

CITY OF NORTH SALT LAKE  
CITY COUNCIL MEETING-WORK SESSION  
JANUARY 5, 2021

**FINAL**

Mayor Arave called the meeting to order at 6:04 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; Janice Larsen, Finance Director; Craig Black, Police Chief; David Church, City Attorney; Tyler Abegglen, Golf Course General Manager; Sherrie Pace, Community Development Director; Linda Horrocks, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Dee Lalliss, resident; Nicole Nelson, Child Richards CPAs & Advisors.

Mayor Arave read the required statement pertaining to the conducting of a public meeting without an anchor location as required in Utah Code Sections 52-4-201 and 52-4-202. A copy of this determination is available at [www.nslcity.org](http://www.nslcity.org).

1. PRESENTATION OF 2020 AUDIT REPORT

Nicole Nelson, Child Richards, reported that this was the second year she had prepared the audit for the City. She spoke on the City's responsibility, which included the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the U.S., including the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. She said the auditor's responsibility was to take those financial statements prepared by the City and perform tests including cash balances, third party verification, sample testing of payroll, etc. Ms. Nelson then stated that in their opinion the financial statements referred to in the report were presented fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the U.S. She said this meant they found a clean audit as presented.

Mayor Arave asked if it could be corrected to say “the City of North Salt Lake” wherever it referenced the City in the report.

Nicole Nelson reported on the statement of net position, which showed the assets and liabilities. She spoke on the total cash and restricted cash, such as impact fees, and said the total cash was just under \$19 million compared to \$18.9 million last year for a total increase of \$100,000. Total assets were \$121 million, which was an increase of \$2.2 million from last year. Total liabilities at the end of fiscal year 2019 were \$12.9 million, which was a decrease of \$3.8 million in liabilities including pension and debt that had been paid down. Ms. Nelson reviewed net income and capital assets, essentially everything the City owned minus the debt, which was \$93 million. She then reviewed the governmental funds such as road development, general capital projects, etc. and said the restricted cash for all the governmental funds was \$9.7 million, or more than half of the total cash was held in these funds. She also reviewed liabilities such as payroll and developer deposits for construction.

Nicole Nelson explained that the general fund balance, after the restricted funds were removed, was \$2.7 million. She said State compliance required that this number be between 5 and 25% of the total revenues for the year and the City was under that balance at 23%. She then spoke on the income statement for governmental funds and compared these numbers to the budgeted amount. The original budget for sales tax was \$4.6 million, which was adjusted to \$5 million. Compared to fiscal year 2019 at \$4.5 million, the City was up \$212,000 in sales tax this fiscal year. Total revenues last year were \$11.8 million and were up \$500,000 this year in the General Fund. Expenditures were very close to last year and the total expenses were up about \$700,000 and no items were over budget in any department. She did speak on a finding, which was the refinancing of a bond, this was an oversight as it was not budgeted for.

Nicole Nelson said total operating revenue for 2020 was \$7.8 million, which was up \$500,000 from the prior year. Operating expenses were at \$7.7 million and were up about \$600,000. She said expenses were up over revenue this fiscal year. Ms. Nelson reviewed the water, storm water, wastewater, and golf funds as well as impact fees. She spoke on the change in capital assets related to construction, assets, land, and depreciation, as well as a review of long-term debt related to the different bonds including sales tax revenue, lease revenue, public works vehicle capital leases, water revenue, golf course, etc.

Nicole Nelson reported on internal control over financial reporting, that included determining what internal controls were in place, if they were properly functioning, and if they were detecting misstatements in the financial statements. She said in all of the testing nothing was deficient and it was a clean report. Ms. Nelson mentioned State compliance and said that they reviewed budgetary compliance, justice courts, fraud risk assessment, fund balance, restricted taxes and related revenues, and the Open and Public Meetings Act. She said Janice Larsen was a great asset and did a great job keeping everything in line.

Council Member Horrocks asked about the General Fund and said the reserve balance appeared to be over the required 25%. He asked if this requirement had changed. Nicole Nelson said the requirement had not changed but the unassigned fund balance was 23% so it was under the requirement.

