

NORTH OGDEN CITY COUNCIL MEETING MINUTES

May 2, 2017

The North Ogden City Council convened in an open meeting on May 2, 2017 at 6:30 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on April 28, 2017. Notice of the annual meeting schedule was published in the Standard-Examiner on January 1, 2017.

PRESENT: Brent Taylor Mayor
 Lynn Satterthwaite Council Member
 Cheryl Stoker Council Member
 Phillip Swanson Council Member
 Carl Turner Council Member
 James Urry Council Member

STAFF PRESENT: Jon Call City Attorney / City Administrator
 Annette Spendlove City Recorder/HR Director
 Dave Espinoza Public Works Director
 Evan Nelson Finance Director
 Kevin Warren Chief of Police
 Gary Kerr Building Official

VISITORS: Randy Winn Jeff Jenkins Steve Rasmussen

Mayor Taylor called the meeting to order. Council Member Stoker offered the invocation and led the audience in the Pledge of Allegiance.

OPEN HOUSE

Finance Director Nelson provided an introduction of the Tentative Budget for the Fiscal Year (FY) July 1, 2017 to June 30, 2018. He discussed the process that City Administration and City Council have followed to develop the tentative budget document, focusing on various priorities. The Council is required to approve a tentative budget document at their first meeting in May, after which a public hearing will be scheduled for June 13, 2017 to consider adoption of the final budget.

Mayor Taylor used the aid of a PowerPoint presentation to provide more detailed information regarding the implications of the tentative budget. He reviewed building and growth projections for the City; much growth is occurring in the City and City Administration expects the issuance of 100 single family building permits, 80 multi-family building permits, and the construction of 30,000 square feet of new commercial space. He noted the City Council uses these projections to estimate budgets for staff time from building permit fees and projects from impact fee collections. He noted that the projections are estimates and could fluctuate depending on shifts in the market/economy. The 2017-2018 impact fee revenues based upon building projections are as follows:

- Storm: \$187,440
- Water: \$510,092
- Sewer: \$84,084
- Parks: \$395,780
- Transportation: \$325,737

He then discussed general fund revenues in total, identifying the various revenue sources, including: licenses and permits, inter-governmental, charges for services, fines and forfeitures, miscellaneous, operating transfers, motor vehicle, utility tax, property tax, and sales tax. He noted that sales tax revenues are the largest revenue source for the City's general fund and makes up 38 percent of total revenue. He then reviewed a graph illustrating the manner in which those revenues are distributed to cover essential services in the City. The greatest expenditure is for public safety/police services at 33 percent of total expenditures. Additional expenditures include: animal control, streets maintenance, parks and recreation administration, parks maintenance, recreation programming, transfers out, legislative, administration/finance, non-departmental, planning, inspections, buildings, and justice court.

UTILITY FEES

Continuing with his PowerPoint presentation, Mayor Taylor noted that each utility fund in the City is tracked separately; he reviewed graphs identifying the expenses for each of the utility funds, but noted the total budget of each utility fund as follows:

- Water: \$3,267,656
- Sewer: \$2,373,580
- Storm: \$2,267,338
- Solid Waste: \$1,074,511

Throughout the budget development process there has been a focus on the City's ability to fund depreciation of City assets; depreciation costs are determined by considering the life of an asset and the cost to replace it. He used the example of a snow plow truck; the cost of the truck may be \$180,000 and the expected life may be 15 years. This would mean the cost of depreciation for one year would be \$12,000 per year and if depreciation is budgeted for, the City would be able to fund the replacement of the truck once it has reached its useful life. Council Member Satterthwaite noted that there is much more work to do relative to a depreciation program in the City and the approach that the City has taken at this point is not an exact science. However, using

the approach, he and Public Works Director Espinoza have arrived at depreciation totals for 2017 as follows:

- Water meters: \$208,023
- Meter radios: \$143,175
- Street lights: \$22,313
- Large equipment: \$132,059
- Water lines: \$4,898,290
- Sewer lines: \$2,236,690
- Storm lines: \$4,605,050
- **TOTAL: \$12,273,495**

Mayor Taylor then noted these totals have been used to inform discussions regarding potential increases to the City's utility rates in order to generate additional revenue to fund depreciation. A resident in North Ogden currently pays \$53.17 per month for utilities and the City Council is considering increasing that amount by \$5.11 for a total of \$58.28 per month. This would generate \$370,128 in additional revenue, meaning there would still be a \$2,206,987 shortfall relating to depreciation funding. He then provided a comparison of the City's utility rates with the rates charged in other cities in the area; he emphasized that of 15 comparison cities, only four have lower utility rates.

