

**NORTH OGDEN CITY COUNCIL
MEETING MINUTES**

May 5, 2020

The North Ogden City Council convened in an open meeting on May 5, 2020 at 6:01 p.m. at <https://us02web.zoom.us/j/83662426544> or by Telephone: US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or <https://www.youtube.com/channel/UCriqbePBxTucXEzRr6fclhQ/videos> 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 30, 2020. Notice of the annual meeting schedule was published in the Standard-Examiner on December 22, 2019.

PRESENT:	S. Neal Berube	Mayor
	Ryan Barker	Council Member
	Blake Cevering	Council Member
	Charlotte Ekstrom	Council Member
	Cheryl Stoker	Council Member
	Phillip Swanson	Council Member
STAFF PRESENT:	Jon Call	City Manager/Attorney
	Annette Spendlove	City Recorder
	Evan Nelson	Finance Director
	Tiffany Staheli	Parks & Recreation Director

Mayor Berube called the meeting to order. Council Member Barker offered the invocation and led the audience in the Pledge of Allegiance.

WORK SESSION AGENDA

1. PUBLIC COMMENTS

William Olsen, 3626 King Hill Drive, referenced the 2016 tax increase implemented by Weber County; this was a 23 percent increase and residents were told that the increased revenue would be used for the Sheriff's Office and its employees. However, it ended up being used to cover pay increases for all County employees. He stated he is not opposed to fairly compensating government employees, but he was upset that residents were told one thing about the tax increase and something different occurred. He stated that he would like to know if there is a way North Ogden elected officials can provide residents a guarantee that revenues generated by a tax increase will be used for the new Public

Safety building or law enforcement costs. He also asked that the Mayor and Council discuss what will be included in the new Public Safety facility when it is constructed.

Mayor Berube provided some information on the work that has been done by the City's Public Safety Building Committee to determine the components that should be included in a new facility. He added that no decision has been made to pursue a tax increase to fund the project. Once final preliminary drawings for the project are available, they will be posted on the City website for public review and input; the goal is to be totally transparent with residents and no decisions will be made until that occurs.

Council Member Swanson addressed Mr. Olsen's comments about the use of tax increase revenue; he sympathizes with his concern about the County's management of the 2016 increase. The most effective way to ensure that increased tax revenues are dedicated to public safety would be to create a special service district to handle the receipt and distribution of funds. This mechanism would also insulate the City's Police Department against fluctuations in the economy that impact tax revenues. He then reiterated Mayor Berube's comments about the ongoing evaluation of the City's needs in a Public Safety facility.

Mr. Olsen thanked Council Member Swanson and Mayor Berube for their responses; public safety is very important to him and many other residents, but he is also concerned about the use of tax funds.

Mayor Berube stated that he has asked City Administration to research the possibility of creating a special service district for public safety; in the past, public safety was funded 100 percent by property tax revenue, but now only 50 percent is funded with that revenue. It is necessary to have a strategic discussion on how to fund essential services in the City, especially in a climate where the City is facing a significant shortage in tax revenue. He noted there is no specific agenda item for the Public Safety facility tonight, but he is committed to transparency in future discussions of the project.

Mr. Olsen concluded that he is hopeful the Council will consider the demographics of the community as they proceed in making funding decisions for now and the future of the City.

2. **DISCUSSION AND/OR ACTION TO CONSIDER THE OPENING OF THE AQUATIC CENTER**

Council Member Swanson stated that he has been discussing the matter of opening the Aquatic Center in light of changes in the State's public health directive in response to COVID-19; Parks and Recreation Director Staheli has developed a list of questions that she would like the Council to respond to and Council Member Swanson facilitated discussion among the Council in order to provide a response to the questions. First question was when to open public restrooms at City parks and the Council decided to

open restrooms as long as the City has resources to sanitize them and replace toilet paper/soap as needed. Second question relates to the Aquatic Center; in the 'orange' period of recovery, lap swimming is allowed, but public swimming is not allowed. Should the City open the pool for lap swimming? The Council discussed the demand for lap swimming in the City and the cost of staffing the Center for that service and ultimately not to open the Center for lap swimming as it is cost prohibitive especially in a time when revenues are lagging dramatically. Also, there is not a great demand for the service at this time. Discussion then shifted to the point in time that the City should open the pool for public use; Ms. Staheli stated that she does not believe the pool can be opened until the State moves to the 'yellow' phase of recovery. Several Council Members expressed concern about asking City staff to enforce social distancing regulations when amenities are opened back up to the public.

