

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

March 19, 2013

Present: Mayor Scott Osborne, Council Member Mark Seethaler, Council Member Chuck Newton, Council Member Steve Barnes, Council Member Larry Short, CM John Geilmann, ACM Gary Whatcott, City Attorney Rob Wall, Police Chief Lindsay Shepherd, Matt Jarmin, City Council Secretary MaryAnn Dean

Others: Claron Perry, Layne R. Lloyd MD, Shaan Perfili, Jessemy Lake, Shioh-Mei Lake, Tyler Lake, Scott D. Hodges, Steven Roberts

6:00 P.M.

REGULAR MEETING

I. GENERAL BUSINESS

A. Welcome and Roll Call

Mayor Osborne welcomed everyone present. Council Member Butters was excused.

B. Opening Ceremony

1. Invocation

Council Member Newton offered the invocation.

2. Pledge of Allegiance

Jason Cruger, scout from Troop 1860, led the audience in the Pledge of Allegiance.

C. Motion to Approve Amended Agenda Items, If Any

CM Geilmann noted that the agenda was previously amended. There are no other items to add to the agenda.

D. Minute Approval

1. February 20, 2013 Special Session & Work Meeting
2. March 5, 2013 Work Session
3. March 5, 2013 Regular Meeting

Council Member Newton and Council Member Seethaler made amendments to the minutes.

Council Member Seethaler made a motion to approve the February 20, 2013, March 5, 2013 Work Session, and March 5, 2013 Regular Meeting minutes, as amended. Council Member Short seconded the motion. The vote was unanimous in favor, with Council Member Butters absent.

E. Department Spotlight

Community Services Director Don Tingey gave a report on the new swimming pool equipment. He noted that the fire department cleaned the rafters and roofing. It feels like new. They had a re-opening of the pool, which a couple hundred people attended.

II. CITIZEN COMMENT

Lane Lloyd, 11577 S. Equestrian Drive, and **Claron Perry**, 1481 Midas Creek Dr. introduced themselves. Mr. Lloyd said they have a petition to the city relative to the creation of a new service area for secondary water. They have a petition signed by 31 of the 40 owners in their area. They have been working with David Jenkins, whose neighborhood did a similar thing.

Mr. Perry said they have been waiting for secondary water for 27 years. In the summer, their water bills are higher than their car payments.

CM Geilmann was given the petition and indicated that the City would start the process.

Mayor Osborne said the main objective in South Jordan is water conservation. He encouraged the practice of conservation smart landscaping. He said even with secondary water, they should conserve it to the best of their ability.

Council Member Newton said there are rebates available for certain controllers. He suggested that a copy of the water conservation guidelines and the information about the rebates for controllers be given to this neighborhood.

Mayor Osborne noted that the city received a new grant for water conservation from Jordan Valley Water Conservancy District.

Shaan Perfili, 10300 S. Redwood Road, said he is the facility manager of the Marv Jenson Recreation Center. He said they are a County run facility, but they want to be a good neighbor, and he hopes that they can help each other out.

III. AWARDS AND PRESENTATIONS

A. Seniors Committee Update (*By Seniors Committee Chair, Lloyd Heflin*)

The update was not given.

IV. SHORT RECESS PRIOR TO BEGINNING BUSINESS & PUBLIC HEARINGS

None.

V. OTHER BUSINESS

A.1. Council Appointment of 2013 Country Fest Parade Grand Marshal (*By Community Services Director Tingey*)

Council Member Short noted that the Historical Committee submitted a couple of nominations for Grand Marshal, Mr. and Mrs. Naylor and Glade McKee. They have both done a lot for the city. At this time, Council Member Short is recommending Mr. McKee. Mr. and Mrs. Naylor should be kept on the list to consider next year.

A.2. Potential Action Item – (See V. A.1.)

Council Member Short made a motion to appoint Glade McKee as the Grand Marshal for this year's Country Fest parade. Council Member Barnes seconded the motion. Roll call vote. The vote was unanimous in favor, with Council Member Butters absent.

B.1. Motion to Reconsider Provisions of the Santorini Village Master Development Agreement. (*By Community Development Director Shaw*)

City Attorney Wall said they can reconsider last week's decision, and make a revision.