Mayor Taylor then focused on highlights in the tentative budget as follows:

- Police: Additional PT administrative staff in PD and Court; replace handguns; replace 3 vehicles
- Public Works: 2 new Snow Plows to improve plowing; new streetlights along Washington Blvd.; sidewalk repair
- Parks & Recreation: New PT personnel; remote control sprinklers; new skate park & volleyball courts @ NO Park
- Finance: Update impact fees and capital project plans across city departments in FY 2018
- Planning/Building: Record number of home permits in FY 2017; 21 subdivisions in FY 2017; Form Based Code
- Administration: Reorganization of City Hall to be more efficient with employees; new archiving and records equip.
- Human Resources: Raises for hard-working city employees—saving tax \$ by reducing employee turnover
- Streets: repair projects on 30+ roads; preparing expansion & widening project at 2600 N/Washington Blvd in 2019
- Overall City-Wide: Barker Park Amphitheater Expansion Phase I, City Pond, new Animal Shelter Building

He noted that all of these expenditures can be funded without a property tax increase. He then discussed various budget items and accomplishments of the various City Departments over the past FY; he reviewed increases in calls for service in the Police Department, noting that since

2007, calls for service have nearly doubled and this data is the justification for the request for an additional part-time administrative assistant in the Department. Similarly, the level of service provided by the City's Parks and Recreation Department has increased as park land has been increased to over 65 acres at 12 parks. This necessitates the addition of two part-time positions in that Department. The Department is working to complete a conversion of the City's irrigation system in City parks as well as the relocation of the skate park to North Ogden Park. He then discussed various streets projects completed in 2016-2017 and used the aid of a map to identify roads throughout the City that are programmed to receive slurry seal, chip seal, crack sealing, and overlay treatments in the coming FY. Finally, he discussed major projects to be completed (or at least commence) in the City in the coming FY:

- **2600 N/450 E intersection**
 - **What:** Three components:
 - Improve intersection: dual lefts, new lanes
 - Widen 2600 N. from Washington Blvd/450 E to 475 E
 - Widen 450 E. to 2700 N. (*preferably/possibly thru 2850 N.*)
 - **When:** Spring 2019
 - **Who:** North Ogden City & UDOT
 - **Cost:**
 - Intersection: \$2 million
 - 2600 N.: \$900,000 (\$1,069,017 in 2019)
 - 450 E: \$5.7 million (including ROW)
 - **Outside Funds Obtained:**
 - \$2.8 million for ROW purchase 450 E. (2017)
 - \$530,000 for ROW purchase 2600 N. (2017)
 - \$625,000 for 450 Construction (Weber County—2021)
 - \$3.55 million for 450 E. construction (WFRC/Federal—2022)
 - UDOT \$2 million (2018)
 - **City Funds:**
 - \$250,000 Capital Projects FY 2016-17
 - \$350,000 RDA funds FY 2016-2017
 - Additional requested 2018: Up to \$1 million
 - *CDA will fully repay funds for this project, but not until 2020's*

He noted the Wasatch Front Regional Council (WFRC) and Utah Department of Transportation (UDOT) have tentatively agreed to advance the 2022 funding to 2019, in order to do all three phases of this project at once. Construction would begin in 2019. Weber County's 2021 funds can be advanced internally by an inter-fund loan. He briefly reviewed the phasing of the project; phase one will include intersection improvements to widen the intersection, create dual left turn lanes, and prepare intersection to connect to new lanes on the City legs of the intersection. Phase two will include widening of 2600 North east of Washington Boulevard through the commercial area to the Library/City Hall and create new east-bound, west-bound travel lanes, a center turn lane, and bike lanes. Phase three includes widening and improving Washington Boulevard north from 2600 North to 2850 North. This consists of adding a new north-bound and south-bound travel lane on 400 /450 East, a center turn lane, and bike lanes.

