

CITY OF NORTH SALT LAKE  
CITY COUNCIL MEETING-BUDGET  
MARCH 31, 2020

**FINAL**

This meeting was held electronically via Zoom. The host site was located at 10 East Center Street in North Salt Lake.

Mayor Arave called the meeting to order at 6:10 p.m.

PRESENT: Mayor Len Arave  
Council Member Lisa Watts Baskin  
Council Member Natalie Gordon  
Council Member Brian Horrocks  
Council Member Ryan Mumford  
Council Member Stan Porter

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

OTHERS PRESENT: Robert Bishop, resident.

1. CONSIDERATION OF THE CITY'S PARTICIPATION IN A PROPOSED VIRTUAL SCAVENGER HUNT ON APRIL 9-11, 2020

Mayor Arave said that Robert Bishop had contacted him about the possibility of the City's participation in a virtual scavenger hunt to be held in April and invited Mr. Bishop to address the Council.

Robert Bishop explained that this community virtual scavenger hunt included activities for families and was a great activity during social distancing. He said Provo City held one scavenger hunt, which was so successful that they would hold a second one the following week. Mr. Bishop said Woods Cross City would be committing \$500 for prizes and he had \$800 in private contributions. He asked if North Salt Lake would also contribute \$500 towards the combined Woods Cross/North Salt Lake scavenger hunt.

Council Member Gordon expressed concern that the scavenger hunt was only advertised to Woods Cross High School students and not Bountiful High School as one third of the City's students attended Bountiful High. Council Member Mumford shared the same concerns as

Council Member Gordon, but said the scavenger hunt would be a good way to engage the public since many of the City's events had been cancelled.

Mr. Bishop said it would be marketed to all residents within the boundaries of North Salt Lake and Woods Cross cities.

**Council Member Porter moved to support the scavenger hunt program by donating \$500 to the cause. Council Member Horrocks seconded the motion.**

Ken Leetham commented that he had spoken with Woods Cross and confirmed they had donated \$500 towards the scavenger hunt.

**The motion was approved by Council Members Baskin, Gordon, Horrocks, Mumford and Porter.**

## 2. DISCUSSION OF FISCAL YEAR 2021 PROPOSED BUDGET

Ken Leetham reported that staff had compiled the budget information previously but had since revised the revenue numbers due to the COVID-19 pandemic. He said the pandemic had an unpredictable economic aspect, which would most likely result in decreased revenue for the City for a period of time. He said he would like address four topics for the meeting including the adjusted revenue projection, a proposal to allow staff to refine the revenue projections for three weeks with review on April 21<sup>st</sup>, review of management recommendations, and direction from Council on the golf course.

Janice Larsen reported that it would be difficult to determine revenues until September or October based on the general lag as well as the impact from COVID-19 and the stock market. She said that the City had just received January's sales tax and road tax revenues. Ms. Larsen explained that she had taken the current year's budget and reduced it by 20% for an estimated \$753,000 for 2021. She also reduced the current year by \$300,000 and said there could be a decline in sales tax through June.

Ms. Larsen then said after Sherrie Llewelyn reached out to the developers who had current projects in the City that she was able to made adjustments to those revenues in the amount of \$45,400. She also explained that there would be a \$103,000 decrease in related C Road and Transportation taxes. The total decrease in revenues would be approximately \$901,400. Ms. Larsen explained that as staff had been through similar situations in the past they could prepare an adjusted budget for review in future weeks.

Mayor Arave commented that the golf course was not reflected in the General Fund and the operating deficit would have to come from somewhere. Ms. Larsen replied that typically the golf course was funded through the Capital Projects Fund. She also said the fund balance was healthy

and if this was a short-term problem the City could easily absorb that. She felt that this would be better known and addressed in September.

Ken Leetham added that he and Janice experienced similar situations before and had reviewed the City's financials from the recession in 2008 and 2009. He said there was a 25% drop in sales tax during that time. Mr. Leetham said there were ways to compensate and these options would be presented to the City Council on April 21<sup>st</sup>. He suggested the City delay spending to allow time to evaluate revenue. He said many entities were focused on this issue including the governor's office, the State, the University of Utah, the League of Cities and Towns, etc. and efforts would be made to reinvigorate the marketplace.

Council Member Mumford asked about reviewing existing and new debt as current interest rates were low. Ken Leetham replied that staff had previously considered new debt for the expansion of Hatch Park, the Wetlands, or other initiatives and felt it may still be a good time to issue debt.

