

**NORTH OGDEN CITY COUNCIL WORK SESSION
MEETING MINUTES**

April 30, 2019

The North Ogden City Council convened in an open meeting on April 30, 2019 at 6:04 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on April 22, 2019. Notice of the annual meeting schedule was published in the Standard-Examiner on December 28, 2018.

PRESENT:	M. Brent Chugg	Mayor	
	Ryan Barker	Council Member	
	Blake Cevering	Council Member	excused
	Cheryl Stoker	Council Member	
	Phillip Swanson	Council Member	
	Carl Turner	Council Member	

STAFF PRESENT:	Jon Call	City Administrator/Attorney
	Annette Spendlove	City Recorder/HR Director
	Dave Espinoza	Public Works Director
	Evan Nelson	Finance Director
	Dirk Quinney	Chief of Police
	Tiffany Staheli	Parks & Recreation Director

VISITORS:	Kevin Burns	Julie Anderson	Stephanie Casey
	Susan Clements	Brett Hamblin	Jonathan Arrington
	Brenda Ashdown	Janice Schramm	Jake Stewart
	Max Jackson	Finn	Andrew Garner
	George Fewell	Greg Sorensen	Keith Ashdown

Mayor Chugg called the meeting to order. Mayor Chugg offered the invocation and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

- 1. DISCUSSION AND/OR ACTION TO CONSIDER MARCH 5, 2019 CITY COUNCIL MEETING MINUTES**
- 2. DISCUSSION AND/OR ACTION TO CONSIDER MARCH 19, 2019 CITY COUNCIL MEETING MINUTES**

Council Member Swanson motioned to approve March 5, 2019 and March 19, 2019 City Council Meeting Minutes. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Barker	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	aye

The motion passed unanimously.

ACTIVE AGENDA

3. PUBLIC COMMENTS

Greg Sorensen, 2180 N. Fruitland Drive, read the following letter that he has drafted to the City Council regarding his desires for enlarging his home:

“My family is growing, and my wife and I are desirous to enlarge our home. We are considering an add on or a rebuild. I have a unique circumstance at my property. We own a 5-sided lot in a RE-20 zoning. The current ordinance requires a minimum 10-foot setback for the "side yard" and a 20-foot setback for the "rear yard." We have approximately 150 feet of backyard, but with the 5-sided lot, one small portion is considered back yard and the current ordinance requires that I extend the new construction forward to meet the 20-foot setback having a negative impact on my property.

I am asking the City Council to consider rendering relief from the ordinance by considering this small "back yard" to be deemed a "side yard" thus allowing a more even flow to the setbacks to reflect 10-feet, 10-feet, 10-feet.

I have been working with North Ogden City Staff members, Robert Scott (Planning Director), Nate Davis (Building Inspector), and John Call (North Ogden City Attorney), and was given the recommendation to speak with you members of the North Ogden City Council to ask if you would consider giving relief in the text of this particular zoning ordinance by allowing the North Ogden City Staff to make an exception in this unique circumstance.

Thank you for your time and consideration.”

Mr. Sorensen also presented a map of the layout of his property to illustrate the adjustment he is requesting.

Council Member Turner sought advice from the City Administration relative to Mr. Sorensen's request. Mr. Call stated that in order to accommodate Mr. Sorensen's request, a text amendment to the City's zoning ordinance would be required. In order for the Council to consider a text amendment, a recommendation from the Planning Commission is needed. Council Members Swanson and Turner both indicated they were comfortable with the item being referred to the Planning Commission.

Mayor Chugg welcomed Boy Scout Troop 494 from Pleasant View.

Brett Hamblin, 963 Deer Meadows Drive, thanked the Mayor and Council for the service they provide to the community, specifically the time they spend on the annual budget process. He then reviewed his employment history to explain his personal compensation experience; there were several years where he did not receive a pay increase or any amount received was offset by an increase in benefit costs. He stated that he appreciates the services he receives from the City and he understands the costs of providing those services will continue to increase for the City. He believes it is important to retain qualified employees and that in order to do that, the City employees must be paid a fair wage. He indicated he would be supportive of a modest tax increase to facilitate fair compensation and maintenance of quality services for City residents.

Jonathan Arrington, Sierra Homes, stated that he is present this evening to ask that the City Council consider waiving building permit fees for Mark and Holly Kempke; the Kempke's started a remodel of their home approximately one-year ago and it was halted following the tragic loss of their son who was shot by a stray bullet during a camping outing with his family. Sierra Homes, Lifestyle Homes, and the Northern Wasatch Home Builders Association are working together to complete the project and they are seeking support from the City by way of waiver of the permit fees.

