

CITY OF NORTH SALT LAKE
CITY COUNCIL MEETING-WORK SESSION
JANUARY 18, 2022

FINAL

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

Mayor Horrocks welcomed those present at 6:00 p.m.

PRESENT: Mayor Brian Horrocks
Council Member Lisa Watts Baskin
Council Member Natalie Gordon
Council Member Ted Knowlton
Council Member Stan Porter
Council Member Alisa Van Langeveld

STAFF PRESENT: Ken Leetham, City Manager; Paul Ottoson, City Engineer; David Frandsen, Public Works Director; Janice Larsen, Finance Director; Craig Black, Police Chief; Jayme Blakesley, City Attorney; Tyler Abegglen, Golf Course General Manager; Sherrie Pace, Community Development Director; Wendy Page, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Dee Lalliss, resident; Nicole Nelson, Child Richards CPA

1. DEPARTMENT UPDATE-PRESENTATION BY CITY AUDITORS FOR FY2021
AUDIT REPORT

Janice Larsen introduced Nicole Nelson who would report on the audit results.

Nicole Nelson thanked Janice Larsen and Ken Leetham for their assistance in preparing the audit. She explained that this audit was particularly difficult due to the CARES Act funds. She reported on the audit of the financial statements and also as part of the Federal Single Audit of CARES Act funds she was reporting on areas requiring Communication with those responsible for Governance, which was not part of the official audit report and was just for the City Council. This letter stated that the financial statements had been audited and a review of significant audit matters including that management was responsible for all the accounting policies, and that there was no change in accounting policies this year. Ms. Nelson said that there were some accounting estimates in the financial statements, which were determined to be reasonable that included estimated useful life of assets and contributed capital. She said there were no problems with the audit but there were several issues to be addressed including policies for federal awards (such as CARES or ARPA funds) that could be remedied with a written policy

for federal awards. The second finding was related to FEMA funds received by the City and controls over sub-recipient monitoring. Ms. Nelson clarified that both issues could be resolved with a written policy and monitoring throughout the year.

Nicole Nelson reported on the audit report and said that an audit included obtaining evidence based on the accounts and financial statements. The opinion was that the financial statements were presented fairly in all aspects. She said this was an unmodified and clean opinion, which was the highest opinion available. Ms. Nelson shared the basic financials of the City including the assets and liabilities as well as the net position. She mentioned several highlights and said the City increased the cash reserves by \$5.6 million in the General Fund and \$2.9 million in restricted funds. Total overall assets were \$131 million, which was an increase of \$10 million from last year and liabilities decreased \$1.4 million due to payments of debt. The net position was an increase of \$10.1 million from last year.

Council Member Knowlton asked about the impact fee difference and the cause for the significant increase above what was anticipated last year. Ken Leetham replied that there was significant growth during the fiscal year including the Ridge Subdivision.

Janice Larsen clarified that the reserve or the restricted cash included unspent road and park impact fee money and was a cumulative effect of several years of spending less on capital projects than the amount collected. The restricted cash amount was not only caused by growth during the fiscal year 2021.

Nicole Nelson reviewed the balance sheet, which was separated out by fund. Overall cash had increased by \$4 million, capital projects had increased \$2 million, and road development increased \$2 million. The non-major funds included housing and the RDA fund increased by \$500,000 and restricted cash had increased \$500,000. Liabilities or accounts payable were \$500,000 with a portion due on construction projects. She said the leftover funds to be spent included \$1.3 million in Parks, \$2.6 in Roads, and \$221,000 in the non-major funds. Road development assigned funds were increased \$1.7 million, construction projects increased \$1.4 million, and unassigned funds were increased \$400,000.

Council Member Baskin mentioned the unassigned funds of \$3.143 million and if there was a cap or threshold on the amount that could be held unassigned. Nicole Nelson replied that it was 35% of the budgeted revenues for the fiscal year. She said the City's amount was 25 or 26 percent in the General Fund.

Mayor Horrocks asked if the City was holding too much in impact fees. Nicole Nelson replied that the impact fees were restricted and separated out from the 35%. She said impact fees had to be spent within six years or assigned per a written plan.

Ms. Nelson reported on revenues and expenditures starting with the General Fund. Revenues were up including a \$780,000 increase in sales tax from 2020. She reviewed court revenues and said fines and forfeitures had decreased \$700,000, which was due to the court being closed. Interest rates had also decreased \$31,000 from the prior year.