B.2. Potential Action Item – (See V. B.1.)

Council Member Seethaler made a motion to reconsider last week's decision regarding the Santorini Village Development Agreement. Council Member Barnes seconded the motion. The vote was 4-0 in favor, with Council Member Butters absent.

- B.3. Consideration of Revision to the Santorini Village Development Agreement Regarding the Provisions of the Development Agreement that Limits Townhomes to 25 % of the Area Previously Labeled "Apartments/Townhomes/Commercial."
(By Community Development Director Shaw)

Community Development Director Shaw reviewed the background information on this item. He said the developer interpreted last week's council action different from staff. There is a misunderstanding on the 25 percent of townhomes allowed. Staff is uncomfortable with percentages and it is difficult for the applicant. Staff is recommending that they allow up to 40 townhomes, rather than saying 25 percent, or allow the entire parcel to be developed commercial.

Council Member Short said they agreed to allow the commercial on the property. He is okay with allowing up to 40 units of townhomes. The developers indicated that they were also in agreement to this proposal.

Council Member Seethaler made a motion to insert in section D. a provision that no construction traffic be permitted along 9640 S. during the duration of construction.

Council Member Seethaler said that will make the developer aware of the condition and the city will place a sign indicating such during construction of the project.

Council Member Barnes seconded the motion.

Council Member Newton said that recommendation was part of the original motion. Council Member Seethaler said it should be memorialized in the development agreement.

Roll call vote. The vote was unanimous in favor, with Council Member Butters absent.

City Attorney Wall said they are not amending the master development plan. Tonight, they are amending last week's decision. He said last time, the Council said the northern quarter could contain as many townhomes as could fit there, and the remaining $\frac{3}{4}$ of the property was to remain commercial.

Council Member Short said he was told that it is hard to split people's property into pieces. He said this plan is not much different than the 25 percent that was approved. Mayor Osborne asked if the City Council is now comfortable with the illustration presented (Attachment A)? It would allow up to 40 townhomes in the northern section or the entire area could be commercial. Council Member Newton said the illustration shows what was approved at the last meeting.

Council Member Seethaler asked if this plan would disadvantage any of the current property owners? Mr. Giles said the plan accommodates all of the landowners.

CM Geilmann said having a percentage to deal with is difficult; it would be appreciated to have an "up to" unit number instead. It would be allowed as townhomes or commercial.

B.4. Potential Action Item – (See V. B.3.)

Council Member Short made a motion to approve the provisions of the Santorini Village Master Development Agreement, to allow up to 40 townhomes or commercial in the area designated on the plan, and to reflect that in the development agreement. The townhomes would be restricted to the yellow box on the plan, and the final form of the documents has to be acceptable to the City Attorney and City Manager before Mayor Osborne can sign them. Council Member Newton seconded the motion.

Council Member Seethaler made a substitute motion to agree with the previous motion, and to include that access to 9640 South be restricted until 75 percent of the project is complete.

Council Member Seethaler said it would just change 50 percent to 75 percent. He feels the traffic study would then be more reflective of the impact.

Council Member Barnes seconded the motion. Roll call vote. The vote was 2-2 in favor, with Council Member Seethaler and Council Member Barnes voting in favor, with Council Member Short and Council Member Newton opposed, and Council Member Butters absent. As provided by law, Mayor Osborne was allowed to vote to break the tie. Mayor Osborne voted in favor of the motion, which therefore passed 3-2.

C.1. Resolution R2013-09, Adopting a "Tentative Budget" for the Support of the City of South Jordan for the Fiscal Year Commencing July 1, 2013 and Ending on June 30, 2014

Finance Director Naidu reviewed the background information on this item. He asked for a clarification on key fiscal management practices, regarding recognizing depreciation. He also needs clarification on the increase to a 25 percent cap in reserves. He reviewed a plan to increase the capped amount over 10 years. He said they are not funding that in the 2013-2014 budget, but he asked for further direction from the City Council on how to increase the cap.

