

CITY OF NORTH SALT LAKE  
CITY COUNCIL MEETING-BUDGET  
APRIL 15, 2017

**FINAL**

Mayor Arave called the meeting to order at 9:51 a.m.

PRESENT: Mayor Len Arave  
Council Member Matt Jensen  
Council Member Brian Horrocks  
Council Member Stan Porter  
Council Member Ryan Mumford  
Council Member James Hood

STAFF PRESENT: Ken Leetham, City Manager; Paul Ottoson, City Engineer; David Frandsen, Public Works Director; Janice Larsen, Finance Director; Chief Craig Black, Police Chief; Chief Jeff Bassett, South Davis Metro Fire Agency; Brent Moyes, Golf Course Director; Sherrie Llewelyn, Community Development Director; Linda Horrocks, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Matthew Thacker, resident.

1. INTRODUCTION OF THE 2017-2018 FISCAL YEAR BUDGET-KEN LEETHAM

Ken Leetham thanked the Mayor and City Council for how well they work with City staff and for the concern they show to residents. He thanked staff for preparing the budget and effectively offering services to residents while being conscientious with funding.

Ken Leetham then gave some background about his start in city planning in St. Petersburg and Fort Pierce, Florida. He displayed a zoning map from 1929 which showed restricted and unrestricted areas which were basically Caucasian-only areas segregated from African American residences and businesses. Mr. Leetham explained that many years later, the effect of this zoning in Fort Pierce still had an influence, and he pointed out that zoning and planning decisions impact cities for years to come. The City Council's vision affects the city economically and sets the course for what the City is and aspires to be. He then stated that City staff shares in establishing and supporting the City Council and implementing the vision of the City.

Ken Leetham reported on five principles City staff uses to carry out the City Council's vision regarding budgetary recommendations. The first principle includes maintaining required

minimum standards for Level of Service (LOS) such as with culinary water, roads, public safety, and meeting other State requirements. The second principle is identifying “what’s not working” in regards to deficient LOS and proposing new solutions such as methods to achieve maximum productivity and cost efficiency, dealing with past insufficient inspections and record keeping in storm water, rolling back the sick leave buyout, the personal time off (PTO) proposal, and contracting for the mowing of parks. The third principle is looking for “think outside the box” opportunities including identifying new best practices, staying current on technological solutions, providing online services, city-wide Wi-Fi, using in-house staff versus consultants, etc. He gave the example of having City staff design the Eagleridge Drive project versus using a consultant which would provide significant cost savings to the City. The fourth principle includes new programs, services, and facilities to elevate life in the City including reinvestments in beautification efforts, and through Redevelopment Area (RDA) projects, bring in new land uses and improve aesthetics of corridors and the town center area to improve property values. The final principle is determining the most cost effective way to accomplish the first four principles by providing the best value at the best price.

Ken Leetham then reported on what was new and different for 2018 including the proposal for a new storm water employee at the cost of \$69,000.00 annually (total cost of salary and benefits) and a streets employee at \$60,000.00. The proposal also includes two new police officers at the cost of \$205,000.00 annually (salary, benefits, and equipment/vehicle), a part-time planning administrative tech at \$33,000.00, and an administrative assistant for the City Manager at \$64,500.00. The planning technician and the administrative assistant salaries would be funded by the savings from the previous City manager’s salary and will fill vacancies.

Mr. Leetham then reported on several cost saving methods including using staff for in-house design of the Eagleridge storm drain project at the cost of \$6,000.00 instead of the proposed contractor price of \$70,500.00. He also reported on the rollback of the sick leave buyout costing \$45,000.00 instead of \$100,000.00. He also explained that performing in-house construction of infrastructure repairs could potentially save a great deal of money as well.

Council Member Horrocks asked about the proposed police officer positions and said that the City had just hired two new officers. Chief Black replied that one of the officers hired filled the proposed position and the other officer hired was filling a vacancy.