Mr. Call stated that the City has not typically waived permit fees in the past because doing so would require the cost of issuing the fee to be covered by tax payer funds; however, here the fee for this permit is approximately \$200 and he is willing to personally donate to cover the cost. He indicated City Recorder Spendlove has also offered to contribute. Mayor Chugg indicated he will also contribute and advised Mr. Arrington to work with Mr. Call to finalize the matter.

4. DISCUSSION ON 2019-2020 BUDGET

a. 401K & b. General Fund

A staff memo from Finance Director Nelson explained that at the last Council budget discussion, staff presented a balanced General Fund Budget. The budget presented did not include the additional 3% 401K contribution originally proposed. It included a part-time Events Coordinator and a part-time Code Enforcement/Community Resource Officer. Both positions had originally been requested for full-time. Based on discussions at the meeting, the current version of the budget now includes the additional 3% 401K contributions and the Events Coordinator position is now funded at full-time status. The Code Enforcement/Community Resource Officer is still

funded at part-time status. A reallocation of Motor Pool transfers freed up dollars in the General Fund to make this possible.

Relative to costs associated with 401K funding, it is necessary to clarify the difference between employee retirement benefits and a 401K contribution match. The item that was included in the budget is a match on the City's part of three percent of the total amount contributed by an employee. Up for consideration is whether the City should reinstate that match, which was previously funded in the City's budget and would equate to an annual expenditure of approximately \$83,000.

Additional expenses that have been contemplated for inclusion in the budget include the following:

Code Enforcement/Resource Officer (full-time)	\$73,407
Code Enforcement/Resource Officer (part-time)	\$26,394
Events Coordinator (full-time)	\$78,828
Events Coordinator (part-time)	\$28,019
401K 3% additional	\$82,779
401K 2% additional	\$55,186
401K 1% additional	\$27,593

Police Chief Quinney and Parks and Recreation Director Staheli were both given the opportunity to review the justification for the positions requested in their respective Departments. Chief Quinney indicated that he is willing to accept a part-time Code Enforcement/Resource Officer position at this time as he believes that the full-time Events Coordinator position is needed at this time. Ms. Staheli indicated she is very appreciative of Chief Quinney's support and his willingness to sacrifice in his Department in order to make it possible to fund the full-time Events Coordinator position. Mayor Chugg stated he has appreciated the negotiations that have taken place between the various Departments in the City and he is pleased they are able to work together so well and support one another. He added that situations that have arisen in other communities have been proof to him of the need to employ qualified professionals in the City and, in order to do that, employees must be fairly compensated.

Additionally, others present were given the opportunity to provide input on the 401K match provided by the City. Mr. Nelson cited a noticeable shift in the tentative budget related to increased personnel costs. As a finance professional, it is concerning when dramatic increases to personal expenses are considered as such expenses are a long-term commitment and a commitment that is hard to reverse. He agrees that it is necessary to pay City employees fairly, but he cautioned that the current condition of the economy will not last forever and it will likely experience a downturn again in the future. City Recorder Spendlove reported the impact that the 2008 recession had on the City's budget and the City staff; many employees were lost or their wages/benefits were impacted. She believes it will eventually be necessary to increase taxes to continue to provide the quality services that City residents have come to expect. This led to philosophical discussion among the Council regarding compensation practices and benefits available to employees. Council Member Swanson indicated he cannot support the additional

three percent 401K match, while all other Council Members indicated they are willing to consider the three percent. Council Member Swanson stated that he would like to vote on this item individually so that he is not forced to vote against the entire budget if it includes the three percent contribution. He stated he would be willing to expand the current match to provide a higher true match rather than providing an additional three percent to an employee's 401K account without requiring an additional contribution from the employee.

Council Member Barker moved to direct City Administration to include funding in the budget for an additional three-percent 401K contribution for City employees. Council Member Turner seconded the motion.

Voting on the motion:

Council Member Barker	aye
Council Member Stoker	aye
Council Member Swanson	nay
Council Member Turner	aye

The motion passed three to one.