The next major project is a community pond:

- **Community Pond/Detention Basin/Secondary Water Basin**
 - **What:** Build a shared NOC/Pineview Water Facility
 - **When:** Spring 2018 (possibly in phases)
 - **Who:** North Ogden City & Pineview
 - **Cost:** \$4.75 million
 - **City Phase I:** \$1.08 million
 - **City Phase II:** \$1.74 million
 - **Pineview:** \$1.93 million
 - **Outside Funds Obtained:** Pineview will be a partner
 - **City Funds:**
 - Value of current detention basin property: \$1.8 million+
 - CDA will fully re-pay approximately \$2.5 million for this project, but not starting until 2022.

The purpose of this pond is to serve as a detention basin for North Ogden City (to replace the large basin on 2700 N., so we can sell that valuable commercial property to the benefit of the taxpayers), as a water reservoir for Pineview Water, and as a community fishing and boating pond for our citizens. By combining these uses together, we are able to make a wonderful community feature that also serves several important practical purposes.

The next major project is the Barker Park Amphitheater:

- Barker Park Amphitheater
 - **What:** Expand/improve amphitheater
 - **When:** Summer 2017? (pending final RAMP approval)
 - **Who:** North Ogden City & RAMP
 - **Cost:** \$1.1 million (Phase I)
 - **Outside Funds Obtained:** RAMP has tentatively approved this project for a \$320,000 grant
 - **City Funds:** \$320,000--\$800,000

North Ogden City purchased the land for Barker Park in 2000 at a high cost to the city, including issuing \$1.5 million in bonds. The amphitheater was to be the first phase of a much larger park, but no future phases have been accomplished. City Administration has been working to line up RAMP and private funding to help improve and expand the amphitheater as part of the next phase of the park's development. Staff would ultimately like to have a covered amphitheater with a larger stage; this would accommodate more diverse performances and events. Depending on funding, the City would like to accomplish the larger stage, building design and installation of footings and foundations, and pour the seating area pad, as well as lighting and sound improvements and possibly a permanent restroom.

Mayor Taylor concluded by briefly referencing the project to remodel City Hall and he used the aid of building layouts to provide an explanation of the new locations of several City

Departments upon the completion of the project. He then opened the question and answer portion of the meeting.

Q & A:

Steve Rasmussen, 1092 E. 3250 N., discussed the community pond project. Most detention basins in the City dry up at different points throughout the year and he wondered how the water level at the pond will be maintained and kept from draining. Mayor Taylor reported Pineview Water has a need for a reservoir that will hold water throughout the entire watering season to provide service to North Ogden and Pleasant View. Additionally, detention water will enter the pond following a storm and that will cause the water level to fluctuate. Mr. Rasmussen asked if water will be pumped out of the pond to serve irrigation lines in North Ogden and Pleasant View. Mayor Taylor stated that it is his understanding that the lines served by the pond will be east of the pond and will be gravity fed. He noted the pond will be jointly owned; the City and Pineview Water will share the construction costs and the project could begin in the coming FY.

Jeff Jenkins, 2892 N. 750 E., asked if there are any plans to locate pickleball courts in the City. Parks and Recreation Director Staheli indicated the City has received many requests to provide pickleball courts and the plans to expand Barker Park and Lomond View Park include pickleball courts. She stated that the cost for two courts is \$95,000, but two courts is insufficient due to the demand for the feature; she is conducting research with other cities to determine the adequate number of courts at a single park for the City's population to meet demand. Mayor Taylor noted there is no funding in the FY2018 for pickleball courts, so the soonest it could be done is FY2019.

Randy Wynn, 2412 Barker Parkway, thanked the Mayor and Council for their forward thinking and fiscal prudence; he feels they are doing some things that will be great for the City's future. He also congratulated the Mayor and Council for progress made to make the City look like an individual City by implementing beautification projects that provide the City its own identity. He stated he feels many projects that have been completed or that are planned for the future will only improve the City.