Council Member Swanson concluded the third and final question relates to the timing of training lifeguards and Aquatic Center staff; he feels it would be good to train staff now so they are ready to work when the Center reopens. Ms. Staheli stated it would take about a week to train those employees. Mayor Berube stated he feels that the City would have adequate time to train lifeguards if that training began at the point that the Governor gives his notice that he plans to move to the next stage of recovery. He has typically provided one-week of notice before moving between stages. Council Member Swanson agreed and stated he can support that question; the rest of the Council also agreed.

3. **DISCUSSION ON FISCAL YEAR 2021 BUDGET**

City Manager/Attorney Call presented information regarding potential budget cuts available to the Council for consideration in order to compensate for the approximate \$760,000 budget shortfall. Staff has been able to reduce budget expenditures by approximately \$130,000 and he reviewed the items that make up that total. Mayor Berube indicated he supports these adjustments and several Council Members voiced their support as well. Mr. Call then noted additional adjustments are needed and he listed the following options for Council consideration and direction:

- Potential reductions in elected officials' stipends;
- Potential reductions in employee 401k matches;
- Potential changes to vacation and sick leave cashing out (employees are currently allowed to cash out 40 hours in each category);
- Potential elimination of Market Wage adjustments (currently planned for 30 or so full and part time employees);
- Allow for employees to voluntarily reduce hours and keep employment status and benefits (also considering what is appropriate threshold to qualify for benefits); and
- Mandatory reduction in hours.

Mr. Call provided dollar amounts for each of the options listed and Mayor Berube invited input from Department Heads regarding the options that have been presented. Mr. Call

noted that several employees and Department Heads have expressed that balancing the budget on the backs of the employees is not favorable and will cause injury to employee morale. Police Chief Quinney stated that is correct; he feels that use of the City's 'rainy day fund' is appropriate at this time. Balancing the budget by placing the burden on 80 households (City employees) in the City versus spreading it across the entire population is not the best course of action. Choosing that path would mean that each employee's household would be spending hundreds of dollars to ensure City service levels are maintained. If the same burden were spread across all residents, the fiscal impact would be just dollars per household. Market adjustments have already been reduced and while he is not recommending that employees receive pay increases, he does not believe that their pay should be reduced.

City Recorder Spendlove, Finance Director Nelson, Public Works Director Espinoza, and Parks and Recreation Director Staheli echoed Chief Quinney's comments. Several stressed the need to preserve employee morale and indicated the item on the list that has greatest support among the City staff is suspension of leave cash-outs.

Mayor Berube stated that he would like to identify triggering events that would lead to further cuts or the reversal of actions taken to pursue cuts; he also facilitated discussion among the Council to gauge their support for any of the items on the list. They debated the appropriateness of using the City's rainy-day fund versus increasing the City's property tax rate. Council Member Swanson indicated he would be comfortable utilizing a portion of the City's rainy-day fund and then implementing a moderate property tax rate increase to cover the budget shortfall. The property tax increase he would propose would be a 13 to 14 percent increase to generate an additional \$200,000 in revenue. Mayor Berube stated the City's \$3.00 per month transportation utility fee was deemed to be inappropriate and should, instead, be collected in the form of a tax. The fee was generating approximately \$225,000 in revenue, and a property tax rate increase could essentially be a restoration of those revenues. Council Member Swanson stated he is supportive of that option. Mayor Berube added that no additional utility fee increases have been presented for consideration.

Council Member Cevering inquired as to the dollar increase each household could expect if a 13 to 14 percent tax increase were approved. Council Member Swanson answered approximately \$3.00 per household per month. Council Member Cevering stated that would equate to between \$25 and \$50 per household per year depending on a home's value; it is much more palatable to consider dollar amounts than percentages. Council Member Swanson and Mayor Berube agreed.

Continued Council discussion centered on the portion of a total tax bill the City receives when compared to other taxing entities in the County. They also discussed the concept of creating a special service district fund this year to fund public safety.