Mr. Nelson indicated the General Fund budget will be adjusted to reflect the following:

Code Enforcement/Resource Officer (full-time)	\$73,407
Code Enforcement/Resource Officer (part-time)	\$26,394
Events Coordinator (full-time)	\$78,828
Events Coordinator (part-time)	\$28,019
401K 3% additional	\$82,779
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Also, the original General Fund budget proposal included \$60,000 in funding to update the Zoning Ordinance. This was eliminated in favor of other budget priorities. However, since this would be a one-time project, we have put it back in the budget. Rather than utilizing operating revenues, fund balance has been programmed as the funding source.

Mr. Nelson discussed the proposal to complete a zoning ordinance update, which would be funded by the General Fund balance. The cost is \$60,000 and it is one-time in nature. It was originally included in the draft operational budget and would be a multi-year project. Mr. Call stated that the City's zoning ordinance was last comprehensively updated in 2002 and it has been adjusted over 100 times since then; this can lead to conflicts throughout the ordinance, non-compliance with other regulations, or outdated requirements. He stated he supports this project in order to streamline the zoning ordinance update. Council Member Swanson stated that he supports the expenditure and feels it may be appropriate to consider a similar project for the other sections of the City Code; he would support including \$120,000 in the budget to cover comprehensive updates to the entire Code. This led to general discussion among the Council and

staff about the possibility of pursuing a comprehensive rewrite for the entire City Code. Council Member Turner stated he would support publication of a Request for Proposals (RFP) for the services, but would like to include a 'not to exceed' amount in the budget to prevent the City from being forced to enter into a contract that could exceed \$120,000. Mr. Call stated any contract will come to the Council for formal approval and if the cost exceeds a certain amount, they will not be required to approve it. The Council authorized Mr. Nelson to include \$120,000 in the budget to facilitate comprehensive updates to the City Code.

The entire proposed City Budget for Fiscal Year 2020 has been included in the Council packet. The column titled "Proposed Budget 1" shows budget amounts originally presented. The column titled "Proposed Budget 2" shows the current proposals.

Transportation Funds

The proposed budgets for several funds that have not previously been presented are included in the budget proposal. They relate to the 400/450 East Widening and Intersection Project discussed in the Capital Improvement Fund discussion. These include the following:

Transportation Utility Fund – Funding comes from the \$3.00/month utility fee. Fund balance and current year revenue totaling \$1,114,256 is proposed to be transferred into the Capital Improvement Fund.

Transportation Impact Fee Fund – Funding comes from impact fees paid in connection with building permits. Fund balance and current year revenue totaling \$1,685,469 is proposed to be transferred into the Capital Improvement Fund.

Transportation Sales Tax Fund – Funding comes from retail sales transactions. Fund balance and current year revenue totaling \$816,848 is proposed to be transferred into the Capital Improvement Fund.

400/450 East Improvement Fund – Funding comes from rental revenue generated by rental properties purchased for the road widening. \$30,000 in property maintenance and repair is budgeted for expenditure. The remaining \$77,000 is reserved for future use on the road project.

c. Minutes

This item was included on the agenda in error and was not discussed.

d. Storm Fund

In the previous discussion on the Storm Water Fund budget, it was explained that asset repair and replacement was funded at \$346,157. Following this meeting, an error was discovered in the spreadsheet which double counted some of the fund revenue. An adjustment has been made to correct this which reduced the asset repair and replacement amount to \$215,657. A \$0.45 rate increase is proposed to go toward Storm Water asset repair and replacement, which increases the funding level to \$250,000.

e. Utility Rates

The proposed budget includes operational expenses that necessitate adjustments to utility rates. Adjustments have also been included to increase contributions to asset repair and replacement, as previously discussed. The proposed utility rate adjustments are shown in the table below:

FY2020 Proposed Utility Rate Increases

	Current Rates	Proposed	Operations Increase	Asset R&R Increase	Total Increase
Water	\$ 14.97	\$ 16.02	\$ 0.59	\$ 0.46	\$ 1.05
Central Weber	\$ 16.52	\$ 16.97	\$ 0.45	\$ -	\$ 0.45
Sewer	\$ 9.20	\$ 9.93	\$ 0.45	\$ 0.28	\$ 0.73
Storm	\$ 11.53	\$ 12.10	\$ 0.12	\$ 0.45	\$ 0.57
Trash	\$ 12.33	\$ 12.39	\$ 0.06	\$ -	\$ 0.06
Transportation	\$ 3.00	\$ 3.00	\$ -	\$ -	\$ -
TOTAL	\$ 67.55	\$ 70.41	\$ 1.67	\$ 1.19	\$ 2.86

