

**CITY OF NORTH SALT LAKE - LOCAL BUILDING AUTHORITY  
BOARD OF TRUSTEES MEETING  
OCTOBER 19, 2021**

**FINAL**

The meeting was called to order by Len Arave, President, at 6:05 p.m.

**PRESENT:**

**OFFICERS:** Len Arave, President; Lisa Baskin, Vice President (via teleconference); Linda Horrocks, Secretary and Treasurer.

**BOARD OF TRUSTEES:** Len Arave, Lisa Baskin, Natalie Gordon, Brian Horrocks, Ryan Mumford and Stan Porter.

**STAFF:** Ken Leetham, City Manager; David Frandsen, Public Works Director; Janice Larsen, Finance Director; Cade Veigel, Police Sergeant; Todd Godfrey, City Attorney; Tyler Abegglen, Golf Course General Manager; Sherrie Pace, Community Development Director.

**OTHERS PRESENT:** Johnathan Ward, Zions Bank; Brandon Johnson, Bond Counsel.

1. INTRODUCTION AND CONSIDER MOTION TO MOVE INTO CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE, OR SALE OF REAL PROPERTY

Len Arave asked for a motion to move into closed session to discuss the purchase, exchange, or sale of real property.

**At 6:06 p.m. Stan Porter moved to go into closed session to discuss the purchase or sale of real property. Brian Horrocks seconded the motion. The motion was approved by Len Arave, Lisa Baskin, Natalie Gordon, Brian Horrocks, Ryan Mumford and Stan Porter.**

2. RECONVENE INTO LOCAL BUILDING AUTHORITY REGULAR SESSION

**At 6:27 p.m. Brian Horrocks moved to go out of closed session and back into the regular Local Building Authority meeting. Ryan Mumford seconded the motion. The motion was approved by Len Arave, Lisa Baskin, Natalie Gordon, Brian Horrocks, Ryan Mumford and Stan Porter.**

3. CONSIDERATION OF RESOLUTION LBA-2021-01R: A RESOLUTION OF THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF THE CITY OF NORTH SALT LAKE, UTAH, AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS, SERIES 2022

Len Arave stated that the Local Building Authority (LBA) Board was asked to convene to discuss the general idea of purchasing property to expand City facilities.

Ken Leetham asked a question on behalf of Lisa Baskin (participating via telephone) how the parameters of adopting the resolution would legally bind the City. Brandon Johnson, Bond Counsel, replied that adopting the parameters resolution would not obligate the City or the LBA to issue the bonds but would just give authorization to do so. He said if the LBA Board approved the resolution tonight and then decided not to move forward there would be no obligation to proceed. Mr. Johnson explained that some lead time would be required, so there was an advantage to adopting the resolution sooner than later. He added that it would also open up options for the City and LBA but there was no obligation to issue the bond.

Len Arave asked if the City would be committed to legal or consulting fees. Brandon Johnson responded that typically, there were no fees and the bond counsel would only be paid when the bonds were issued.

Natalie Gordon questioned if the LBA approved the parameters resolution that evening if a public hearing would need to be scheduled within a certain amount of time. Brandon Johnson replied that there was not a time frame for the public hearing. He said the only time frame or limitation would be that if a bond was not issued after a year following the resolution it would need to be approved by the LBA again.

Natalie Gordon asked if in the event the LBA did wait to issue the bond if there were any problems with having new members on the Board at that time. Brandon Johnson responded that this would not be a problem as the statute specifically provided for instances like that.

Len Arave commented that these were not general obligation bonds and asked if they were secured by the property. Brandon Johnson provided a summary of how the bonds worked. He said these were not general obligations bonds which was why an election was not required, but that there was a 30-day referendum period. If 30% of the voters signed a petition or referendum, the bonds could be placed on the ballot. Mr. Johnson explained that the LBA would issue the bonds to finance the purchase of the property and building, and then would lease the property to the City. The City would then make lease payments, which would be used to repay the bonds. One security for the bonds would be the actual property, typically a mortgage or a deed of trust placed on the property. The actual source of payment or revenue was the general revenue of the City, which could be designated from certain revenue streams. The City would budget every year to make the lease payment, which was annually renewable.

Len Arave said that one of the benefits was the City could start recovering costs on the bond from the bond once the resolution was passed. He asked about any possible costs that may be incurred. Ken Leetham replied that he was not worried about any costs at this time.

Mr. Arave expressed some discomfort with the proposed bond as the City had recently borrowed significant funds. He said there may be an easier way to obtain \$6 million for the proposed expansion and other issues particularly as the current building was \$2.8 million and the proposed building was \$8.8 million.

Ryan Mumford said he liked the idea of planning ahead particularly as land was purchased and changed uses. He said there may be an opportune time to secure the right location but he was in agreement with Mr. Arave on the level of debt the City was incurring. He suggested using some TIF funds to meet the needs of the Public Works Department without burdening the City with more debt. Mr. Mumford also mentioned unrestricted funds and asked for a more comprehensive plan from staff including how much land was needed, what services could be provided if a new location was secured, and more information overall.

Natalie Gordon said she was also in agreement with Mr. Arave regarding the issuance of more debt. She said she wanted to meet the needs of the Public Works Department and asked about other potential solutions such as a smaller building or a different location.

Brian Horrocks commented that he was under the impression that the current Public Works Building was underutilized and didn't realize there was a need for expansion. However, if expansion was needed, he asked about adding a separate facility, possibly at Hatch Park, for storage in addition to the current Public Works building. Ken Leetham replied that this was a possibility and that staff could provide more information for a lengthier planning process.

Ryan Mumford mentioned land near the water tank off Center Street and asked if there were other parcels of City-owned land that could be utilized. He suggested the potential of having two locations. Ken Leetham responded that this could be reviewed in more depth.

Stan Porter said that based on what the Board had been told that further research was needed before a good decision could be made. He suggested that since there was no cost it may be beneficial for the Board to pass the resolution now before costs increased. Mr. Porter said the decision to borrow the money was not being made right now, but just the decision to have the bonds available. Len Arave replied that he did not disagree but once the ball started rolling and the process was started that the momentum resulted in things going through. He said there needed to be more thought before that happened.

Ken Leetham commented that based on comments from the Board, he recommended not adopting the resolution that night. He said staff would do more research and bring back the information to the Board.

Len Arave stated that the Board was supportive of Public Works and wanted to make sure things were taken care of but asked if spending \$6.8 million on a new building was appropriate at this time.

Ken Leetham replied that he appreciated the support for Public Works and said that the City and its needs were growing which meant it was time to address the issues. He said there were probably multiple ways to solve the problem and staff would explore further options.

**Natalie Gordon moved to table Resolution LBA 2021-01R. Ryan Mumford seconded the motion. The motion was approved by Len Arave, Lisa Baskin, Natalie Gordon, Brian Horrocks, Ryan Mumford and Stan Porter.**

4. ADJOURN TO CITY COUNCIL MEETING

Len Arave adjourned the meeting at 7:00 p.m. to begin the regular session of the City Council meeting.

  
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President

  
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Secretary