Council Member Ekstrom stated that she is very hesitant to take any money or benefits away from employees; many are already below market rate for their position and she

wants to keep the promises made to them by paying them fairly. She would rather dip into the rainy-day fund to cover the shortfall. The only option on Mr. Call's list that she would support is considering adjustments to elected officials' stipends. Mayor Berube agreed that it is important to preserve the current pay structure for employees, but noted that the sick-leave cash-out option for employees is very unique when comparing benefits offered by other communities. He added that at some point the City needs to consider operating like a business.

Council Member Barker agreed with Council Member Ekstrom's comments about 'keeping employees whole'. He does not want to reduce pay or benefits; the only adjustments he would consider is an adjustment to the sick-leave cash-out option and adjusting elected officials' stipends. He would support the tax increase action proposed by Council Member Swanson.

Mayor Berube stated he is very concerned about the City's employees, but suggested that the Council should be just as concerned about citizens; there are many residents who are suffering in these hard economic times. If the Council is going to consider a tax increase, he recommends a \$3.00 per month credit on utility bills as a form of a refund for the transportation utility fee the City charged residents in the past; this would also offset the potential tax increase. The Council debated this idea, with Council Member Cevering asking if the City is required to refund that money at this time. Mr. Call answered no; a court has made a ruling on transportation utility fees, but the only city bound by that order at this time is Pleasant Grove City. Council Member Cevering stated that as a citizen, he would rather the City use that money for transportation purposes rather than refund it. Mayor Berube stated that the decision will ultimately be made by the courts. The Council further debated Mayor Berube's proposal and concluded to support returning the money collected via the transportation utility tax to the citizens.

Mayor Berube referred again to the worksheet prepared by Mr. Call that identifies the dollar amount associated with each budget adjustment. He indicated he will contact each Council Member individually to get their input regarding an adjustment to their stipend. He also indicated the Council has authorized returning the transportation utility fee money to residents. He asked Mr. Call if he has clear direction regarding how to proceed, to which Mr. Call answered yes. Mayor Berube stated that several Department Heads have shared an opinion that he agrees with; if the projections in sales tax end up not being accurate, they would like for budget cuts that were based upon those projections to be restored.

4. DISCUSSION ON PROPERTY TAX

Finance Director Nelson discussed the recent adjustments to the City's property tax rate as a result of either accepting the certified rate proposed by Weber County, maintaining the previous year's tax rate, or increasing the tax rate. City Administration needs direction from the Council regarding whether they would like to consider an adjustment

to the tax rate presented by Weber County as a means to cover a portion of the City's budget shortfall. He noted that if the Council would like to replace the revenue generated by the transportation utility fee (\$223,000) by property tax revenue, the certified tax rate would need to be adjusted. Property taxes are based upon a property's value, but increasing property tax revenue by \$100,000 per year would result in an \$15.81 per year increase per household.

The Council debated the concept of increasing property taxes and ultimately concluded to support an increase that would generate \$223,000 to offset the elimination of the transportation utility fee. Council Member Barker stated that he wants to emphasize that the Council is not setting aside any funding for the Public Safety Facility at this time. Mayor Berube stated that is an important clarification to make.

Mayor Berube invited public input.

a. Public Comments

Keith Foulger, 497 E. 3525 N., stated he appreciates the Mayor and Council's sensitivity to the manner in which citizens are being impacted by current market conditions; he referred to an email he sent April 9 providing information about his property tax situation from 2009 to 2018. His overall Weber County tax bill in that 10-year period increased by 35 percent while his adjusted gross income increased only 20 percent. He is retired and lives on a fixed income and a 35 percent increase in 10 years is huge. He also reviewed the United States Census Bureau information for Weber County's median household income; for the same 10-year period, that median household income only increased 22 percent and this means that Weber County citizens are being put in a difficult spot. He stated he is unsure of how the City's property tax rate was adjusted during that time frame, but his total tax paid to North Ogden has increased \$31.84, but that does not match the graph that the City has provided to illustrate the manner in which the City's tax rate has fluctuated over the past decade. He stated the City has done a great job at 'holding the line' relative to its property tax rate, but his taxes have increased 1.7 percent per year, regardless. He stated that he feels that all adjustments to the City's revenue streams need to be carefully communicated to residents, particularly as the City moves forward in considering options for funding the new Public Safety Facility project. Mayor Berube stated he is committed to ensuring open and transparent discussions about these issues.