Ken Leetham reported that the City Council would receive a copy of the tentative budget May 2nd with a public hearing and adoption of the budget in June. He said the City is in excellent financial shape and that the management staff monitors and discusses the financial condition on a weekly and monthly basis. The City has sufficient revenue to provide excellent services and has

a healthy fund reserve. While downturns are possible they seldom occur overnight and the City is in good shape to react, make adjustments and prepare for hard times if and when they come.

Matthew Thacker, resident, asked how the City sees a downturn coming ahead of time. Ken Leetham replied that there are generally some indicators if you are watching for the signs. He said the City's staffing levels are set so that they could handle a downturn and that staff prepares by attending trainings and forecasting meetings and by watching growth rates.

## 2. OVERVIEW OF THE GENERAL FUND AND PROJECTIONS-JANICE LARSEN

Janice Larsen presented the financial schedules and said that it is a team effort with all departments working together. She said all the schedules are based on cash balances, State and Federal laws and requirements, etc. The fund types include governmental funds and proprietary funds. The governmental funds include the General Fund, the Special Revenue Funds, Debt Services Fund, and the Capital Projects Fund. The proprietary funds include the Enterprise Funds (Utility and Golf Fund) and the Internal Service Funds (Fleet Fund). In the governmental funds, such as public safety, administration (finance department, city manager, etc.) the services provided do not have corresponding revenue, so they are funded through general taxes. The proprietary funds are opposite and are intended to be funded through the fees that are collected.

The budget and projected ending for fiscal year (FY) 2016-2017 shows that revenues including property tax are projected to be 7% higher than the budget, sales tax is projected to be 2% below budget minus five months that have not yet been received, and charges for services with an increase due to development fees. Other expenditures include administration costs for the lobbyists, Eagleridge Wi-Fi, attorney fees for the landslide, public notices, and streets including snowplow services.

FY 2017-2018 revenues include a property tax forecast with an increase of 4%, a sales tax forecast increase of 5%, and a decrease in charges for development services at 14%. Expenditures include payroll for FY 2018 with a reduction in sick leave, the proposed positions, step increases, a 2% COLA, insurance increase, short term disability premium, public safety and fire agency, other general fund department increase, and the park mowing contract and reduction in seasonal staff, equipment, and fuel.

Council Member Mumford commented on the lag in property tax and that all income for the new construction would not have been captured yet.

Mayor Arave asked if there were some counties that do not offer a discount on property taxes and asked if there could be a push to get this changed. Ken Leetham replied that Davis County

offers a residential exemption to multi-family properties and that staff could review this with the County.

Ken Leetham commented that the potential fire agency increase could change as they are having a truth in taxation hearing and the administrative board would then make a decision on any potential increase.

Janice Larsen then outlined General Fund transfers and contributions and use of the fund balance. City staff recommends an additional transfer to the Golf Fund, a transfer to the Capital Improvement Fund, and a budget adjustment for C-Road revenue. Ms. Larsen explained that the budget is typically under budget in expenditures and over budget in revenues by 2%.

Ms. Larsen explained that in August 2016 the City received sales tax and a report which showed an issue with the amount including an error with reporting by an outside entity for 2012 and 2013. The State took back \$125,000.00 from the City for those years and may take back additional funds for 2014-2016, so a reserve amount of \$475,000.00 has been set aside for sales tax payable to the State of Utah.

Council Member Horrocks commented that in responding to a resident that questions supporting the RAP Tax that it could be explained that the RAP Tax is to help pay off the bond that was obtained to pay for parks. Residents are already paying this tax every time they shop in other cities so it is worthwhile for the City to impose the RAP Tax as well. Ken Leetham responded that this was correct and that sales tax for the RAP Tax is already being paid on purchases and is a continuation of a previous tax increase.

Council Member Jensen commented on the 2018- 2020 projected budgets and said that the general revenue is increasing 1% while the payroll expenditures are increasing with a 2% STEP increase and a 2% COLA increase for a 4% increase and what would need to be cut to pay for personnel. Ken Leetham replied that there may still be growth in the General Fund to cover these costs.