## 2. DEPARTMENT REPORT: DISCUSSION OF CITY MANAGER RECOMMENDATIONS FOR FY 2021 BUDGET AMENDMENTS

Ken Leetham said that when the budget was adopted during the Coronavirus pandemic, there were many unknowns, so the Council approved a very conservative plan with reduced revenues based on the information from the State and Governor's office. He said many of these reductions had not come to pass and while the City should be conservative he recommended certain things be added back into the budget. This included a cost of living adjustment (COLA) at 2% and that this be retroactive back to July 1, 2020 for all employees except the sworn officers. The total annual cost of this proposed addition to the budget would be \$88,500. He explained that a market adjustment of up to 8% had already been approved for the City's sworn officers. The second adjustment would be a merit increase, which are wage adjustments of 2% related to performance evaluations. These wage adjustments were given throughout the year on anniversary dates and corresponded with the timing of a written evaluation of employee performance. The cost to reinstate this benefit would be approximately \$56,000. Mr. Leetham said the third benefit was the medical in-lieu-of incentive for employees that provided their own medical insurance or were on a lower cost plan. This adjustment would be \$52,800 for the full year. He said there were two additional items that included a communications position, which was discussed earlier in 2020. The estimated cost for this position would be approximately \$60,000. The City could fill this position by moving existing staff member, Mackenzie Bennett, into a full-time position. Ms. Bennett would head up the Qualtrics public outreach efforts and a potential part time position could be authorized as needed. Linda Horrocks would maintain responsibility over the website and social media accounts as well as the newsletter, etc.

Ken Leetham reported that the final item was a transfer of \$200,000 into the Fleet Fund for the purpose of authorizing the possible lease or purchase of four police patrol vehicles.

Ken Leetham said that all the employees had been very patient and had a good understanding of the situation. He said the overall performance was exceptional and the City had made great progress due in part to staff and felt the employees were deserving of the reinstatements in these benefits.

Council Member Horrocks said that when the budget was prepared that there was a lot of unknown including the potential for a loss of sales tax. He said he was comfortable in restoring these items that were frozen. Council Member Porter said he was also in agreement.

Council Member Mumford asked about the legislative increase of \$440,000. He asked about the change. Ken Leetham said this was the sharing of CARES Act revenue with other agencies.

Council Member Mumford said one thing that symbolized the City was the response to the high wind event and how staff worked hard to address the needs of the residents. He said if anyone deserved a COLA and merit increase it was the Public Works employees.

Council Member Baskin said she was unsure that the City was out of the woods at this point.

Council Member Gordon was in agreement with Council Members Horrocks and Porter.

Mayor Arave instructed staff to add this item to a future Council agenda for review and a vote.

### 3. APPROVE CITY COUNCIL MINUTES

The City Council minutes of December 15, 2020 were reviewed and approved.

**Council Member Horrocks moved to adopt the City Council meeting minutes of December 15, 2020. Council Member Porter seconded the motion. The motion was approved by Council Members Baskin, Gordon, Horrocks, Mumford and Porter.**

### 4. ACTION ITEMS

The action items list was reviewed. Completed items were removed from the list.

Council Member Porter asked for an update related to the hearing for the Hughes property. Sherrie Pace reported that the hearing was held December 16<sup>th</sup> and the judge ordered the property owner to immediately secure the property. He then assessed a fine of \$100 per day per property for a maximum of \$1,000 per property. Staff had been working with the main property owner who was not communicating with his co-owners about the seriousness of the violations. Staff then met with the other property owners and expressed the concerns with the safety and appearance of the property. They have since picked up their demolition permit for the property with a goal to have the buildings torn down by Friday. Ms. Pace said if the buildings are torn down and debris removed from the property by that time that she would ask the judge to remove or reduce the fines.

Mayor Arave asked for recommendations from the City Council for any items related to the budget retreat.

### 5. COUNCIL REPORTS

Council Member Gordon reported that the Youth City Council (YCC) was meeting twice a month and met that day for a service project at the food bank. She said that replacements would be needed for the Youth City Council advisors.

Council Member Horrocks reported that with the temperate weather, the parks were being used extensively, particularly Tunnel Springs Park, and that no garbage cans were available which resulted in trash accumulating. He asked if the parks should be reviewed for year round use. David Frandsen said he could review some options related to year-round park use but would ensure that the garbage was picked up.

Council Member Mumford reported that the Parks and Arts Board would be working with City staff on the new design plan for Hatch Park. He said in regard to upcoming budget planning that funding the Hatch park redesign was integral to the City Center plan.

Council Member Mumford asked about imminent domain for Redwood Road and the need for a sidewalk there. Ken Leetham replied that both property owners were now willing to sell the properties to the City.

Council Member Gordon asked about saving the old trees on the south side of 1100 North. Paul Ottoson responded that they had looked at keeping the trees, but unfortunately the trees were down lower and could not be saved.

Council Member Mumford spoke on the RDA audit related to funding from the Amazon development. He asked for a work session review for the use of these funds. Ken Leetham said staff could provide an overview of the U.S 89 and Redwood Road CDAs including revenue and obligations.

Council Member Porter reported on Uniting Neighbors and combining with South Davis Fire to manage emergency preparedness. Mayor Arave said that coordinating the City's emergency preparedness plan with the Fire District made sense to him.