City Attorney Wall indicated that the Governor has not yet signed the bill increasing the cap. Mayor Osborne said it may be a little premature. They can address it in a statement in the key management practices. City Attorney Wall said if revenues come in higher than projected, staff can start building the reserve account.

Mayor Osborne said on page 15, under employee benefits, that would be the place to create a committee that would be involved in the employee benefit program comprised of the CM, whoever the CM feels is appropriate for financial affairs, and 2 members of the elected body, as well as someone from the private industry (an outside citizen). He said it would be an Ordinance, but if they include it in the key management practices, that is where it gets its jurisdiction. Mayor Osborne distributed the proposed Resolution for this committee (**Attachment B**) for the City Council to review.

Mayor Osborne noted a reduction in the water fund balance, by almost \$3 million. Finance Director Naidu said it is being used in Capital Expenditures. It is part of the 5 year CIP plan. Public Works Director Rasmussen said they are accelerating the funds to be spent, but they are not spending more than planned in the 5 year CIP.

Mayor Osborne asked about some transferred amounts in the consolidated budget, relative to administration fees.

Mayor Osborne said wages and benefits are at 75.41%, and the best practices table (**Attachment C**) shows that they will be at 71% for the upcoming budget. Council Member Seethaler said the table shows an acknowledgement of a trend to adopt as a practice to work toward. He noted that the 75.41% is down from 77%. The budget itself does not meet the targets; the targets represent a view of the future. He discussed the table in key management practices versus the tentative budget presented, and indicated that there is a gap between the targets and the actual numbers.

Council Member Barnes asked what steps do they have to take to hit the mark in the table? Council Member Seethaler said there is a balance of budgeting by directive and the realities of how the numbers add up. He said they can't always count on having more revenue than projected to budget for something unexpected. He suggested they study the table, as to what may be achievable, starting with fiscal year 2014.

Council Member Barnes said if they have a goal, they should make sure it is achievable. They should evaluate the numbers in the table and see what is actually possible.

Council Member Newton asked if they need to change the numbers in the table? Should they plateau for a few years until they stabilize or only project out 5 years? Council Member Barnes said they should make sure the City Manager is comfortable with the projections and make sure the goals are achievable.

Mayor Osborne said these are management practices and they are guidelines that they will develop plans for, based on their best estimates. He said he is troubled that they would put a number in the table that does not reflect the budget. It should be reflected on the real values.

Finance Director Naidu showed comparative numbers from South Jordan to other cities regarding percentage of the budget for personnel and operations. He noted that South Jordan is not outside the norm.

Mayor Osborne noted that the number on the right side of the table (9%) are reserves from surplus funds that have already been appreciated. Council Member Seethaler said at the moment, money is only in a few places, one of which is CIP. He said there is no such thing as a depreciation fund; it is not a permitted fund. They can keep the money in CIP. He said the surplus for the General Fund is permitted by law.

Council Member Newton asked about freezing the percentages in the table for a few years to see what's achievable. Mayor Osborne asked if they should freeze it at 75% for this year? Council Member Seethaler said he feels there is a better way than freezing the number. Finance Director Naidu said they capped the wages and benefits so it didn't take over the budget until the city is built out. Mayor Osborne said they were told that the 77/23 ratio was not sustainable. He said they need to get real with the numbers. It should reflect what they are proposing to do. They will have to come up with a fundamental plan that illustrates a path that will allow the city to remain financially viable and sustainable. The best practices are about being pro-active.

Council Member Newton said there is a proposal to increase employee wages. As they continue to do that, plus the increasing levy that the Legislature is placing upon cities in additional contributions to the defined benefit plan; the difficulty is that they will have a crossover at some point. He said the percentages proposed might be more aggressive than the reality.

Finance Director Naidu said the percentages restrict the wage/benefits growth to 3-4 percent over 10 years, and that does not include any new employees.

Council Member Seethaler said there are ways for a city to have revenue and accumulate revenue for the future. He said to fund depreciation is an economic concept. When talking about actual cash and the confines of a municipality, there is no such thing as a depreciation fund. He feels it should be the priority to move to the 25% reserve limit, in hard savings. He said they can't build a reserve on the backs of the taxpayers that are still paying the bond on the original asset. He doesn't feel that 9 % belongs in the table; he feels the right hand column should go away.

