



G R E A T E R S A L T L A K E
**Municipal Services
District**

**MEETING MINUTES BOARD
OF TRUSTEES MEETING
GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT
Wednesday, March 10, 2021, 6:00 p.m.**

Due to the COVID-19 pandemic, this meeting will be held electronically. To watch or listen, please see the information at the end of this agenda.*

Members of the Board of Trustees may participate electronically. Portions of meetings may be closed for reasons allowed by statute. Motions relating to any of the items listed below, including final action, may be taken.

Trustees Present:

Joe Smolka, Chair ¹
Paulina Flint, Vice-Chair
Kelly Bush
Sean Clayton
Dan Peay
Laurie Stringham
Keith Zuspan

Trustees Excused:

Staff Present:

Bart Barker, MSD General Manager (GM)
Brian Hartsell, MSD Associate General Manager (AGM)
Marla Howard, MSD Chief Financial Officer (CFO)
Lupita McClenning, MSD Director of Planning and Development Services
Izabela Miller, MSD Operations Officer
Ina Oviatt, MSD Records Officer
Mark Anderson, MSD Legal Counsel
Corey Bullock, Salt Lake County Parks Maintenance
Joselyn Romero, Salt Lake County Development
Lisa Hartman, Salt Lake County Associate Deputy Mayor
Abby Evans, Senior Policy Advisor, Salt Lake County Council

Others Present:

Paul Ashton, Magna Metro and White City Legal Counsel
Rori Andreason, White City Administrator
Gary Bowen, Emigration Canyon Community Council

¹ All participants listed above joined the meeting electronically. Other individuals may have been present or via Zoom, who were not specifically recognized by the Chair.

Trustees

Joe Smolka Paulina Flint Laurie Stringham Kelly Bush Sean Clayton Dan Peay Keith Zuspan
Chair Vice Chair

1. Call to Order - Joe Smolka, Chair at 6:00 pm

2. Pledge of Allegiance

The Pledge of Allegiance was not recited.

3. Statement of Board Chair concerning the temporary conduct of electronic meeting of the board consistent with the Utah Open and Public Meetings Act

The temporary conduct of electronic meetings of the board was read by Chair Smolka in accordance with the Utah Open and Public Meetings Act.

4. Public Comments (up to 3 minutes each)

There were no public comments submitted and no other public comments.

5. Review of 2020 Sales Tax, Class B&C Funds and SB136 Revenues

Brian Hartsell (AGM) presented the 2020 revenue sources as compared the prior year. His presentation was a chart by month and by Member. Sales tax collections for 2020 increased overall by 4.8%. He touched on some notable highlights. Unincorporated collections were down due to the prevalence of sectors within the area that were hit hardest by the pandemic and due to a correction of how certain tax receipts that were coded to the unincorporated and now appropriate coded to the metro townships. He explained the distribution process for Class B&C road funds and that there was an overall decrease of 1.6%. He reminded the Board that there will be a decrease in Unincorporated's funding beginning July due to SB150. He pointed out that the MSD didn't begin collecting SB136 tax until July of 2019 so there is yet no useful annual comparisons for 2020.

Bart Barker (GM) wanted to re-emphasize what the AGM said about impact of COVID on sales tax receipts and reporting methodology.

6. Update on the distribution of Salt Lake County General funds to metro townships based on unspent 2019 CARES Act funding

Bart Barker (GM), shared the staff report that was sent to the County Council regarding the funding to the MSD's Members. He stated that the money to be sent to the Members will come from the County's General Fund. He referred to Lisa Hartman who has been working on this project. The total amount will be about \$3.2 million and is detailed in the staff report which was included in the Board packet. He indicated that the interlocal agreements will come on Monday. Lisa Hartman stated that the funds will be General Funds monies and thus don't need to be reported back to the County as was the CARES funds. She stated that the Mayor and Council were excited for this funding for the metro townships. The GM thanked Salt Lake County and stated the Magna has some opportunities to help those who could use this help. He stated that the funds could be used for COVID vaccinations.

Kelly Bush commented that they distributed about 43,000 masks. Brighton township used their CARES funds for extra services such as local restrooms sanitation and for assisting UPD and UFA.

The AGM noted that the Brighton Township was not on the list for another disbursement because the formula is based on the value of the unused first tranche and the full value of the second tranche. Brighton received and spent their first and second tranches. Unincorporated will be managed by the County.