Janice Larsen said that the amounts for certain departments show both equipment and wages and also that many employees are close to or have already met their STEP increase max and will only receive COLA increases. She said some adjustments might need to be made.

Council Member Horrocks asked about the lobbyists and if the City would continue to use them this year. Ken Leetham replied that no projects had been determined other than obtaining funding for the Foxboro Wetlands Park and the secondary water expansion but said the contracts could be reactivated later if they are canceled now. Mr. Leetham said he and the Mayor could continue to be proactive in obtaining funds as well.

Janice Larsen also reported on the Debt Service Fund revenue and expenditure with an ending balance of \$432,000.00 if the RAP Tax is not extended. She said that the Capital Projects Fund revenue and expenditures include any projects not related to roads and that the majority of the funds for 2016 were spent on the landslide with a total of \$960,300.00 spent on landslide mitigation. The City also received \$562,100.00 in contributions from outside entities for landslide mitigation.

Janice Larsen then reported on the Special Revenue Funds which includes tax increment areas, revenue, expenditures and allocations. Special Revenue Funds also include RDA/CDA revenue and expenditures, housing revenue and expenditures (including CDBG), and Local Building Authority revenue and expenditures. Ken Leetham commented in regards to the Highway 89 Community Development Area (CDA) and said that while the base year has already been established, the trigger date has not yet been started and the longer the City waits the more potential revenue could be collected.

**There was a short recess from 12:09 p.m. to 12:23 p.m.**

3. BUDGET PRESENTATION FOR COMMUNITY DEVELOPMENT-SHERRIE LLEWELYN

Sherrie Llewelyn reported on community development and reviewed the department staff which includes herself as the director, Ali Avery, Long Range Planner, Larry Palmer, Building Official, and Deena Christensen, Permit Technician. This department is requesting a position for a part time planning technician which would be an administrative position only and not expected to progress into a planning position.

Mrs. Llewelyn then reviewed the fiscal year which had 25 building applications to date with \$69,000.00 in revenue. Future projects for FY 2018 include a Del Taco, AutoZone, Holiday Oil, Mc Green development, Romaine Court, Towne Plaza Phase 2, Chesham Village Phase 2, Towne Center redevelopment, Williamsburg Luxury apartments, and Foxboro Marketplace apartments. She reported on population growth with projections based on the number of building permits with 18,510 residents in 2013, 19,167 residents in 2014 which was a 3.55% increase, 19,973 residents in 2015 at a 4.21% increase, 21,461 residents in 2016 at a 7.45%, 21,877 residents in 2017 for a 1.94% increase, and 22,751 residents in 2018 for a 4% increase.

The year in review for building permits shows a decrease in single family homes and an increase in multi-family homes with a steady increase of remodels and commercial projects. Building permits in FY 2016 included 96 single-family homes and 284 other permits for a total of 380 permits. The estimate for FY 2017 includes 27 single family homes, 106 multi-family homes,

and 324 other permits for a total of 457 permits. The estimate for FY 2018 is for 26 single family homes, 266 multi-family homes, and 300 other permits for a total of 592 permits.

The valuations are \$42,877,371 for FY 2016, \$41,241.032 in FY 2017 and \$50,000.00 in FY 2018. The permit fees for FY 2016 were \$453,060.00, with \$414,401.00 estimated for FY 2017 and \$459,746.00 in FY 2018. Permit fees include plan review and building inspections and these numbers do not include impact fees.

Sherrie Llewelyn then reported on the year in review for grants and said that the long range planner, Ali Avery, was able to obtain \$679,604.00 in funding including CDBG, Redwood Road Trail, etc.

New construction includes the Porter Landing Boat Takeout with a grand opening on June 3<sup>rd</sup>, commercial construction included Redbone Trucking, Lee's Market, the strip mall at Lee's Market and residential projects include Parkview and Chesham Village.

Some of the goals and objectives for this fiscal year include modernizing permit software for online applications and tracking, a parks, trails and open space plan to include an inventory of City property, prioritizing improvements, and beautification of corridors, and code updates for the gravel pits, fencing, form-based code, and legislative updates.