Mr. Rasmussen re-approached and inquired as to the use of the ground available for Barker Park expansion; it is his understanding that the intent for the park was for it to be open/green space rather than a park that would accommodate group sports. He suggested that initially the property be converted to grass to provide families with a venue to let their kids run and play. He is unsure of the long-term plans for the park, but if some of the improvements will not be possible until the long term, open grass areas may be nice in the interim. Mayor Taylor provided a map of the area of Barker Park and noted the total area is about five or six times the area that is currently improved. He stated that future expansion plans have been developed by the Barker Park Committee and they have provided a formal recommendation to include a splash pad, an educational amphitheater, open sport courts, and large open spaces that could be used for practice fields. Additionally, improvements are planned for the amphitheater. The anticipated cost for all improvements is \$7 million and it will be necessary to phase the project in order to

complete it over several years. The Council and Mayor engaged in high level discussion with Mr. Rasmussen about funding options for the park, such as a bond, saving cash to pay for the park, and private fundraising.

ACTIVE AGENDA

1. PUBLIC COMMENTS

There were no public comments.

2. DISCUSSION AND/OR ACTION TO CONSIDER AN AGREEMENT FOR LOCAL PUBLIC SAFETY AND FIREFIGHTER SURVIVING SPOUSE TRUST FUND COST-SHARING

City Recorder/Human Resources Director Spendlove reported the Council was provided with a copy of an agreement regarding the provision of benefits to the surviving spouse of public safety and firefighting personnel. In 2015, the State Legislature passed Senate Bill (SB) 288 that gave employers the option, upon a line-of-duty death of a public safety or fire fighting employee, to provide to the spouse and surviving children health coverage through the employer's health plan. Subsequent legislation was adopted in 2016 that gave cities the ability to participate in a trust fund to spread the cost of these benefits across all participants. The cost to the City is \$95 per employee, annually. In 2017, the Legislature passed an additional bill making it mandatory that the City provide the benefits and participate in the trust fund. Spouses are eligible for the benefits until they reach Medicare age and children are eligible to receive benefits until they reach the age of 26 years.

Council Member Turner inquired as to the funding source for the City's participation in the program. Ms. Spendlove stated that funding will be allocated through the General Fund or the Police Department budget. She noted that if the City does not participate in the trust fund and a public safety officer were to be killed in the line of duty, the City would be entirely responsible for survivor benefits, which would be much more costly than the \$95 per year for each of the City's 19 public safety employees.

Council Member Urry stated that he is concerned that the Council did not receive more advanced notice of this requested action; he understands the fiscal impact of the agreement is minimal, but he has several questions about the trust account and any payout benefits. City Attorney/City Administrator Call stated that the program is basically a self-insurance policy; the money is deposited into a trust account and will be administered by a public safety board. Council Member Urry stated that if each city and public safety entity across the state is participating, there should be a large amount of money and he would like information regarding policies pertaining to the distribution of the funds.

Council Member Satterthwaite inquired as to benefits available to surviving spouses through the City at this time. Ms. Spendlove stated that currently, the City would pay a surviving spouse \$15,000 per year for two years, after which the benefit from this trust fund would be available. Council Member Satterthwaite asked if any new hires after June 30 would also be covered by the trust fund if they were killed in the line of duty. Mr. Call answered yes and indicated the City's contribution is based on the number of employees with the City on July 1. He then noted that in 2008 there were approximately 5,000 sworn police officers in the State of Utah and upon the requirement for all entities to participate in the fund, the total amount available in that fund based upon 2008 numbers would be approximately \$500,000; this does not take into consideration current employment levels or contributions for fire fighters.

Council Member Urry stated he feels the expenditure is wise, but he would simply like more advance notice of these types of agreements and proposals.

Council Member Swanson motioned to approve Agreement A11-2017 for Local Public Safety and Firefighter Surviving Spouse Trust Fund Cost-Sharing. Council Member Stoker seconded the motion

Voting on the motion:

| | |
|-------------------------------------|------------|
| Council Member Satterthwaite | aye |
| Council Member Stoker | aye |
| Council Member Swanson | aye |
| Council Member Turner | aye |
| Council Member Urry | aye |

The motion passed unanimously.