Council Member Baskin commented that there was a bill at the Legislature about tracking justice court fines, as excessive fines would go to the State's General Fund.

Nicole Nelson said there was a stipulation in the ARPA funds related to a loss per projected revenues and how these funds could be used to offset lost revenues. She then reported on general government spending which was up \$500,000 due to CARES Act expenditures, public safety was up \$200,000 and public works was down \$400,000. The decrease in public works was due to more revenue coming in than expenditures as projects were delayed. Community development was similar to last year and parks were up \$100,000. Ms. Nelson explained that due to the ARPA funds and sales tax increase there was an increased transfer out of funds at \$2.2 million higher than last year. Interest income decreased \$100,000 from last year and the biggest change in expenditures was \$1.5 million in roads. The net change in fund balance or net income in each fund showed a \$6 million increase.

Nicole Nelson reviewed proprietary funds and said the revenues and expenditures should be equivalent. The cash increase was not as drastic as those in the governmental funds and showed an increase in the water fund of \$300,000, an increase of \$75,000 in irrigation, an increase of \$140,000 in storm water, an increase of \$7,000 in waste, and an increase of \$550,000 in the golf fund. Restricted funds included \$1.8 million in impact fees and total net assets across all the funds was \$46 million, with liabilities down \$640,000 in debt and GO bonds. She said revenues had mostly remained the same except for the Golf Fund, which had \$2 million in revenue at an increase of \$850,000 from last year. She said interest income was down \$140,000 from last year.

Ms. Nelson spoke on capital assets and the value at cost, which included cash, land, buildings, the golf course, etc. She said several vehicles were sold and equipment purchased and the overall net value was \$62 million. In the Enterprise Fund there was new and completed construction, completed projects in the Water and Storm Departments for a total of \$34.7 million in asset value for the Enterprise Fund. The long-term debt included the sales tax refunding bond with \$906,000 in payments towards debt and \$450,000 as compensated absences for employees. Ms. Nelson explained that \$650,000 was paid towards the Water Revenue Bond and the Capital Lease equipment bond for the golf course. She said any significant events had to be reported including the issuance of \$7.4 million debt for the golf course and Foxboro Wetlands Park.

Nicole Nelson reported on the audit report for internal controls and the review of the internal procedures. She said the City did not have any issues and there was a clean report. Ms. Nelson explained that they did not find any issues of non-compliance overall and it was a pleasure to work with City staff on this audit.

2. OVERVIEW OF THE CITY'S REDEVELOPMENT AGENCY PROJECT AREAS

Ken Leetham reported on the City's redevelopment project areas and said there were four project areas including the Eaglewood Village CDA, the Redwood Road CDA, the Highway 89 CDA, and the Orbit Economic Development Area (EDA). He reviewed the Eaglewood Village CDA first that included 90 single-family homes, 410 units in Eaglewood Village, 446 apartments at Village Station, and 48,000 square feet of retail and office. The purpose of this CDA was to reimburse developer investments in infrastructure to improve a blighted area that included a gravel pit and landfill. The infrastructure improvements included large storm drain facilities, US89 improvements, and public utilities. This project was adopted in 2009 and encompassed 95 acres including the hillside with a trail to Wild Rose Park. Mr. Leetham explained how the CDA worked and said different taxing entities agreed to share a portion of their tax increment, or the increase in taxes above a measured base value versus the difference after improvements are completed. The City agreed to share 40% for 12 years, the school district shared 65% for 12 years, and the remaining entities agreed to 75% for 15 years. He said this CDA would expire in 2026 and generated \$460,000 annually, which was shared with the developer. The total developer payment could be \$12 million but the CDA was not generating as much as planned.

Mayor Horrocks commented that part of the reason this CDA underperformed was due to the recession resulting in changes to the project.

Ken Leetham reviewed the Redwood Road CDA, which was 770 acres and adopted in 2013. The purpose of this CDA was to encourage investment in better land uses and to upgrade and beautify the corridor. All taxing entities committed to 45% for 15 years and was triggered in 2015. The State allowed for a two year extension to 2031 due to COVID. This CDA generated nearly \$1 million each year. There were some obligations including subsidizing Lee's Marketplace that had since been paid. He explained that the City also participated in land acquisition near Amazon to help with the entrance road at the cost of \$770,000. Mr. Leetham spoke on infrastructure to be built and the intent to also use some funds for the Foxboro Wetlands Park.