Council Member Seethaler said they should also come together on issues relative to employee compensation/benefits. He said the table should be something workable. He noted that the compensation increases are factored in the tentative budget.

The City Council took a 10 minute recess.

Council Member Newton said it makes sense to provide for some depreciation costs relative to things that are used at a faster pace, such as vehicles. He feels they should freeze the numbers in the table for several years and then step it down. It is easier to accelerate the numbers rather than scale it down.

Council Member Short concurred with Council Member Seethaler's comments because the residents don't feel overtaxed while they are building up the funds.

Mayor Osborne said staff and the Council have to put together a procedure that says the reserve is not just sitting around; it is a working capital fund. It will be able to be used appropriately. He said the theory of capital funding is flawed. Council Member Seethaler said under their reporting constraints, to add money to the reserves to get it up to 25%, they have to take the money from the CIP budget. He feels they should focus on the General Fund reserve and the excess to go into the CIP and then balance between the two. He said they should deal with the annual surpluses more readily. He said the problem with the \$2.8 million surplus is people look at it differently. He feels they should make an allocation and forget it.

Council Member Newton suggested that they insert a paragraph explaining what they are moving from and to, rather than putting them on a schedule. Council Member Seethaler feels they should state that historically, the city has operated on a ratio of 77/23, and they recognize that as they move forward, they will need to reserve more General Fund dollars for operating expenses as a percentage, and they expect their ratio to decrease toward a target such as 65/35. He said it is a shift in thinking that will shift practices in the future. Council Member Barnes concurred. Mayor

Osborne suggested they make the change, per that recommendation. Council Member Seethaler said they also need to remove the section on recognizing depreciation.

Council Member Seethaler said if the Governor signs the bill to increase the reserve cap to 25%, he will propose that the \$2.8 million be clearly identified as to how much will be in the capital fund and how much will go in the reserve before the budget being finalized.

Mayor Osborne suggested that they strike references to the Balridge Performance Excellence program from the budget. Finance Director Naidu said they have to have a strategic plan, as a requirement for their award. CM Geilmann discussed the concept behind the Balridge program. He said they can put a different concept in the budget. He said they can do less detail and still meet their requirement. He said he is more interested in the organizational structure, the philosophy and the results of the Balridge program, more than the award. Mayor Osborne said he applauds the concept but doesn't feel the slides depict the information to the public.

C.2. Potential Action Item – (See V.C.1.) R2013-09

Council Member Seethaler made a motion to adopt Resolution R2013-09, with the provisions and modifications with respect to financial practices and standards that were modified as discussed. Council Member Barnes seconded the motion. Roll call vote. The vote was 4-0 in favor, with Council Member Butters absent.

RECESS CITY COUNCIL MEEETING AND MOVE TO REDEVELOPMENT AGENCY

Council Member Short made a motion to recess the City Council meeting and move into a Redevelopment Agency Meeting. Council Member Seethaler seconded the motion. The vote was unanimous in favor, with Council Member Butters absent.

D.1. Redevelopment Agency Resolution RDA 2013-01, Adopting a “Tentative Budget” for the South Jordan City Redevelopment Agency for the Fiscal Year 2013-2014.

D.2. Potential Action Item – (See V. D.1.) RDA 2013-01

Board Member Short made a motion to adopt Resolution RDA 2013-01. Board Member Seethaler seconded the motion. Roll call vote. The vote was unanimous in favor, with Board Member Butters absent.

ADJOURN RDA MEETING AND MOVE INTO MUNICIPAL BUILDING AUTHORITY

Board Member Barnes made a motion to adjourn the RDA meeting and move into a Municipal Building Authority meeting. Board Member Short seconded the motion. The vote was unanimous in favor, with Board Member Butters absent.

ADJOURN MBA MEETING AND MOVE BACK INTO REGULAR COUNCIL MEETING

- E.1. Municipal Building Authority Resolution MBA 2013-01, Adopting a “Tentative Budget” for the Municipal Building Authority of South Jordan City for the Fiscal Year 2013-2014.