3. DISCUSSION AND/OR ACTION TO CONSIDER A RESOLUTION FOR THE NORTH OGDEN CITY TENTATIVE BUDGET FOR THE FISCAL YEAR 2017-18

A staff memo from Finance Director Nelson explained the Tentative Budget provided on the website will be the focus of the discussion. The final budget is proposed for approval on June 13, 2017 following a public hearing. The tentative budget document was generated using our accounting software so the format is slightly different from the last budget version reviewed. Using the Caselle format helps staff to verify the accuracy of the numbers and makes for a smooth transition into the new budget. The document shows two years of historical data, the current fiscal year budget, the preliminary budget (presented on April 11th), and the proposed tentative budget (to be discussed on Tuesday, May 5th).

The table below shows the proposed utility rate increases that have been incorporated into the Tentative Budget along with the amount of current year revenue that is being set aside for future investment in infrastructure. These figures do not include amounts of fund balance budgeted for expenditure on capital projects in the coming year, only the amounts being set aside. Staff is still working to separate out the impact fees into individual funds.

| | Current | Proposed 4/11/17 | Proposed Tentative | Budgeted Depreciation |
|---------------|---------|---------------------|-----------------------|--------------------------|
| Water | 10.92 | 13.98 | 13.35 | 764,898 |
| Central Weber | 15.35 | 15.76 | 15.76 | 163,151 |
| Sewer | 7.85 | 8.24 | 8.45 | |
| Storm | 8.48 | 9.07 | 9.28 | 97,088 |
| Solid Waste | 10.57 | 11.23 | 11.44 | 17,406 |
| TOTAL | 53.17 | 58.28 | 58.28 | 1,042,543 |

Mr. Nelson reviewed his staff memo and provided an overview of the tentative budget document, focusing on the changes to the budget since the last review of the document during the most recent budget retreat meeting. There was brief high level discussion among the Council and staff regarding employee fringe benefits costs included in the budget, proposed personnel and salary changes, the need for increased funding for snow removal equipment/products, an increase in the Administration budget to cover the Department Head annual retreat, the creation of a new expense and revenue lines in the budget of \$7,000 each for football uniforms, and an increase in revenues and expenditures in the Aquatic Center budget of \$5,000 for lifeguard uniforms.

Council Member Swanson asked if the budget amounts in the water utility fund are based upon a tiered rate structure for pumping water to properties located higher on the hillside in the City. Mr. Nelson answered no. Mr. Call stated that it would be necessary for the City to conduct a thorough rate study to determine the validity of a tiered structure before implementing and basing the City's budget on such a structure.

High level discussion then centered on depreciation expenses included in the tentative budget, with the Council stressing the need to set aside funding in some location in the budget to facilitate future infrastructure needs. Council Member Swanson stated that past Councils have set aside depreciation funding, but that funding has been 'rolled back into' the City's general fund year after year. Mr. Nelson stated that fund balance amounts included in each utility fund is being stored for future asset replacement. Mayor Taylor stated he believes the Council desires for the budget to include in the budget separate line items identifying retained earnings and depreciation funding in each utility fund; additionally, impact fee revenues in each fund balance should be reported independent of other funds. Council Member Swanson stated that his concern is that depreciation funding that was supposed to be building year after year was not actually doing that. Mr. Nelson stated that some of that funding was actually spent on asset replacement. Mayor

Taylor added that in some years the Council did not always fund depreciation. He can recall a time less than five years ago when the City was only funding one-third of actual depreciation costs. Mr. Nelson then reminded the Council that the utility rate increases proposed in the tentative budget will fund just a portion of total depreciation needs; however, the auditor's recommended depreciation expenses will be fully funded in the budget.

High level discussion then shifted to impact fee revenues projected in the budget and the projects that may be eligible for impact fee funding.