Janice Larsen commented that her focus would be re-funding existing debt and not issuing new debt. She said the most significant debt was water revenue, which the Mayor had previously suggested paying off. Ms. Larsen said that there was previously a lot of impact fees in the Water Fund which would allow the debt to be paid off. She said Hatch Park could be re-funded but there may be a bigger project to be bonded for.

Council Member Mumford suggested that there may be savings in interest rates for the smaller debts. Janice Larsen replied that she thought the lease rates were already under 2% but said staff would review those loans.

Ken Leetham then spoke on the proposed wage adjustment for Sherrie Llewelyn and David Frandsen. He said that a compensation survey was completed earlier this year, which found that these two department heads were paid well below the market rate for their positions. Mr. Leetham said Sherrie Llewelyn and David Frandsen were very qualified and both had Master's Degrees in Public Administration. The estimated wage change would be approximately \$28,000 with Sherrie Llewelyn's wages coming from the General Fund and David Frandsen's wages were split between the General, Water, Storm Drain, and Solid Waste Funds.

Ken Leetham said the second wage issue was related to the police department. He said the City had made adjustments over the years to keep compensation competitive with surrounding agencies; however, the department was now losing employees to other agencies due to salary and wage disparity particularly within the last 18 months. Chief Black has proposed an increase of 8%, which would be an estimated cost of \$150,000 in the General Fund. He explained that there was a wage issue as well as fewer individuals overall in the profession.

Chief Black commented that he had reviewed this issue with Ken Leetham extensively over the last four months and had found they were 8% below comparable agencies such as Bountiful,

Layton, etc. He said the department had lost four officers in the last five months and said there were things the City could do to remain competitive.

Council Member Porter said that this was not surprising due to the lack of public support for police officers recently.

Ken Leetham then reported on administration restructuring and said the City needed a full time employee to manage public outreach, social media, and public information as well as supporting advertising and disseminating information for civic events and emergencies. He felt this position would be critical due to the recent earthquake and COVID-19 and could also be part of the City's emergency response team. Mr. Leetham said this employee would also be over City events and provide support to the Parks and Arts Board. He recommended transitioning Linda Horrocks to this position as she had already been involved in these roles and was doing excellent work curating the newsletter, creating artwork and announcements, social media postings, and handling public outreach for the City. The proposal would be to eliminate the existing Management Analyst position and create a new communications position.

Ken Leetham spoke on the need to provide better, ongoing notifications for road closures or construction projects that affect the public, or when Center Street was blocked by trains, for example. This included talking to UDOT about electronic notification that would provide status updates. He said this type of project would be great for the proposed communications position.

Ken Leetham then reported on the need for impact fee revisions for City parks, recreation facilities, and open space and trails. He said the proposed solution would be revisions to the City's Capital Facilities Plan for parks, recreation facilities, open space and trails, and transportation. This would include an impact fee study and adoption of a new ordinance revising the impact fees for these facilities. Mr. Leetham explained that there were three new park initiatives that would be the subject of a revised Capital Facilities Plan and impact fee ordinance including the redevelopment of Hatch Park, the design and construction of a portion of Tunnel Springs Park, and the completion of Foxboro Wetlands Park. This would also include an analysis of the roadway impact fees related to the bridge at 1100 North or small projects such as the addition of sidewalk sections or road-widening projects that could be added to the Capital Facilities Plan for roads. He said the impact fee analysis could be funded through impact fees and suggested that Lewis Young Robertson & Burningham could prepare this study.

Ken Leetham discussed annual road maintenance and repair and said that when he prepared these reports it was prior to the anticipated drop in sales, gas and C Road taxes and that more detailed projections were necessary. He explained that two studies were previously completed which showed that the City should spend at least \$1.9 million annually on road repairs, preservation and maintenance. The City has made great progress increasing its investment in these activities in the last two years; however, revenue streams related to those activities were only providing about \$1 million dollars annually. Mr. Leetham said the City needed to come up with strategies

to ensure they did not fall even further behind on road related repairs, preservation and maintenance. He said the short-term benefits of deferred maintenance would have a huge long-term cost. He recommended the timing of several large projects could be pushed back several months but the solution was not to cut the budget on routine road maintenance.

Mayor Arave said that construction costs had been high but now might be the time to complete some of the projects as prices may decrease. He said there were some funds available or it may be a good time to borrow money as interest rates were low. Ken Leetham said the City was currently in a good financial condition with some reserves. He spoke on grants the City had been awarded including recent funding for the Main Street reconstruction project.

Paul Ottoson commented that the Main Street project would include curb and gutter, and sidewalk on the east side of Main Street. The City's contribution would be 7%.