The board discussed the transfer from the RDA fund and the bonds that the RDA is paying for.

- E.2. Potential Action Item – (See V. E.1.) MBA 2013-01

Board Member Short made a motion to approve Resolution MBA 2013-01. Board Member Barnes seconded the motion. Roll call vote. The vote was unanimous in favor, with Board Member Butters absent.

ADJOURN MBA MEETING AND MOVE BACK INTO REGULAR COUNCIL MEETING

Board Member Seethaler made a motion to adjourn the MBA meeting, and move back into the Regular City Council Meeting. Board Member Barnes seconded the motion. The vote was unanimous in favor, with Board Member Butters absent.

VI. PUBLIC HEARINGS AND POTENTIAL LEGISLATIVE ACTION ITEMS

None.

VII. PUBLIC HEARINGS AND POTENTIAL ADMINISTRATIVE ACTION ITEMS

None.

VIII. REPORTS AND COMMENTS

A. MAYOR

The upcoming Shake Out exercise scheduled for April 17th was noted.

Mayor Osborne noted the excellent sales tax revenue increase in the city, growing 7.3 percent.

B. CITY COUNCIL MEMBERS

Council Member Barnes said many residents are excited about the increased speed limit on 11400 South. He said the residents living on or near 11400 South are concerned. He asked that the road be monitored closely to see that people stay within the speed limit.

Mayor Osborne noted a problem with the timing of the left hand turn at 3200 West 11400 South. City Engineer Klavano said UDOT is looking into it. Council Member Barnes said he had a similar problem expressed about the light on Waterside Road.

Council Member Newton suggested that the District LLC be recognized as the corporate citizen of the year. He noted that the District LLC includes the Boyer Company, John Gust, and Kem Gardner.

Council Member Newton said at the last City Council work meeting, they studied a secondary water report. It was concluded that at the present time, it is not feasible to proceed. He suggested that sometime in the next 2-3 budget years, they look at doing an engineering study for the pipeline paths proposed by the water consultant. He asked staff to look into that and see if that can be included in future budget discussions.

Council Member Seethaler said there are no hard costs associated with that project. Council Member Newton said they would have to bid for the project to see what it would take.

Mayor Osborne said they are not sure where the project will end. Eventually, they need to figure out how to get water from the reclamation plants to the city. Council Member Seethaler said they have water that they will need to deal with in some way, in the future. CM Geilmann suggested they make that a key initiative in the May visioning meeting.

Council Member Newton said he thought they talked about not taking on any more special service districts until they reach a positive balance in the secondary water fund. CM Geilmann said the process will determine if they are ready to go forward. They will see if they have the ability to move forward or not. ACM Whatcott said part of the process is the residents will be presented with the costs. When the residents see that, they may not want to move forward.

Council Member Newton asked if there is a way to limit doing development agreements on everything. Is there a way they can keep it to just areas they are rezoning?

City Attorney Wall said the City Council has a lot of latitude to require development agreements. There are specific sections in the city code where development agreements are suggested or allowed. He agreed that it is not wise to do development agreements on everything; it slows the process down. The reason they would consider doing a development agreement is if the provisions of the zone call for decision making outside of the language of the zone and the City, for example, wants to retain decision making authority or if there is a project that doesn't fit neatly in a specific zone.

CM Geilmann said their first objective is to make sure it meets due process. The next is if it is in the best interest of the city. The infill developments are the hardest ones. He said the best policy, and what they are currently doing, is to leave it to the latitude of staff when a development agreement is necessary.

Council Member Short thanked the police department for catching some drug dealers in their neighborhood.

Council Member Short said there is a South Jordan resident in the Navy that fended off some dogs attacking a woman in Virginia. He said because the person lives in Virginia, they may consider honoring his parents who are living in South Jordan.

Council Member Seethaler thanked City Engineer Klavano for helping with a sidewalk survey. Public Works Director Rasmussen helped with a couple of road issues and repairs. He also thanked Community Development Director Shaw for assisting residents with issues over the last few months. He also thanked Finance Director Naidu with coordinating and discussing budgeting issues.

C. CITY MANAGER

CM Geilmann said good things are happening in the city; there is an uptick in people using services in the city.

