

SOUTH WEBER CITY CITY COUNCIL BUDGET RETREAT

DATE OF MEETING: 30 January 2021

TIME COMMENCED: 9:00 am

LOCATION: Legacy Event Center 151 S 1100 W Building #2, Farmington

PRESENT: MAYOR:	Jo Sjoblom
COUNCIL MEMBERS:	Hayley Alberts Blair Halverson Angie Petty Quin Soderquist Wayne Winsor
FINANCE DIRECTOR:	Mark McRae
CITY ATTORNEY:	Jayme Blakesley
CITY ENGINEER:	Brandon Jones
CITY PLANNER:	Shari Phippen
CITY RECORDER:	Lisa Smith
CITY MANAGER:	David Larson
DEVELOPMENT COORD:	Kimberli Guill
FIRE CHIEF:	Derek Tolman
PUBLIC WORKS DIRECTOR:	Mark Larsen
CITY TREASURER:	Paul Laprevote
CODE OFFICER:	Chris Tremea
RECREATION DIRECTOR:	Curtis Brown

Minutes by Lisa Smith

ATTENDEES: Paul Sturm, Michael Grant

Mayor Sjoblom called the meeting to order and welcomed those in attendance. She reviewed her experience from previous retreats and hiring City Manager David Larson. She indicated the strength of the newest members of the team Attorney Jayme Blakesley, Planner Shari Phippen, and Judge Bryan Memmott.

PRAYER: Councilman Soderquist

2020 YEAR IN REVIEW PRESENTATION:

Each year at the annual budget retreat, staff reviews all that was accomplished in the previous year before beginning discussions about the current year. This is an opportunity to remember where we have come from and where we stand currently to help us better identify how to get to where we want to be in the future.

David Larson: He shared that 2020 was a year of growth and continual improvement. 35 City Council and 15 Planning Commission meetings were held. Some of the year's accomplishments were completing the General Plan, city-owned streetlights, Westside reservoir renovation, Cottonwood waterline partnership with Uintah, strategic planning, Supervisory Control and Data Acquisition (SCADA) upgrade, procurement policy update, many land projects, East bench transmission line partnership with US department of labor, and wetlands restoration.

Paul Laprevote: He highlighted treasurer activities noting that the employees got paid every two weeks and bills got paid. Sales tax almost doubled due to the increase in online purchasing. As Human Resource manager he related 13 new employees were hired. South Weber has a 17% employee turnover which is much lower than in previous years.

Mark McRae: He noted it is never business as usual in SWC. Friday Whaley was the only new administration employee. He bragged he has the best staff. 170 million gallons of culinary water was billed in 2020 and 100 new utility accounts were created. The city has over 1,500 Facebook followers. He communicated that Governor Herbert provided Coronavirus Aid, Relief, and Economic Security (CARES) act funding to the city. Many states did not share with the cities. We received over \$643,000. Some of the purchases from that money were two gurneys, automatic chest compressor, fire payroll, touchless fixtures, radios, audio video equipment, laptops for employees working from home, and personal protection equipment for staff and citizens in many forms.

Kimberli Guill: She revealed a new development process was implemented. 189 building permits were issued with a value \$29,000,000. There were five new subdivisions with 39 total building lots approved. Ten new business licenses were issued. All school crossing guards were retained which created great continuity and fosters relationships with the children. The angel tree was offered on the city website for the first time and worked well. 22 children were provided Christmas from generous citizens.

Brandon Jones: He conveyed the city added 18 residential and 21 intersection streetlights for a total now of 62 city-owned lights. In 2020 service pools were created for appraisals and inspections, safe sidewalks were constructed, and a five-year street maintenance plan was established. He reviewed the street maintenance maps showing the extensive work accomplished. The storm drain capital facilities plan was started in 2020, Canyon Meadows Park West design phase 1 was approved, the dog park was completed, and city maps were updated.

Curtis Brown: He reported turnover continues to be a struggle and joked that parents need to encourage children to not just get a job but keep it. He stated bathroom fixtures were all converted to no touch with sanitizer stations added. There was a noted decline in recreation participation, rentals, and memberships due to COVID. Some sports were cancelled and the FAC had a complete shutdown for three months which resulted in 600 fewer kids participating in activities than the previous year. Many events were cancelled including senior lunches and most city activities. Country Fair Days was able to occur and he thanked the Mayor for her support of the arts acknowledging the varied talents of citizens who were able to display their works at the FAC during that week.

Derek Tolman: He reviewed the department had its highest call volume with just under 400 calls compared to 60 in 2013. The earthquake brought seven calls and the September wind event was the busiest day with 18 calls. The care facility continues to generate a high call volume with forty responses in 2020. The department was paged 38 times for calls outside of SWC but 25 cancelled before units left the city. He explained that fire departments front load the calls and if they find the situation is not as serious as expected, they cancel units. The responses to outside agency requests were six rehab, five structure fires, one wildfire in Saratoga Springs, and two medical incidents in Layton. Those calls translated to less than 3% of all calls. South Weber was helped by 11 outside agencies during the year. The department responded to 17 confirmed COVID cases.