7. Legislative update

Mark Anderson gave the following summary on some pertinent bills affecting the MSD Members.

HB 82 fifth substitute passed both the house and the senate and is Representative Ward was receptive to suggestions and in some ways is more favorable than the ordinance adopted by Kearns Metro Township.

HB 98 was in the fourth substitute and is favorable to builders. The League of City and Towns and Nathan Bracken did a lot of work on this one. He reviewed that a builder or developer could use a private licensed inspector instead of a governmental one. Now, the bill only covers single family, duplexes and townhomes. There are some statutory timelines required before a builder or developer can opt out. The number of municipalities not meeting the deadlines is miniscule. The MSD is good at meeting the statutory deadlines. The one issue could be the impact of a natural disaster. He restated that it wasn't a very good bill overall. It is now the law. The League went neutral on this bill.

HB 244 - the fourth substitute passed and became law. It allocates \$300,000 to Kearns Metro Township and \$225,000 to Magna Metro Township, annually. The funds allocated to Millcreek of \$1,000,000 came from another funding source. It appears that the funds to Kearns and Magna can only be used for highway or transit corridors. He is concerned that Kearns and Magna are being treated differently. He will need to get a clear understanding regarding the use. The GM restated that he was concerned about the same items and that there is a perception that the Members are still part of the County due to the distribution stream. He would like to have the distribution process fixed. He referred to the one-time funding for certain cities initially. Laurie Stringham asked if it would be helpful if the funding was handled as a pass through by the Council. The GM appreciated that approach. The GM clarified the potential use and that Kearns may not be able to use all the funds on corridor preservation.

HB 253 is about opening meeting minutes will require us to post to the State Public Notice website, not only the approved minutes but any other material that was distributed during the meeting. LeGrand Bitter met with the sponsor to amend the bill to utilize a link to our website to meet this requirement. Trustee Flint stated that White City already posts to these documents to their website.

SB 58 is a major victory for the metro townships in that it gives statutory authority to impose use tax just like every other municipality. Foxley and Pignanelli worked on the MSD's behalf as well as did UASD to educate the legislators.

SB 125 - first substitute is an open meeting act and hasn't changed much. It allows the chair to read a summary of the act with other modifications.

SB 151 - first substitute is a governmental immunity act. Currently we have to have a registered agent to receive notices. It allows notices and claims to be submitted by email and to the agency's attorney.

SB 240 is about recreation amendments. It is a high number bill for so few senators. This one is sponsored by Senator Bramble. This bill did pass and does provide that the Town of Brighton to take over land use authority. It changes the requirements for the makeup of the mountainous planning commission. It repeals the sunset dates on funding.

SB 248 failed to pass. It was meant to undo the bill that did pass last year about gambling devices. This bill had to do with skilled games. He wouldn't be surprised to see it come back. Trustee Bush stated that there is a good chance that it could come back in interim and stated that the industry is pushing for the machines, but they are concerned about the rewards. She will be working with Nathan Bracken to educate people.

Paul Ashton referred to SB 201 which deals with publishing in the daily newspaper and limits the needs to advertise in a paper. It provides an alternative means to advertise. It addressed truth in taxation and budgetary meetings.

The Chair thanked Mark Anderson on his work on behalf of the Board.

The Chair asked for the GM to see if he can work with Trustee Stringham get Kearns and Magna funding sent directly to them.

8. Update on the proposed MSD bond

Bart Barker (GM) stated that MSD is still active in developing the bond. He informed the Board that John Crandall of Stifel and Mark Anderson are working on a reimbursement resolution that allows the MSD to get reimbursed for funds expended before the bond funds are received. There are other documents that will be sent to the councils. We are working on project cost estimates and he specifically referred to the 4700 South process where the cost was increasing and impacts the match that needs to be paid. He explained that cost increases had to do with the point in the project design process and thus not all costs were identified. Hence, the estimate excluded items that hadn't been addressed or designed. Also, some stages had to be readdressed since the project started in 2014 and roads that were to be sealed have deteriorated and need to be rebuilt. The MSD's matching cost was up to over \$6.5 million. He told the Board that he along with staff met with the County and educated Engineering regarding the process used by the Board to commit funds to a project and the need to have estimates for the entire project early within the approval process.