Council Member Knowlton asked about the use of the Redwood Road CDA funds for the Wetlands Park, which was outside the CDA area. Ken Leetham replied that the City may need to adopt a finding that the improvement to the Wetlands Park supported the goals and objectives of the creation of the CDA.

Council Member Van Langeveld commented that the Redwood Road CDA had additional funds and decisions to be made for the future while the Eaglewood Village CDA did not. Ken Leetham replied that was correct. He said the City should formalize those plans and how the funds should be utilized in the remaining years.

Ken Leetham reported that the Highway 89 CDA was 127 acres and adopted in 2015. The purpose of this CDA was to encourage reinvestment in better land uses, upgrade and beautify the corridor, and incentivize redevelopment in the Town Center. The growth in assess value in this CDA was 156% and it generated \$454,357 annually with a developer obligation of \$2.35 million. All the taxing agencies committed to 40% for 15 years with an end date of 2036 with the two-year extension. He said there were some decisions to be made on how much revenue would be used for the Hatch Park redevelopment. Mr. Leetham said the Highway 89 and Redwood Road CDAs were generating housing funds so the plans should include how those funds would be used as well.

Council Member Knowlton asked if there was a summary on each project area that would indicate progress and projections. Ken Leetham replied he had some estimates and projections that could be shared with the City Council.

Council Member Knowlton commented that it looked like the Highway 89 CDA included portions of unincorporated County area. He asked if the County was a partner. Ken Leetham responded that the County was a partner in this CDA.

Mayor Horrocks spoke on the old Orchard Drive bowling alley and the redevelopment. He said that the developer promised office space, which had not yet been built. He admonished the Council not to allow the developer to build housing in place of the commercial development. Ken Leetham said that staff had been approached about adding a residential piece to the office space.

Ken Leetham reviewed the Orbit EDA, which was created at the request of Orbit to incentivize them to keep manufacturing in Utah. The City incentivized them with 75% TIF revenues and the State of Utah incentivized them with tax credits in the effort to offer economic development incentives for job creation, equipment purchase, and expansion of manufacturing. The project trigger year has expired and would need to be redone if Orbit wanted to move forward. He approached Orbit within the last year and they seemed uninterested in proceeding.

Ken Leetham explained that a trigger year was the first year when tax increment revenue was collected and started the clock towards the expiration date.

3. ADJOURN

Mayor Horrocks adjourned the meeting at 7:06 p.m. to begin the regular session.

CITY OF NORTH SALT LAKE
CITY COUNCIL MEETING-REGULAR SESSION
JANUARY 18, 2022

FINAL

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

Mayor Horrocks called the meeting to order at 7:07 p.m. Council Member Natalie Gordon offered the invocation and led those present in the Pledge of Allegiance.

PRESENT: Mayor Brian Horrocks
Council Member Lisa Watts Baskin
Council Member Natalie Gordon
Council Member Ted Knowlton
Council Member Stan Porter
Council Member Alisa Van Langeveld

STAFF PRESENT: Ken Leetham, City Manager; Paul Ottoson, City Engineer; David Frandsen, Public Works Director; Janice Larsen, Finance Director; Craig Black, Police Chief; Jayme Blakesley, City Attorney; Tyler Abegglen, Golf Course General Manager; Sherrie Pace, Community Development Director; Wendy Page, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Dee Lalliss, resident.

1. CITIZEN COMMENT

There were no citizen comments.

2. CONSIDERATION OF RESOLUTION 2022-03R: A RESOLUTION APPOINTING
MAYOR HORROCKS TO THE BOARD OF TRUSTEES OF THE SOUTH DAVIS
SEWER DISTRICT

Council Member Gordon moved to approve Resolution 2022-03R: a resolution appointing Mayor Horrocks to the Board of Trustees of the South Davis Sewer District. Council Member Van Langeveld seconded the motion. The motion was approved by Council Members Baskin, Gordon, Knowlton, Porter and Van Langeveld.

3. CONSIDERATION OF RESOLUTION 2022-04R: A RESOLUTION APPOINTING MAYOR HORROCKS TO THE ADMINISTRATIVE CONTROL BOARD OF THE WASATCH INTEGRATED WASTE MANAGEMENT DISTRICT

Council Member Baskin moved to adopt Resolution 2022-04R: a resolution appointing Mayor Horrocks to the Administrative Control Board of the Wasatch Integrated Waste Management District. Council Member Porter seconded the motion. The motion was approved by Council Members Baskin, Gordon, Knowlton, Porter and Van Langeveld.