D. OTHER

None.

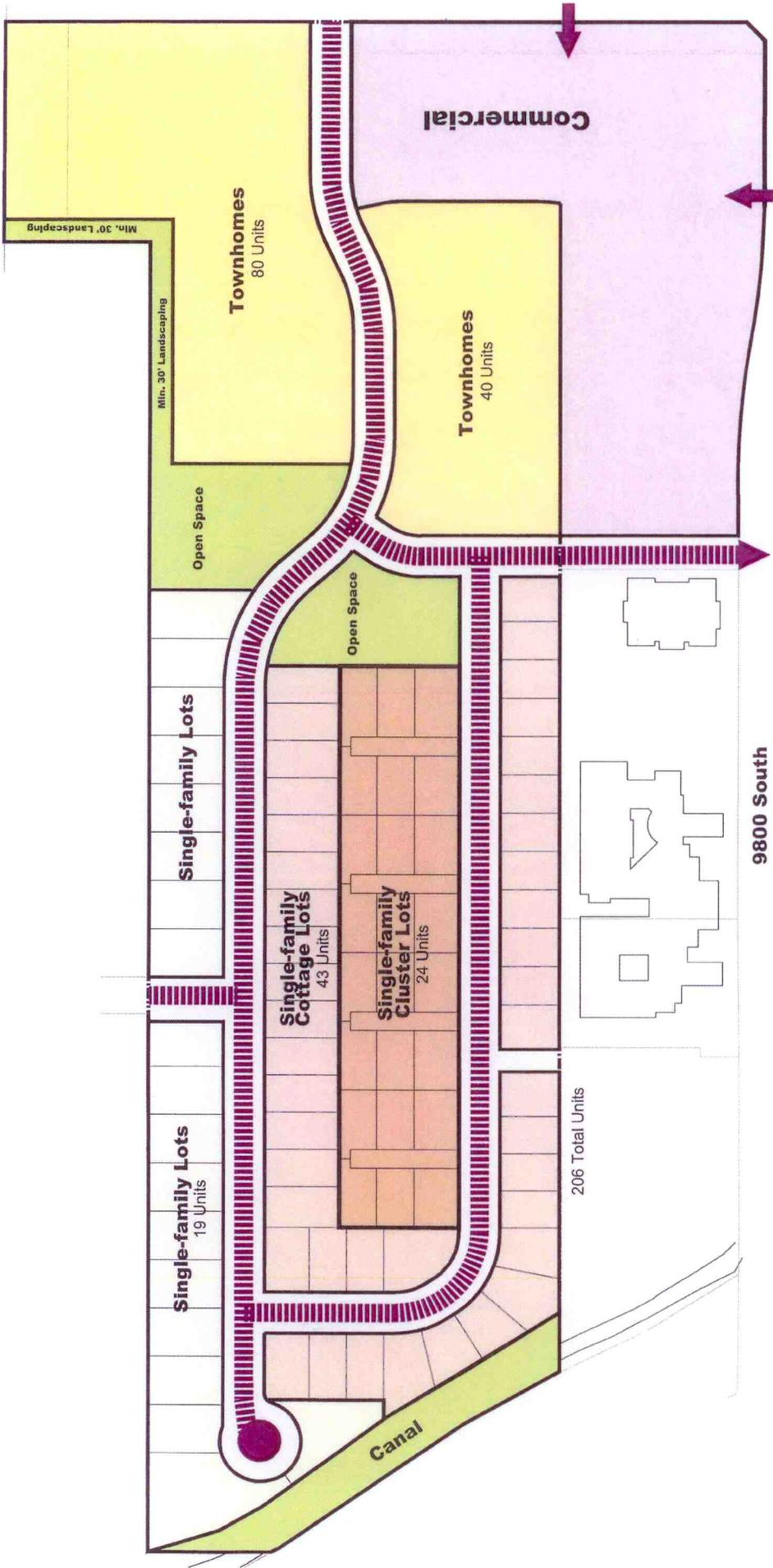
ADJOURNMENT

Council Member Seethaler made a motion to adjourn. Council Member Newton seconded the motion. The vote was unanimous in favor.

