"Storm Water System" means all man-made storm sewer facilities and conveyances, and natural storm water systems owned or maintained by the City that store, control, treat, and/or convey storm water.

"Storm Water Program" means the City's program developed to implement the requirements of the Phase II Permit.

"Storm Water Utility" means the utility created by this chapter which operates, maintains, regulates, and improves storm water facilities and programs within the City.

"Storm Water User Fee" means the fee(s) calculated pursuant to Section 13.25.04 of this chapter by multiplying the number of ERUs for the parcel (or one ERU for Single-Family Residential Parcels) by the Base Rate or Reduced Rate if applicable.

"Storm Water System" means all man-made storm water facilities, man-made or naturally occurring storm water conveyances including, but not limited to: designated open space and areas owned by and maintained by the City that retains, controls, or conveys storm water.

"Undeveloped Parcel" means any parcel that has not been altered, graded, filled, overlaid, or constructed and has less than five (5) percent Impervious Surface.

"UPDES Permit" means the state/national program for issuing, modifying, revoking and reissuing, termination, monitoring, and enforcing permits, and imposing and enforcing pretreatment requirements, under sections 307, 318, 402, and 405 of the Clean Water Act.

13.25.03 Storm Water Utility.

A. **Creation.** There is hereby created and established a Storm Water Utility operated by the City and funded by a service fee rate structure. The Storm Water Utility, under the legislative policy, supervision and control of the Mayor and Council, shall:

1. Administer and enforce this ordinance and all regulations and procedures adopted relating to the design, construction, maintenance, operation and alteration of the Storm Water System and the Storm Water Program; and

2. Implement the requirements of the Phase II Permit and the Storm Water Program.

B. **Enterprise Fund**. There is hereby established a storm water utility enterprise fund ("Storm Water Fund") to record all revenue, expenses, asset and liability information as well as other financial transactions related to the Storm Water Utility. All fees and other revenue collected in accordance with this ordinance shall be recorded into the Storm Water Fund accounts and shall be used exclusively for the Storm Water Utility. All revenue and expenses and other financial information shall be reported as prescribed by the State of Utah's Uniform Fiscal Procedures Act for Utah Cities.

C. **Administration**. The Storm Water Utility shall be administered by the City Engineer unless otherwise designated by the Mayor.

13.25.04 Storm Water User Fee

A. **Fee Imposed**. Beginning October 1, 2018, all owners of properties within the City that have Impervious Surfaces contribute runoff water to the Storm Water System or otherwise benefit from the Storm Water System are responsible for paying the Storm Water User Fee as set forth in this chapter.

B. **Base Rate**. The Council, by ordinance or resolution, shall establish, and periodically adjust, the Base Rate for the Storm Water Utility to ensure adequate revenues to fund the costs of storm water management. The Base Rate shall be set forth in the City of South Salt Lake Consolidated Fee Schedule, available at Title 3.11.

C. **Amount of Charge**. For purposes of calculating the Storm Water User Fee, there is hereby established an Equivalent Residential Unit (ERU") of 2,700 square feet to be used to calculate respective fees using the Base Rate set forth in the City of South Salt Lake Consolidated Fee Schedule, Title 3.11. The ERU is derived from the average Impervious Surface of Single-Family Residential Parcels within the City limits. For the

purposes of determining the Storm Water User Fee, all properties are classified into one of the following classes:

1. Single-Family Residential. The Council finds that the intensity of development of most parcels classified as Single-Family Residential is similar and that it would be inefficient to determine the precise Impervious Surface on each parcel. Therefore, all Single Family Residential properties in the City shall be charged the equivalent of one (1) ERU multiplied by the Base Rate.

2. Other Developed Property. The Storm Water User Fee for all other non-Single-Family Residential property shall be the Base Rate multiplied by the numerical factor obtained from dividing the total impervious surface area (in sqft) of Other Developed Property by one ERU and rounded to the nearest whole number.

(Impervious-Surface square footage ÷ One ERU) x Base Rate
= Storm Water User Fee

3. Undeveloped Property. Any parcel that has not been altered by grading, filling or construction and which has less than 5 percent impervious surface shall have no Storm Water User Fee assessed.

D. **Reduced Rate for Implementing BMPs**. An owner of Other Developed Property may apply to the City to calculate a Storm Water User Fee using the Reduced Rate set forth in the City of South Salt Lake Consolidated Fee Schedule, Title 3.11, where the owner has implemented Mitigation to reduce storm water runoff from the property. The Reduced Rate is available for commercial, industrial, institutional and multi-family developments that implement long term Best Management Practices "BMPs" to reduce or remove pollutants from storm runoff, before it leaves the development site. To qualify for this rate, the owner or representative of a parcel must:

1. Obtain BMP approval and secure a Storm Water Maintenance Agreement through the City's Engineering Department; and

2. Agree to allow inspections of the property to ensure the approved BMP is still in place and properly maintained. If BMPs are not properly maintained, the site will no longer qualify for a reduced rate.