Trustee Flint asked if this was the project where we owed the State over \$5.5 million in cost overrun which half of the funds need to pay this year and half in 2022. The GM stated that the \$5.5 million was a local match which is now estimated to be \$6.5. He restated that there were costs missing. Trustee Flint asked who did the initially work to provide the cost estimate. She is concerned that this will be happening with other projects that we will be managing. Trustee Flint commented that she has asked the GM to be part of the planning meetings with the project managers. She referred to a decorative wall that is requested by West Valley City. She mentioned the challenges working with Union Pacific and the delays that it would cause. She mentioned that she didn't want to bond the portion pertaining to the Union Pacific because Union Pacific isn't transparent on their support of the project in them

area. The GM showed a map and where the railroad line crosses the project. He suggested of paying for it as a capital improvement at a later date.

Trustee Flint recalled the budget discussion about the \$5.5 million and the source of the number. She stated that the number should not have been brought to the Board. She wants whomever that developed the number to be accountable for the difference. The GM stated that Scott Baird did not know that some of the estimates were missing. Trustee Bush reminded the Board that UDOT made us go back and redo some of the studies. The GM stated that UDOT is in charge of the project and directs the development of the plan. He believes that it was a misunderstanding on the part of the County regarding the development of the budgetary estimate for approval. Trustee Bush asked how much the cost is reduced if we don't include the portion that intersects with the railroad tracks. Trustee Flint stated that Trustee Bush's approach is probably best at this point. She believes that there is additional funding available later for the railroad crossing section.

Trustee Bush is concerned that the costs will continue to grow as the project continues to be postponed. Trustee Bush stated that there is a meeting tomorrow with Salt Lake County and West Valley and their extras will be discussed and that we instruct the County to take the railroad crossing out.

Trustee Flint expressed concerns that operations need to be moved to the MSD to control the cost. She stated that she would like the excess to get back down to the original amount. Trustee Bush said that she will commit to the Board that she will diligently work to getting the amount down.

Chair Smolka stated that he wanted to move off the subject since we can't move further on this subject.

The GM stated that some of the Trustees are concerned that an overage one project doesn't impact another project.

The GM also informed the Board that he attended the Magna Metro township meeting last night where the bond and Magna's projects were discussed, and they may want to substitute their projects for another one.

9. Consideration of a process for selecting an external auditor for 2021, 2022 and 2023 audits

Marla Howard (CFO), informed the Board that the current contract with Gilbert and Stewart ends after the audit of the 2020 year. She explained the process that management will use to find an auditor for the next contract. She also stated that Brighton Township will require an audit for their fiscal year and that they will get bids for that work at the same time. Trustee Clayton reminded management about the separate entity audit for federal funds more than \$750,000.

10. General Manager report

The GM informed the Board that the US house of representatives passed the American Rescue Plan Act (the "Act") of \$1.9 trillion that will include funds to local governmental

entities. He provided a chart of preliminary estimates of the funds that could come from the Act. The numbers presented are meant to fund lost revenues. He stated that we can't know what we lost in funding due to COVID but that we do know there was an impact. He showed a chart showing a decrease in the MSD's fund balance over the next five years. He also stated that the funds will go to the members and not to the MSD.

11. Other Metro Township, Town, Unincorporated County, and Greater Salt Lake Municipal Services District business

Trustee Clayton wanted to share with the Trustees a letter that Copperton is working on to get youth back to playing community sports. He asked if they would consider joining Copperton. Trustee Stringham stated that the County is working on something similar. He pointed out that he wants the sporting activities to be done safely but there are kids that need the opportunity to recreate.

The GM stated that it is his understanding that the eligibility age for vaccination will be reduced to 16 by April 1.

Trustee Flint informed the Board that the old Edgemont School will be demolished in the next month. She is not sure how Edgemont Drive will survive the amount of traffic.

The GM informed the board that the sheet rock is now being hung in the administrative offices. The walls will be insulated and will be past the ceiling tiles to ensure a higher level of sound proofing.

12. Discussion of future agenda items (5 minutes)

No items were brought to the Board.

13. Adjourn: Motion to Adjourn made by Trustee Flint. Trustee Paey seconded the motion.

Meeting Adjourned at 7:45 pm

APPROVED:

Joe Smolka
Joe Smolka, Chair

ATTEST:

Marla Howard
Marla Howard, Clerk