The March 19, 2013 City Council meeting adjourned at 9:27 p.m.

This is a true and correct copy of the March 19, 2013 City Council meeting minutes, which were approved on April 2, 2013.

Anna M. West
South Jordan City Recorder



Santorini Village Master Development Plan

9800 south Redwood Road, South Jordan, UT

V I L L A G E



March 12, 2013



RESOLUTION

**Compensation Committee to be established with defined Responsibilities and Authority
relating to both City of South Jordan employees and elected officials**

WHEREAS employee compensation and benefits represent the single largest annual operating expenditure within the city of South Jordan, and

WHEREAS city management and elected officials jointly share responsibility for fiscal oversight, budgets and sustainability, and

WHEREAS significant effort is focused on compensation and benefits management within principles or guidelines that are or should be established, and

WHEREAS elected officials in the City of South Jordan should be compensated in a fair and reasonable manor and without political manipulation, and

WHEREAS, Council Members are elected by voters in their various Districts to perform an equal and full responsibility on the City Council, and should be compensated equitably with respect to current and deferred payments, and

WHEREAS the current application of Council compensation is neither equitable nor managed independent of annual Council Member involvement, and

WHEREAS the mayor in his or her duties takes on cumulative responsibilities far in excess of individual City Council Members, including but not limited to board and committee representation within organizations requiring time commitments approaching full-time if all assigned duties are performed, and

WHEREAS, the expectation of residents is that Council Members contribute adequate time and effort to performed their elected responsibilities with no expectation that all time will be compensated at market value, therefore –

RESOLVED, that a Compensation Committee be formally established and structured according to this resolution, and

That the composition of this Committee will be the Mayor, one Council Member (as recommended by the Mayor from time to time and approved by a majority of the Council), the City Manager, the highest-level city officer responsible for employee compensation management, and one resident of the City of South Jordan professionally qualified in compensation, benefits, and employee management who, by application, is considered and approved by a majority vote of the Council, and

That the terms of Committee-member service will be: the Mayor, City Manager, and City Officer serving as 'standing' members, and the City Council Member and Resident serving 2-year terms, and rotating off the Committee for a minimum of two years, and

That there shall be no additional compensation to Committee members excepting for the city resident who shall have no other assignment or position with the city, its committees or volunteers, and shall be compensated on an established per diem basis for daily service or portions thereof, limited to no more than five full days per year, and

That the authority of this Committee shall be as a recommending body to review and compare salaries (both for internal and external equity) and benefits for all classes of city employees, and recommend practices, approach, philosophy, and compensation consistent with the goals established together by the City Council and City management from time to time, and

Further, that specific plans for insurance and other benefits administration be solicited, reviewed, and recommended by this Committee from year to year, and

Further, that this Committee considers comparable compensation of elected officials, taking into consideration location, size, growth, development, services provided, and so forth, and

That this Committee duly consider the expansive responsibilities of the mayor, above and beyond the service of individual Council Members, as the Chief Executive Officer of the city, together with official city representation to boards, committees, and other public events, and

That this Committee determines and publish from time to time (and no less frequently than every two years) the compensation of the mayor and other members of the City Council, without the vote or approval of the Council, and

That this published compensation, when altered, be effective at the beginning of the fiscal year, starting July 1, 2013, and be reviewed and adjusted no less frequently than every two years, and

That this Committee be guided by the principles of fairness, equity, element of personal sacrifice by elected officials, and the conservative approach of not leading the market, but fairly and independently administer compensation to the City of South Jordan's employees and elected officials, and

That a written report and presentation be formally prepared and presented to the South Jordan City Council in January of each year, thus preceding the first draft of the upcoming fiscal-year budget.

3-19-2013 CC meeting
Attachment C

Fiscal Year	Wages/Benefits	Operations	Capital Expenditures
2014	70%	21%	9%
2015	69%	22%	9%
2016	68%	23%	9%
2017	67%	24%	9%
2018	66%	25%	9%
2019	65%	26%	9%
2020	64%	27%	9%
2021	63%	28%	9%
2022	62%	29%	9%
2023	61%	30%	9%
2024	60%	31%	9%