Council Member Swanson provided a quick clarification regarding the graph illustrating historical adjustments to the City's property tax rate; Mr. Foulger is correct that the amount paid per household per year may have increased slightly, but the graph is a representation of the total tax rate; the rate has been adjusted downward each year to offset the increase citizens would have experienced if the rate would have been maintained or increased to capture inflation or increases in property values. If the City had maintained the tax rate from 1997, the total property tax revenue the City would receive this year would be almost double what it actually will be. Mr. Foulger stated that is the type of information that is vital to share with residents.

Julie Anderson, 940 E. 2600 N., stated this is a difficult situation for the Council to consider; she asked if the \$35.26 to be collected from each household is an annual average increase, to which Mr. Nelson answered yes.

Jay D. Dalpias, 734 E. 2700 N., stated that in the conversation of adjustments to the employees' 401(k) contributions, there was no reference to the fact that employees also receive a State pension. He stated it is important for residents to understand that employees are currently receiving a 401(k) contribution and a contribution to the State retirement system. If the 401(k) contribution were paused for one year, it could be resumed at a later date and the employees' retirement contributions would not be impacted. If an individual works for the City for 35 years and ends their career with a salary of \$50,000 per year, they will earn 52 percent of that salary in retirement, which is \$26,000. This does not include any retirement savings in the form of a 401(k) contribution. He stated he appreciates the employees of North Ogden City and thinks they are phenomenal, but it is fair for that information to be presented to residents. Mayor Berube agreed, but noted that it is important to understand that there are two tiers in the State retirement system; the numbers presented by Mr. Dalpias apply to tier two employees. Mr. Call stated that is correct; tier one employees earn more than 52 percent of their salary upon retirement. Mayor Berube stated that Mr. Dalpias is not out of line in bringing that matter up and that is why he has recommended that the City operate more like a business in the private sector. Mr. Dalpias agreed and stated that his private sector employer is being very careful to consider cost control measures during this difficult economic time. Mayor Berube stated that the City has done a great job at trying to be competitive in terms of salaries and benefits for employees, but sometimes it may be necessary to consider adjustments in response to lagging revenues.

Chief Quinney referenced the current agenda item as well as the previous agenda item; he noted that the fiscal impact of the optional adjustments to employee pay and benefits would be \$1,200 per employee in a year; this should be compared to the fiscal impact of increasing property taxes, which is \$35.26 per year. It would take 40 years of charging that increased amount to equate to the \$1,200 that would be taken from employees in one year. He stated employees understand the need to 'tighten their belts', but does not want that to go unappreciated. He then concluded that many public sector jobs do not compete with the private sector; he can only compete with the public sector when advocating for his employees. Mayor Berube stated he actually believes the City must compete with both the public and private sector; there may be private sector job opportunities for which City employees may consider leaving the public sector. Chief Quinney stated he is simply stating there are not public safety positions in the private sector that he considers when benchmarking for his Department. Mayor Berube noted he is appreciative of the service provided by public safety officials who put their life on the line every day.

Roland J. Shram, no address given, referred to an email sent to the Mayor and Council earlier today; he thanked them for a quick response to his questions and for the information provided tonight that has helped him to gain a greater understanding of the

manner in which the City is funded and the impact the COVID-19 pandemic is having on the City's funding sources.

Mark (no last name given), offered kudos to the Mayor and Council for the job they are doing.

Mr. Dalpiaz sent a chat message noting that he does not believe that Police Officer 401(k) contributions should be impacted; he noted he communicated that in his email to the Mayor and Council as well.

Susan Clements, 668 E 3125 N, thanked the mayor and Council for considering all areas of the budget that can be cut. She is appreciative of the Council's awareness of the struggle citizens may be facing as well as those that City employees may be facing.