Mayor Horrocks commented that he was still finalizing the appointments to the vacant board and committee positions.

4. CONSIDERATION OF A MOTION TO APPROVE THE MAYOR'S REAPPOINTMENT OF PLANNING COMMISSION MEMBERS: SEAT #1, BRANDON TUCKER AND SEAT #2, WILLIAM WARD

Council Member Van Langeveld commented that Brandon and William were fantastic and she was glad they would remain on the Commission. Sherrie Pace replied that they were both excited to be reappointed and had done a terrific job thus far.

Council Member Porter moved to approve the Mayor's reappointment of the Planning Commission members Brandon Tucker and William Ward for the four-year term. Council Member Knowlton seconded the motion.

Council Member Knowlton commented that Brandon and William were terrific.

The motion was approved by Council Members Baskin, Gordon, Knowlton, Porter and Van Langeveld.

5. CITY ATTORNEY'S REPORT

Jayne Blakesley had nothing to report.

6. MAYOR'S REPORT

Mayor Horrocks reported that South Davis Fire was hiring three new employees to fill vacancies and help with overtime costs. He said this would end up saving them money overall.

Mayor Horrocks commented on a soft opening at Kokonut Island Grill on Thursday night and said the Council was invited to attend.

7. AUTHORIZE EMERGENCY EXPENDITURE OF FUNDS AND BID AWARD FOR THE REPAIR OF HVAC SYSTEM AT EAGLEWOOD GOLF COURSE

Ken Leetham reported on an emergency repair to the HVAC system at the Golf Course clubhouse. He said after an inspection the system was found to be unsafe and was turned off. Mr. Leetham said that three bids for repairs had been received ranging from \$62,000 to \$81,000 with HVAC Construction Inc. as the low bidder. He said that the repair was part of the approved renovation but needed to be done now.

Council Member Gordon moved that the Council approve the bid for the HVAC system expenditures at the Clubhouse awarding to HVAC Construction Inc. for \$62,000. Council Member Porter seconded the motion.

Council Member Baskin asked as this item was not listed as a separate agenda item if it could be acted upon and an expenditure made. Jayme Blakesley recommended that this item be noticed as an emergency item on an amended agenda.

Council Member Gordon moved to amend her motion to include that this item be published as an emergency action of the City Council. Council Member Porter seconded the amended motion. The motion was approved by Council Members Baskin, Gordon, Knowlton, Porter and Van Langeveld.

8. CITY MANAGER'S REPORT

Ken Leetham reported that the Lacey Way water line project would be completed on Friday January 21st.

Ken Leetham commented on the Hatch Park planning subcommittee, which former Council Member Ryan Mumford had served. He said there was a meeting on Monday night to review the revised plans. Mr. Leetham asked if a Council Member would be willing to serve on this temporary committee. He explained that there were two plans, which included a recreation center and the City's proposed community center.

Council Member Van Langeveld volunteered to serve on this committee.

Ken Leetham also reported on a meeting held with proponents of the annexation area. He said they were unsure on how to proceed and he felt the City needed to give them an answer as they had recently purchased the property. Mr. Leetham stated they suggested creating a group comprised of staff, two Council Members, and two Planning Commissioners to determine what the concerns were.

Council Member Gordon commented this seemed like a lot of work and asked if it was appropriate to decide not to entertain it right now. She said the Council was familiar with the annexation proposal and asked if the Council could do a straw pull to decide whether to move forward.

Mayor Horrocks said the City Council needed to provide an answer either way.

Council Member Van Langeveld said that the Planning Commission voted on the potential annexation and said while she was happy to serve on the committee that it was disingenuous of the developer to say they did not know what the issues were. She said that the Planning Commission had addressed the issue with them at length. She also commented that the developer had not formally asked to be annexed into Salt Lake and was unsure why.

Ken Leetham commented that the developer knew what the problems were but felt that they had already been solved. He recommended that this be added as a discussion item on the next agenda and the potential to vote on removing the area from the annexation policy plan.

Sherrie Pace said that the developer had not officially submitted an annexation petition.

Council Member Baskin spoke on the vote taken by the City Council and revisiting the item after the water study had been received. Ken Leetham replied that he had received a memorandum on the analysis for the west side annexation but had not yet reviewed it.

Council Member Gordon commented that she did not care about reviewing the water study as she felt it was poor development to annex across county lines. She recommended adding this as an item on a Council agenda to further discuss and let the developer know that they were wasting their time.