## 6. MAYOR'S REPORT

Mayor Arave said the South Davis Recreation District was looking for land to construct a facility on the west side. He said they would hold a meeting via Zoom on January 13<sup>th</sup> to present the new master plan. This facility would include a splash pad, sports courts, and a swimming pool. He suggested that wetlands property could potentially be used for this facility.

## 7. ADJOURN

Mayor Arave adjourned the meeting at 7:01 p.m. to begin the regular session.

CITY OF NORTH SALT LAKE  
CITY COUNCIL MEETING-REGULAR SESSION  
JANUARY 5, 2021

**FINAL**

Mayor Arave called the meeting to order at 7:01 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; Janice Larsen, Finance Director; Craig Black, Police Chief; David Church, City Attorney; Tyler Abegglen, Golf Course General Manager; Sherrie Pace, Community Development Director; Linda Horrocks, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Dee Lalliss, resident.

1. CITIZEN COMMENT

There were no citizen comments.

2. CITY COUNCIL APPOINTMENTS TO THE PARKS TRAILS ARTS AND RECREATION ADVISORY BOARD

Mayor Arave reported that the three appointments were current members of the Parks and Arts Board who would be serving another term. These members included Kristine Pepin, Rachel Shumway, and Dallas Golden.

Council Member Mumford thanked the City Council for their support. He said the original goal of the Board was to establish the City as a place with an identity through events, trails, art and recreation.

**Council Member Mumford moved to reappoint Dallas Golden, Kristine Pepin and Rachel Shumway to second terms on the City's Parks Trails and Recreation Advisory Board effective January 1, 2021. Council Member Horrocks seconded the motion. The motion was approved by Council Members Baskin, Gordon, Horrocks, Mumford and Porter.**

3. CONSIDERATION OF RESOLUTION 2021-01R: A RESOLUTION OF THE CITY OF NORTH SALT LAKE APPROVING THE NOTICE OF ANNUAL MEETING SCHEDULES FOR THE CITY COUNCIL AND PLANNING COMMISSION FOR CALENDAR YEAR 2021

Mayor Arave commented that the first Tuesday in November was usually reserved for elections but said since most voting was now by mail, he asked if that date still needed to be reserved.

**Council Member Porter moved to adopt Resolution 2021-01R a notice of the annual meeting schedules for the City Council and Planning Commission of the City of North Salt Lake, Davis County, Utah Calendar Year 2021. Council Member Mumford seconded the motion. The motion was approved by Council Members Baskin, Gordon, Horrocks, Mumford and Porter.**

4. CITY COUNCIL MOTION TO SELECT MAYOR PRO TEMPORE FOR 2021

Linda Horrocks reported that Lisa Baskin was appointed in January of 2020 and prior to that Ryan Mumford was appointed in January of 2018. Brian Horrocks served in 2016 and 2017.

**Council Member Gordon nominated Lisa Watts Baskin for a second year as mayor pro tempore. Council Member Porter seconded the motion. The motion was approved by Council Members Baskin, Gordon, Horrocks, Mumford and Porter.**

5. CITY ATTORNEY'S REPORT

David Church had nothing to report.

6. CITY MANAGER'S REPORT

Ken Leetham reported that he sent out two updates from Davis County regarding COVID and should be receiving data on vaccinations soon.

Council Member Porter asked if any of the City's emergency personnel had received vaccinations. Chief Black replied that the first opportunity would be tomorrow and Friday. He said they would evaluate the County's first responders after that.

Council Member Horrocks referred back to the Mayor's discussion about a proposed Recreation District facility in the southwest area of Davis County. He said that when his company purchased wetland areas, they had to replace or mitigate those areas. He asked if the City or County would have to do this if wetland property was used. Mayor Arave replied that he assumed that would be the case. He said that \$2.5 million had been set aside for the facility and mitigating the wetlands could possibly be done with that amount of funding.

Ken Leetham asked how many acres the Recreation District was looking for. Mayor Arave replied they needed ten acres.

A discussion was held about different properties that could be used for the Recreation District facility including the wetlands property, property near Center Street, property near the storage units, 1100 North and Redwood Road, and Stericycle.

Council Member Mumford asked about the selection of the new City attorney. Ken Leetham replied that the City would be seeking applicants to fill this position.

Council Member Mumford asked about the April League of Cities and Towns convention. Linda Horrocks responded that the ULCT calendar showed the convention would be held the April 22<sup>nd</sup> and 23<sup>rd</sup> in St. George.

7. ADJOURN

Mayor Arave adjourned the meeting at 7:20 p.m.

*The foregoing was approved by the City Council of the City of North Salt Lake on Tuesday January 19, 2021 by unanimous vote of all members present.*

  
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Linda Horrocks, City Recorder