Randy Winn, 2412 N Barker Parkway, stated he appreciates all the Mayor and Council are doing relative to the formulation of a budget for the next Fiscal Year (FY). He noted the rate chart presented to illustrate the fluctuation in the City's property tax rate is somewhat deceptive as it makes the City look really good in holding the tax rate. He then asked if the City has considered a combined Police Department similar to what has been done relative to the creation of the North View Fire District. This would help the City to share such a large expense in building a Public Safety Facility for the community.

Aaron Christensen, 2428 Barker Parkway, thanked the Mayor and Council for the discussion tonight; he appreciates the Council's willingness to take a cut in their pay, but noted there are other optional budget adjustments, such as reducing or eliminating the number of flower baskets on Washington Boulevard. He then noted that as an employer himself, he has dealt with adjustments to employee benefit; when people ask his employees how much they earn, they never factor in the cost of their benefits. He added that 401(k) contributions are valuable to employees and it is important to recognize that rather than considering an employee's hourly rate.

Mayor Berube asked if it is correct that the funding for the flower baskets comes from the City's RDA fund, rather than the general fund, to which Mr. Nelson answered yes. Mayor Berube stated, however, that the labor associated with maintaining the flower baskets comes from the City's General Fund; he wondered why wages cannot also be paid for using RDA funds. Mr. Nelson stated that is a legal matter for Mr. Call to address.

b. Mayor/Council Comments

There were no additional Mayor/Council comments.

5. DISCUSSION ON SOLID WASTE

Mr. Call referred to the discussion held during the most recent City Council meeting relative to discontinuing the current contractual relationship for garbage collection and hauling and bringing the service in-house. Staff needs some direction regarding adjustments to garbage services/fees as well as the cost for the service. There are some residents who pay for an extra can in a way which is more than the cost of the first two cans. Currently monthly billing is \$12.39 for two cans, and \$19.33 for an additional trash can. The additional can was intended in some ways to be cost prohibitive to assist in encouraging recycling based on discussions by previous councils. With recycling being eliminated the Council should revisit this discussion. Currently the City receives just over \$188,000 in money from the additional trash can fee. If that number was to be reduced or be eliminated, staff needs direction regarding how to make up for that lost revenue.

Additionally, City staff is evaluating covered storage options for the garbage trucks at the old public works site and he expects to propose some recommended changes to a few of the sheds to provide the cover for the new trucks without constructing entirely new buildings. He will have more information at a later date.

Mayor Berube stated it is important to understand that the City was facing a \$250,000 increase for continuing the contractual relationship; spending \$30,000 to avoid that increase in costs is not a bad investment and he does not think it is inappropriate to maintain the current rate structure for the first, second, and possibly a third can (the repurposing of recycling cans). The Council discussed the concept of an adjusted collection schedule for blue cans; they could be collected every other week to maintain a recycling service while the City is researching options for providing centrally located recycle bins for residents to access. Council Member Swanson stated that many residences will need the recycling can for regular waste; he is hopeful that recycling will resume at some point in the future, but in the meantime, residents still need to dispose of the material that they have always put in their recycling can and that is not possible with their regular garbage can(s).

Mayor Berube stated it is important to consider the options available to the City for disposing of the recycled materials collected at a central location. Mr. Call stated that Recycled Earth has provided the City with disposal rates for recycling clean cardboard.

Mr. Call then reported the City is planning to lease two new garbage trucks and an eight-year old truck that can be rotated in and out when the new trucks are being maintained. He is also pursuing an agreement with Ogden City for them to provide back-up in the event North Ogden equipment is out of commission.

Public Works Director Espinoza reported on the work done to secure leases of the equipment; the vendor has the current state contract and he believes the lease rates are fair. Mayor Berube stated that he typically prefers to secure competitive bids as it has

been proven in the past that some state contract rates may be high, but he appreciates the work City staff has done to respond so quickly to this unique situation.