The operational increases in the Water Fund and Sewer Fund are actually lower than those originally proposed. This reduction is due to proposed adjustments to the non-residential rates. Utility rate adjustments in recent years have primarily been applied to the base rates. Over time, this approach shifts a greater burden to residential users compared to the service provided. Adjustments are proposed to the non-residential rates to reach a more equitable balance between residential and non-residential users. The proposed budget assumes that these adjustments will generate an additional \$25,000 in the Water Fund and \$15,000 in the Sewer Fund. If the Council prefers not to adjust the non-residential rates, staff would recommend additional increases to the base rates in the Water and Sewer Funds. These adjustments will be discussed in greater detail at the Council meeting.

Mr. Nelson stated Administration has developed three considerations for the Council relative to utility rates:

1. Add tiered base water rate based on meter size;
2. Modify tiered water usage rate and apply to all users; and
3. Increase each tier of non-residential sewer rates.

Staff will continue to evaluate the implications of each of the three options in order to provide a fully informed recommendation to the City Council prior to recommended adoption of the final budget. The Council discussed the three options presented and concluded to support all three adjustments summarized above to adjust usage rates and apply that modification to all users to ensure that rates paid are equitable and fair for all users. Mr. Nelson stated he will proceed in that direction and prepare a formal recommendation for the Council to act upon in conjunction with the final budget.

f. Public Comments

Keith Ashdown, 193 E. Pleasant View Drive, discussed the proposed tiered utility rate schedule and noted that it appears there may be an error in the higher usage tiers; higher commercial users actually get a break in their sewer rate when it seems to him that they should be paying more. Mr. Call stated that the reasoning behind the lower sewer rate for higher users is that the placement of larger amounts of water with less effluent in the lines help to keep the lines clear. It is less expensive to process that type of water. Mr. Ashdown asked how sewer usage is calculated if that water is not metered. Mr. Call stated it is based upon the amount of water consumed, which is metered.

5. PUBLIC COMMENTS

George Fewell, 3658 Lakeview Drive, stated his home is at the corner of Lakeview Drive and 450 East and he wished to share a concern about the large vacant lot that abuts the back of his property and other properties. A lot of water is seeping out of the ground filling the gutter full of water and the space between the sidewalk and the curb is a bog in the spring. He has been told there are underground springs and streams in the area, and he encountered that when he had to dig a footing on his property and ran into a stream. He also must run a sump pump to keep his basement clear of water. In 2016 he expressed concerns about the streams and diversion of the streams associated with a new residential development at the end of Lakeview Drive. Some groundwork for that project started in the winter of 2017 and due to warm conditions that winter, there was a lot of flooding of the basements of existing residences downhill from the new project. He believes this is due to the disturbance of the underground streams and this year there is more water than ever in the area; he reported this issue to the Public Works Department, but he felt it appropriate to report it to the City Council as well. He stated there are many other residents in the area that are concerned, and he is hopeful the City will ensure there is a good plan in place to protect existing residents.

Janice Schramm, 3724 Lakeview Drive, echoed the comments made by Mr. Fewell and reported her experience with water in the area, which has dramatically worsened with the construction project due to the fact that the developer built a berm that diverted water directly into her property. Her basement completely flooded, and repairs took about six months and cost approximately \$45,000. Small catch basins have been constructed in the area, but those have failed, and the result has been that water has continued to flow to the existing homes. She is concerned that the City is relying upon the reports and statements from the developer rather than ensuring that the project is properly engineered and resident are protected.

6. COUNCIL/MAYOR/STAFF COMMENTS

Mr. Call reported on the recent passage of State Legislation relating to moderate income housing requirements for municipalities across the State. City Administration plans to convene the General Plan Steering Committee to evaluate the City's needs in order to comply with the legislation.

7. ADJOURNMENT

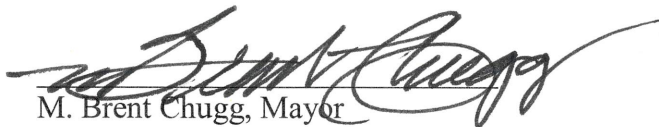
Council Member Swanson motioned to adjourn the meeting. Council Member Stoker seconded the motion.


Voting on the motion:

Council Member Barker	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	aye

The motion passed unanimously.

The meeting adjourned at 7:56 p.m.


M. Brent Chugg, Mayor


S. Annette Spendlove, MMC
City Recorder

11 June 2019
Date Approved