Ken Leetham reported on culinary and secondary water planning and said City staff had installed a data collection system and updated the water performance model. The water performance model report was submitted to the Weber Basin Water Conservancy District (WBWCD) for review and while they did not perform a water modeling project for the City they were able to provide critical technical review of the report. The City must also determine whether to expand the secondary water system in the foothills that would require an engineering analysis performed by a third party. Mr. Leetham said in addition to the expansion of the secondary water system the long-term water planning also included evaluating water source needs, water needs related to a potential annexation, growth, removal of large users, and emergency water planning. He said the City also lacked a comprehensive water conservation strategy and talked about heavy water users. He explained that the best way to obtain a reasonable conservation strategy would be for a third party to perform an analysis.

Ken Leetham said it was worth investing in these studies to obtain more data before making decisions and committing to multi-million dollar system improvements.

Council Member Gordon said approximately 18 years ago that she was on the City's water rate review committee and reviewed a conservation rate structure. She said while the interest was not there before that she was still in favor of this now. She asked if water experts in the City could also be utilized.

Mayor Arave mentioned several available water sources, including several wells and secondary water at the golf course, and asked if the City had a water shortage or the purpose behind this request. Ken Leetham replied that the City was in a good position with water storage but said there were times when the water system was stressed. He felt there were potential future issues and that third party water modeling would be useful to help determine the strengths and weaknesses in the system.

Paul Ottoson commented that it was a good idea to have a third party review. He said there should also be extra water storage in the event that a water source was unusable or in the event of a large annexation, etc.

David Frandsen spoke on the water modeling and said he would provide a sample report to the City Council for review. He also talked about mapping and said that over 200 hydrants had been added to the records, which changed the dynamic of the water system.

Mayor Arave provided an update on COVID-19 and said Bountiful and Centerville had twice as many cases as the City. He spoke on Lieutenant Governor Cox's discussion regarding what to expect including the projection that cases would peak at the end of April with deaths to peak in May at approximately 17 deaths per day. There were also plans to increase testing within the next few weeks including tracking infected individuals and determining the individuals they had been in contact with. He said there were approximately five cases in the City and 20-25 in Bountiful. The League of Cities and Towns felt that some cities in Utah and several States were not being as aggressive as they should be.

Mayor Arave reported that golf courses in West Bountiful, Davis County, and Green River were still open. He said the recommendation was to continue to allow play but to restrict the use of golf carts. He asked how many players were at the course that day. Brent Moyes replied that there were approximately 80 players that walked the course.

Council Member Horrocks said that there were some residents who appreciated the course being open while others thought it should be closed. He said he was in support of the course being open with prudent measures in place.

Mayor Arave said the County would most likely recommend closing basketball courts.

Brent Moyes said a golfer had commented that the Bountiful course was too busy. Mr. Moyes said he later visited the course and felt they did not have adequate safety measures in place.

Council Member Horrocks said the Bountiful City Council did not appreciate the City broadcasting the number of COVID-19 cases in Bountiful and commented about it. Mayor Arave replied that City residents deserved to know the number.

Council Member Gordon felt the City should close the golf course and the basketball courts to protect residents.

Council Member Porter said that he had mixed feelings about closing the golf course. He asked if the City should ensure the playgrounds were closed.

The City Council had a discussion about the playgrounds and if more stringent methods, beyond signage, were necessary such as wrapping the equipment in caution tape.

Mayor Arave said the Governor had not recommended closing golf courses. He said that residents would still play even if the City's course was closed.

Council Member Baskin asked about the number of players at the City's course that day and what had occurred at Bountiful's course. Brent Moyes replied that the issues at Bountiful's course included multi player cart use, people in close proximity at the pro shop and at each hole, and players that were only spaced 10 minutes apart. He said the City's course had approximately 80 players, which were spaced about 15 minutes apart.

Ken Leetham commented that as long as the players walked the course it was probably safe. He said there was some concern for golf course employees but was hopeful that the course would be in full operation by June 1<sup>st</sup>. Brent Moyes said Salt Lake City would be reopening their golf courses on Thursday.

Council Member Mumford said there needed to be signage and caution tape at the basketball courts similar to what was currently at the playgrounds.

Ken Leetham commented that there were organized baseball games occurring at Hatch Park. Mayor Arave replied that these games needed to be stopped as soon as possible.

Council Member Porter asked about the community garden and if it should be open to the public. Mayor Arave said the issue would be shared tools, spigots and hoses. He recommended advising those who used the garden to wear gloves and also that shared resources would not be sterilized.

Mayor Arave commented that Council Member Baskin recommended closing the golf course as well and recommended this as future City Council agenda item.

### 3. ADJOURN

Mayor Arave adjourned the meeting at 8:00 p.m.

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Mayor

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Recorder