#### 4. BUDGET PRESENTATION FOR GOLF COURSE-BRENT MOYES

Brent Moyes reported on the FY 2017-2018 budget presentation for the golf course. He explained that the vision for the golf course includes presenting a "resort" atmosphere which means maintaining a certain level of service, golf course conditions, a new fleet of golf carts, an up-to-date clubhouse, golf course aesthetics, and possibly a full service breakfast bar/restaurant.

Marketing for the golf course includes a new website design including a mobile app, a Utah Ad Federation tournament trade for advertising (ABC4 Golf Forecast), the Enterprise ad "Focus on Golf" PGA GolfPass, frequent player cards, social media, the Davis County Golf Passport through the Davis County Visitor's Bureau, local business golf day, customer appreciation tournaments, and eGift cards.

The golf course also offer programs such as junior golf clinics, leagues and a mini tour, a men's league, Ladies Day on Wednesdays, a potential ladies league, UGA amateur tournaments, community golf clinics, monthly family golf tournaments.

Budget requests include replacing a 2007 GMC truck for the superintendent at \$35,000.00, clubhouse restroom remodel at \$30,000.00, replacement of 2002 Toro Workman at \$24,000.00, repair netting on hole #11 at \$15,000.00, pay increase for the assistant superintendent Nick Bosen at \$10,000.00, electrical cabinets at \$5,000.00, re-epoxy turf care center floor at \$5,000.00, replace snow blower at \$2,400.00 and new golf carts. The replacement of the golf cart fleet would be \$57,000.00 for five years and includes the trade-in of the current carts. Some of the benefits of the new carts include better fuel economy, traction and power for hills, quiet ride, and decreased emissions.

Council Member Horrocks commented that Eaglewood Golf Course doesn't rate very well compared to other golf courses and asked if this was due to the design of Hole #11. Brent Moyes replied that there is not a lot that can be done with Hole #11 without affecting the nearby homeowners.

Brent Moyes reported on projected revenues based on 50,000 rounds as average revenue per round is \$21.32. Golf/fees revenue was \$1,066,000.00, clubhouse rents/leases at \$36,000.00, and concessions/banquets with projected revenues overall of approximately 1.2 million.

The five year plan for the golf course has been prioritized into three categories for those items that need to be done, items that would be nice to have done, and items to be done down the road. The items that need to be done include replacing the irrigation system, a new roof for the clubhouse, cart path repair, replace asphalt in the maintenance yard, on the course restroom renovations, and a new food service contract for 2019. The items that would be nice to have done include a second assistant golf professional, Pro Shop re-design with a new entrance and exterior fixtures, and an asphalt path from #2 to the back of the range with firework access. Items that need to be done in the future include expanding the café seating on the deck, replacing Hole #8 pond liner, and dredging Hole #9 pond.

Mayor Arave asked what the Eaglewood fees are compared to other courses. Brent Moyes replied that Bountiful costs \$44 for 18 holes with a cart and the City is at \$42. Lakeside Golf Course is less expensive and Valley View and Salt Lake City courses are more expensive. The City could consider a one dollar increase.

Council Member Mumford asked about the clubhouse serving breakfast and suggested that the reception area could be leased to an outside vendor for a nice restaurant. Brent Moyes replied that the café area is currently only open for lunch but in the future it could be open for breakfast. Staff will look at the potential for a restaurant as the current food services contract expires in 2019.

Janice Larsen reported on the Golf Fund revenues and expenditures and said that the debt will be paid off in June 2017. The 2018 recommended budget includes some of the budget items from Mr. Moyes presentation including the golf carts, restroom remodel, truck, etc. This includes the cost of leasing the carts at \$60,000 per year for five years versus buying the 80 golf carts now at \$275,000.00.