6. **PUBLIC COMMENTS**

Julie Anderson, 940 E. 2600 N., stated a road repair on 2600 North was done very poorly and has resulted in more of a speed bump in the roadway. Mr. Call stated that Mr. Espinoza has been working with the contractor to have the problem remedied. Ms. Anderson then stated that some construction work started on the Powell property near her home on Sunday, though she does not remember a subdivision being approved for the area. She asked if that type of work is prohibited on Sundays and if a project in that area has been approved. Mr. Call stated that a subdivision has been approved on the Powell property. He then stated that any type of disruptive construction activity occurring on a Sunday can be reported using the non-emergency Police dispatch line. Ms. Anderson asked when the project was approved. Mr. Call stated that one original subdivision was initially approved and later divided into two phases. Ms. Anderson then asked if the youth posse can begin practicing again now that the State of Utah has moved to the orange phase of recovery. This led to discussion about the number of participants in posse, with Mr. Call advising Ms. Anderson to create two different groups of kids/parents and regulate social distancing. Ms. Anderson then concluded by thanking the Mayor and Council for their work on budget issues.

Jay D. Dalpias, 734 E 2700 N, used the chat feature to indicate that he also believed the Powell subdivision has only received preliminary approval. Mr. Call referred citizens to the Planning Department to get approval dates for the project.

Brenda Ashdown, 193 E Pleasant View Drive, thanked the Mayor and Council for their attention to detail this evening. She then asked if the old Public Works Facility property will be sold. Mr. Call stated the City has been evaluating options for selling the property; the offers received in the past have not been favorable. However, there is the option of selling a portion and retaining the remainder of the property for City needs. This is an issue that the Council could have greater discussion on in the future. Ms. Ashdown stated that the reason for her comment is that if the property is going to be used for the storage of garbage trucks, it cannot be sold. She noted she has seen camp trailers parked on the property and if the area that is being used for that type of parking could instead be used for the garbage trucks to avoid the need to build more storage space. She concluded by noting that the trees that residents have been promised would be planted on the property still have not been planted. Mr. Call stated that the camp trailers are actually FEMA trailers for emergency use; they are office space on the interior of the trailer. He added that Weber County search and rescue has stored some equipment on the property as well. Mr. Espinoza added that he has received bids from landscapers for the improvements needed on the property, which includes planting the trees referenced by Ms. Ashdown. Money for that portion of the project is included in the current FY budget.

7. **COUNCIL/MAYOR/STAFF COMMENTS**

Mayor Berube referenced other bad patch jobs on City streets. Mr. Espinoza stated that he is aware of those patch jobs and the Public Works Inspector is working to remedy those issues. Mayor Berube then advised that the City staff needs to advertise to residents that the Washington Boulevard/2600 North intersection and road widening project is going to be delayed at least one year. He then asked Mr. Call for an update on the potential sale of the City's detention basin property on 2700 North. Mr. Call stated that he can advertise the adjustments to the timeline for the Washington Boulevard project. He then noted that the City has received just one offer for the sale of the 2700 North property; the Council was not accepting of that offer and the availability of the property was re-advertised. No additional offers have been received and at this point, the Council can put the matter on hold or provide a counteroffer to the original offer received. Mayor Berube asked which fund was used to acquire the property. Mr. Call stated it was purchased in 1978, which was the same year the City's storm water fund was created; at that point, it appeared the money for the acquisition came from a federal grant or the sewer fund. However, it is listed as a general fund asset in 1997. He and the City's finance staff will reconcile the various records regarding the property to provide an official answer regarding the matter.

Mr. Nelson reminded the Council that acceptance of the tentative budget is scheduled for next Tuesday; final adoption was slated for June 9, but with the proposal tonight to increase property taxes, it will instead be necessary to advertise a truth in taxation hearing to defer final approval of the budget until August. Mayor Berube thanked Mr. Nelson for his hard work on the budget; he also thanked all other Department Heads as well as the City Council for their diligence and dedication to the City.

8. **ADJOURNMENT**

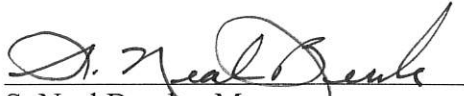
Council Member Ekstrom motioned to adjourn the meeting. Council Member Stoker seconded the motion.

Voting on the motion:


Council Member Barker	aye
Council Member Cevering	aye
Council Member Ekstrom	aye
Council Member Stoker	aye
Council Member Swanson	aye

The motion passed unanimously.

The meeting adjourned at 9:30 p.m.


S. Neal Berube, Mayor


S. Annette Spendlove, MMC
City Recorder


Date Approved