Mayor Taylor then noted the City received a question from a resident asking why it is advisable/necessary for the City to provide uniforms to Public Works employees and he asked Public Works Director Espinoza to answer that question. Mr. Espinoza indicated that the main reason for providing uniforms is for all employees to be dressed in a similar, professional manner. Additionally, it is easier for residents to identify Public Works employees if they are wearing a uniform. Mayor Taylor added that the City provides cleaning services for employee uniforms because some of their work is particularly dirty in nature.

Closing discussion briefly centered on proposed personnel wage adjustments based on market salary surveys. Mayor Taylor stated that he can provide more detailed information to the Council regarding these proposals before adoption of the final budget.

Council Member Swanson motioned to approve Resolution 07-2017 for the North Ogden City Tentative Budget for the Fiscal Year 2017-18. Council Member Stoker seconded the motion

Voting on the motion:

| | |
|-------------------------------------|------------|
| Council Member Satterthwaite | aye |
| Council Member Stoker | aye |
| Council Member Swanson | aye |
| Council Member Turner | aye |
| Council Member Urry | aye |

The motion passed unanimously.

Mr. Nelson asked that the record reflect that a public hearing for the final budget will be held June 13, 2017.

Council Member Urry asked that any changes to the tentative budget be provided to the Council at least two weeks in advance of the public hearing.

4. **PUBLIC COMMENTS**

Randy Winn asked if the \$20 per shirt budget for employees could possibly be incentivizing them to purchase more shirts than they actually need. He then stated that in his experience, the funds that have been discussed by the Council in depth tonight would typically show up in a balance sheet. This includes accumulated funds and balances.

5. **COUNCIL/MAYOR/STAFF COMMENTS**

Council Member Turner attended the Weber High School theatrical production and it was very high quality.

Council Member Swanson thanked Department Heads and other staff for attending tonight's meeting and for being patient with the Council as they seek detailed information regarding budgets and the general operations of the City.

Council Member Urry referenced previous discussion about the construction of a Community Pond and he suggested that negotiations with Pineview Water about that project include consideration of ongoing maintenance of the facility. He then stated that another issue he has been concerned about lately is the matter providing movies in the park on a regular schedule because it has sometimes led to vandalism of a park space by youth who attend the evening events. Ms. Staheli stated that she currently offers movies at the Aquatic Center and she will provide some at Barker Park this season as well, but the schedule is different than in the past and she will work with the Police Department to ensure enforcement efforts to prevent vandalism. Council Member Urry then discussed information he has learned recently about various recycling programs offered in other cities and even other countries. He stated he will share that information with Mr. Espinoza.

Council Members Satterthwaite and Stoker indicated they had nothing to report.

Mayor Taylor then stated tonight was just one meeting of many that the Department Heads and Council have participated in to develop a budget for the next FY; he has done a rough calculation and determined that City Administration and the Council have easily spent over 500 hours on the budget process. He then provided an update on the street lighting project on Washington Boulevard; the installation of lights may begin next week and could be completely installed by the end of May. New LED street lights have also been delivered and the media has been invited to attend an event to install the new lights as North Ogden will be one of the first cities in the State of Utah to have converted all street lights to LED. He invited the Council to attend the event next Wednesday at 10:00 a.m. He then asked that the Council consider cancelling the regularly scheduled May 9, 2017 City Council meeting.

Council Member Satterthwaite motioned to cancel the city council meeting on May 9, 2017. Council Member Swanson seconded the motion.

Voting on the motion:

| | |
|-------------------------------------|------------|
| Council Member Satterthwaite | aye |
| Council Member Stoker | aye |
| Council Member Swanson | aye |
| Council Member Turner | aye |
| Council Member Urry | aye |

The motion passed unanimously.

6. ADJOURNMENT

Council Member Stoker motioned to adjourn the meeting. Council Member Swanson seconded the motion.

Voting on the motion:

| | |
|-------------------------------------|------------|
| Council Member Satterthwaite | aye |
| Council Member Stoker | aye |
| Council Member Swanson | aye |
| Council Member Turner | aye |
| Council Member Urry | aye |

The motion passed.

The meeting adjourned at 9:18 p.m.

Brent R. Taylor, Mayor

S. Annette Spendlove, MMC
City Recorder

Date Approved