Janice Larsen also reported on the Fleet Fund reserves and expenditures and said that once a year staff reviews the vehicles including a report for the mechanic. The City has been leasing vehicles as the rates are low but they could be purchased with cash when rates go up in the future. In the new fiscal year the department heads will obtain the exact price of the vehicles they would like to purchase and present the complete list for all vehicle requests to the City Council. The City also has two new police officers so two new vehicles will need to be purchased this year.

#### 5. BUDGET PRESENTATION FOR COURT-KEN LEETHAM

Ken Leetham commented that this information will be presented at a later date including revenue, the increased number of cases, etc.

#### 6. RDA UPDATES-KEN LEETHAM

This information will be presented at a later date.

#### 7. BUILDING AUTHORITY-KEN LEETHAM

This information will be presented at a later date.

#### 8. CITY COUNCIL BUDGET GOALS AND DISCUSSION

Council Member Porter requested water access at the pavilions located in the parks. He also asked for shade to be installed at the splash pad. Ken Leetham replied that staff will review potential projects that could be accomplished with the RAP tax including shade at the splash pad.

Council Member Mumford asked if there was an inventory of park equipment with a lifespan and recommended replacement dates which could be budgeted for similar to the fleet replacement schedule. Janice Larsen replied that the City does have a list of equipment and the age.

Council Member Jensen commented that St. George has a pamphlet with a map and matrix detailing all their park amenities. Linda Horrocks replied that the City has similar information on the website.

The City Council discussed whether to promote the parks and trails to the public versus just to the residents, and also ways to promote City amenities and events to residents who do not receive the current City newsletter.

Council Member Jensen commented that he is concerned about the landslide and would like to find a resolution to this problem. He would also like to focus on the Foxboro Wetlands project, the potential sports complex, and the Town Center redevelopment. He also asked that City staff review the Wild Rose Trail that was part of the Eagle project.

Council Member Horrocks commended City staff and said as they set the tone for the City that he is pleased with their efforts.

Council Member Mumford also thanked staff for the level of service they provide particularly in attending meetings like the Neighborhood Watch, etc. He asked that staff consider new ways to finance instead of long term debt. He also asked that Tunnel Springs Park improvements be considered for Arbor Day next year.

Council Member Mumford recommended that staff look at zoning in regards to 4-plexes and the potential preservation of older homes near City Hall and Hatch Park. Sherrie Llewelyn and the Planning Commission will review potential requirements and zone changes in regards to preservation, the area around Hatch Park, and zones for duplexes and 4-plexes.

Mayor Arave commented that there are funds available to repair and improve older homes instead of turning the property into duplexes. Ken Leetham responded that there are also certain neighborhoods that should remain single family and the City can zone those areas to remain that way. The City needs to create a new land use plan for this area so that approvals are not given for certain types of development in areas where it is not wanted.

Mayor Arave asked about code enforcement issues in the Hatch Park area and what could be done. Chief Black replied that some of the issue is due to vacant properties and the other problem is determining whether issues are processed criminally or civilly.

Ken Leetham commented that the City needs to adopt the code enforcement system so issues can be entered as civil violations instead of criminal violations which would allow the City to place a lien on the property if necessary and would help to clean up some of the problem areas. Sherrie

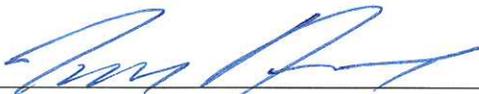
Llewelyn also said that her department has been looking into grants to help some of those property owners improve their homes if they need help.

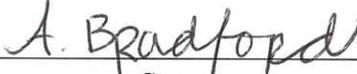
Council Member Hood requested that staff consider a location for a library and also a museum or another way to focus on the City's history. Council Member Porter commented that he has a collection of historical photos and that the City could have a display in City Hall such as a kiosk, statue, or an art display.

Council Member Hood thanked Chief Black for the Neighborhood Watch meeting and asked for more town hall and Neighborhood Watch meetings to be held with City staff and the residents. He also encouraged the City Council, Mayor, and staff to do more lobbying for the City.

9. ADJOURN

Mayor Arave adjourned the meeting at 3:15 p.m.

  
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Mayor

  
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Secretary