E. **Property Owners Responsible for Charges**. The property owner of record is responsible for the Storm Water User Fee. An alternative billing arrangement may be requested as set forth in Section 13.25.05; however, the property owner retains all obligations for payment of Storm Water User Fees.

F. **Policies**. The City may adopt policies and rules to assist in applying, administering, and interpreting the service fee credit and other provisions related to the Storm Water Utility.

G. **Appeals.** Any person or property owner who is aggrieved by the provisions of this chapter, or the application and calculation of the service charge to their property may appeal to the City pursuant to Section 13.74.090 and Title 2.22 of the South Salt Lake City Code.

13.25.05 Billing and Collection. The City shall bill property owners of Impervious Surfaces for the Storm Water User Fee via a separate line item on existing utility bills or a separate invoice, consistent with the procedures set forth in Section 13.74.04 of the South Salt Lake City Code. Charges and fees shall be considered delinquent if not paid as determined by rules, policies, and procedures established by the City. Such delinquent fees shall be subject to recovery, with any assessed delinquent charges and fees, by civil action or otherwise pursuant to Section 13.74.040(H).

A. **Alternative Billing Arrangement.** Owners may assign the payment of the Storm Water User Fee to non-owners by signing an "Alternate Billing Agreement" with the City. Multi-Family properties may also choose to have individual property owners billed separately pursuant to an Alternate Billing Agreement.

13.25.06 Annual Report. The City's Storm Water Division shall develop an annual report on the Storm Water Utility to be made available to the Council and Storm Water Utility Customers. This report shall summarize the financial activities of the Utility and the major areas of expenditure, activities, accomplishments, and the upcoming year's priorities.

13.25.07 Severability. If any section of this chapter is determined to be illegal, invalid, or superseded by other lawful authority, including any federal or state legislative, regulatory, or administrative action, such section shall be deemed a separate, distinct, and independent provision, and such determination shall have no effect on the validity of any other section.

This ordinance will take effect upon execution by the Mayor or after fifteen days from transmission to the office of Mayor if neither approved nor disapproved by the Mayor.

DATED this _____ day of _____, 2018.

BY THE CITY COUNCIL:

_____

Ben B. Pender, Council Chair

ATTEST:

_____

Craig D. Burton, City Recorder

City Council Vote as Recorded:

Beverly _____
deWolfe _____
Kindred _____
Mila _____
Pender _____
Siwik _____
Thomas _____

Transmitted to the Mayor's office on this _____ day of _____, 2018.

_____
Craig D. Burton, City Recorder

MAYOR'S ACTION: _____

Dated this _____ day of _____, 2018.

_____
Cherie Wood, Mayor

ATTEST:

_____
Craig D. Burton, City Recorder

APPROVED AS TO FORM
DATE: 6/13/18
CITY ATTORNEY

PINNOCK, ROBBINS, POSEY & RICHINS
Certified Public Accountants • A Professional Corporation

James R. Beaudoin, PFS, CFP,® CPA
Wade K. Watkins, CPA
Daniel T. Barlow, CPA
Gregory O. Hyde, PFS, CFP,® CPA
Adam C. Posey, MBA, CPA
Alfred J. Kofoed, CPA, Of Counsel

June 27, 2018

To the City Council and Management
City of South Salt Lake
220 East Morris Avenue
South Salt Lake City, UT 84115

We are pleased to confirm our understanding of the services we are to provide the City of South Salt Lake for the year ended June 30, 2018. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of South Salt Lake as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of South Salt Lake's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of South Salt Lake's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. Proportionate share of net pension liability
4. Pension contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the City of South Salt Lake's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the basic financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of expenditures of federal awards
2. Combining nonmajor fund financial statements
3. Budgetary comparison information for nonmajor and capital projects funds

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory section
2. Statistical section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing* Standards.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of the accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the management and City Council of the City of South Salt Lake. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason,

we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Audit Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on

internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of South Salt Lake's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of South Salt Lake's major programs. The purpose of these procedures will be to express an opinion on the City of South Salt Lake's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City of South Salt Lake in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and

properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statues) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contract has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in auditing findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any

significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Pinnock, Robbins, Posey & Richins and constitutes confidential information. However, subject to laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Utah State Auditor's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Pinnock, Robbins, Posey & Richins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a federal awarding agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 17, 2018 and to issue our reports no later than November 30, 2018. Daniel T. Barlow is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $34,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of South Salt Lake and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Pinnock, Robbins, Posey & Richins

PINNOCK, ROBBINS, POSEY & RICHINS, PC

RESPONSE:
This letter correctly sets forth the understanding of City of South Salt Lake.

City Council Signature:_____

Title:_____

Date:_____

Management Signature:_____

Title:_____

Date:_____