Council Member Knowlton said that the annexation policy document could be revised or the contours could be laid out for the developer on what made sense. He also asked that this be put on the Council agenda.

Council Member Van Langeveld asked what the developer was seeking as they had not submitted a petition to annex at this point. Sherrie Pace replied with recent changes in the City Council and Planning Commissioners, the developer was unclear if they still had a chance to annex into the City.

Council Member Van Langeveld asked if the City could request that any housing development built in the annexation area be a retirement development. Sherrie Pace responded that the annexation agreement could have any terms that both sides agreed to.

9. APPROVAL OF CITY COUNCIL MINUTES

The City Council minutes of January 4, 2022 were reviewed and approved.

Council Member Baskin moved to approve the minutes as amended. Council Member Knowlton seconded the motion. The motion was approved by Council Members Baskin, Gordon, Knowlton, Porter and Van Langeveld.

10. ACTION ITEMS

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

Council Member Knowlton asked about the next step on the I-15 study and any input/participation from the City. Ken Leetham replied the Region 1 I-15 team had met with staff. Horrocks Engineering would be doing the work on the I-15 project as well as the 1100 North bridge. The City provided input on access to I-15, I-215 and 2600 South. He suggested that the City Council could also meet with the I-15 team.

Council Member Van Langeveld asked if Chile Amour would remain in the City. Sherrie Pace replied that the owners of Chile Amour had staffing issues/fatigue and determined to no longer continue operations.

Council Member Van Langeveld suggested that the amendment to the CUP for Stericycle be brought back before the Planning Commission.

Council Member Baskin spoke on the action item related to suggesting xeriscaping in new development. She said there was a house bill, which would prohibit cities and counties to require property owners to plant or maintain lawn or turf. She suggested that the City should act on this now before the bill passed as it was legislative overreach.

Council Member Knowlton asked about the next steps on the form based code. Sherrie Pace replied that once the two new Planning Commissioners were in place that this item was a priority.

Council Member Van Langeveld asked about the ULCT training and the Legislative Policy Committee. Council Member Baskin commented that she served, and would like to remain, on this committee. Ken Leetham responded the City could have three voting members on the Committee.

Ken Leetham spoke on legislative overreach and suggested that the City Council could reach out to Melissa Ballard and Todd Weiler to voice support for local control and ordinances. He recommended that the representatives may be able to attend a work session.

Council Member Van Langeveld said that Melissa Ballard had reached out regarding a suicide prevention meeting and asked for helping coordinating this. Council Member Baskin recommended that Council Member Van Langeveld should serve on the Health and Wellness Committee based on her expertise.

11. COUNCIL REPORTS

Council Member Gordon reported on the Youth City Council (YCC) event with the mobile food pantry at Camelot. She said this event would occur on the third Tuesday of each month. It was also anticipated that the YCC would participate in the Super Bowl of Caring at Lee's Marketplace on February 12th.

Council Member Gordon also reported that the YCC were preparing for the City's Easter egg hunt on April 16th. She thanked the Public Works Department for providing lighting at Camelot for the mobile food pantry event.

Council Member Van Langeveld thanked Public Works for handling crisis projects. She said she attended orientation at the golf course and spoke on expanding youth outreach at the course. She initiated a field trip to the golf course for the 5th graders of a local elementary school and hoped to create a program in the future which could include a golf punch pass for all 5th grade students. Tyler Abegglen commented that he was excited for these programs and to keep growing golf in the City.

Council Member Porter reported on the Jordan River Commission meeting, which included a budget and audit. He said there were some upcoming volunteer opportunities at the Jordan River. He invited the City Council to go on a history tour of the City.

Council Member Baskin reported on the Senior Lunch Bunch, which was not meeting due to the pandemic. She said they were encouraging seniors to wear masks and to be vaccinated. She also reported on the Health and Wellness meeting.

Council Member Knowlton reported on Bus Rapid Transit (BRT) and the options/opportunities related to Highway 89. Ken Leetham recommended that Hal Johnson with UTA attend a work session to review alternatives, eliminate choices, and to see how and where the corridor would be impacted.

Council Member Gordon commented that the Foxboro UTA route had been cancelled. She said that UTA proposed rideshare as a replacement but this had not yet been implemented.

12. ADJOURN

Mayor Horrocks adjourned the meeting at 8:28 p.m.

The foregoing was approved by the City Council of the City of North Salt Lake on Tuesday February 1, 2022 by unanimous vote of all members present.



Wendy Page, City Recorder