Mark Larsen: He recounted the posse grounds windstorm damage repair is ongoing. 2020 brought an additional 3.5 acres to parks with the Old Maple Farms retention basin. He related the new supervisory control and data acquisition (SCADA) system is now online and staff training will take place in February. He had an employee certified in playground safety last year. He noted the parks lost trees all over town and they will be replaced.

TRAINING by City Attorney Jayme Blakesley

City Council is required to have annual trainings on the Open & Public Meetings Act and will also review the Elected Officials' Ethics Act.

Public Meetings Act (Utah Code 52-4-101)

Jayme indicated people remember the errors made and not what was done right. He cautioned Council to make sure they are known for the good and not the mistakes. All city actions must be done openly. A meeting is always open unless it is closed. There are very specific reasons to close a meeting. There must be a motion made to close followed by a 2/3 vote in favor. He advised side conversation and whispering should be avoided. Members may not use electronic communication about any agenda subject during meetings. He explained electronic meetings without an anchor location may be held when there is a risk to health or safety.

Municipal Officers and Elected Officials' Ethics Act (Utah Code 10-3-1301)

There are six prohibited actions.

1. Use of office for personal benefit.
 - a. Remember appearance matters.
 - b. Use of city owned equipment.
 - c. Gift of substantial value (>\$50)
2. Compensation for assistance in any transaction involving the city.
3. Interest in a business regulated by the city.
4. Interest in a business doing business with the city.
5. Conflict of interest involving your duties.
6. Inducing others to violate the ethics act.

Conflict of Interest must be disclosed.

- Must be a sworn statement filed with the city.
- Should be specific.
- Filed no less than ten days prior to any agreement or compensation.
- Note in minutes of the open meeting where any conflict occurs.

Penalties for violations.

- Criminal penalties based on the value of the breach.
- Removal from office for elected officials or position for employees.
- Rescind the action that took place.

David requested clarification on public comment during meetings. Jayme informed Council that certain actions (i.e., land use and ordinances) require public hearings. General public comment is not mandatory but is a good practice.

BUSINESS

Mission/Vision/Values

The city previously identified guiding statements and principles for Council and staff to follow in carrying forward the business of the city. Prior to discussing budget priorities, future projects, and strategic plans, this item was presented to remind everyone of the big picture and the guiding principles for the city so they can be incorporated in those discussions.



City Council Budget Priorities and Directives

City finances can be extremely complex, and the City Council is responsible for allocating the city's resources in a responsible, sustainable manner. The City Administration/Finance Committee, with the help of city staff, presented an overview of general fund revenues and expenditures and sought direction from the Council in establishing budget priorities and directives for current and anticipated future needs. Councilman Soderquist gave an example of planning for the park and the cost was beyond what money was available. The city needs to have set priorities.

General Fund Revenue Distribution

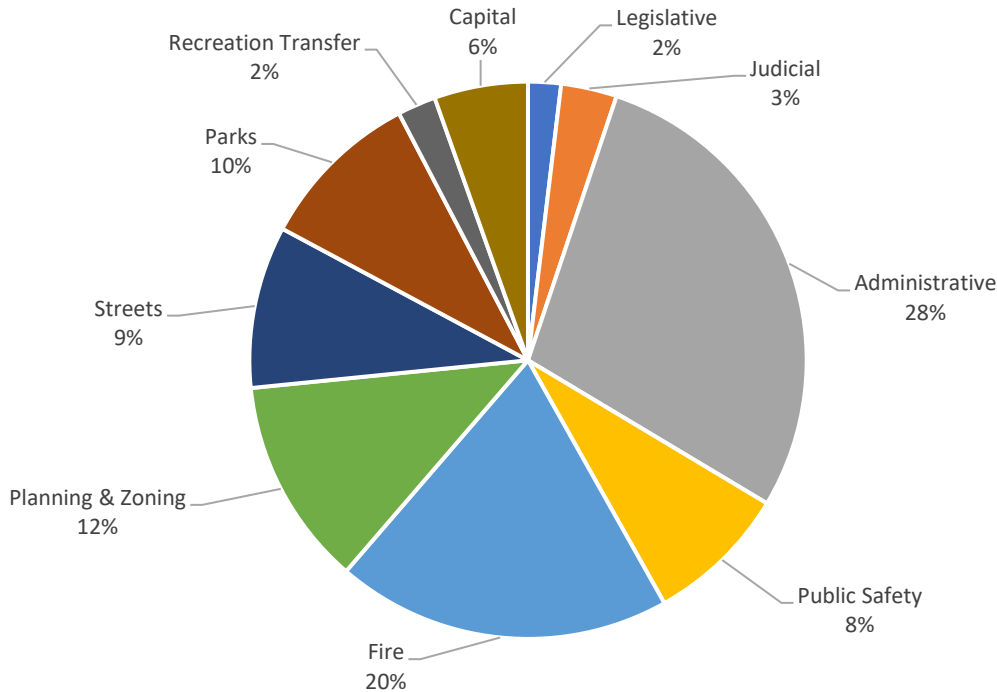
Councilman Winsor reviewed the need for directives and long-term planning for known future costs. Each committee needs to create a 5-to-10-year prioritized plan. He reviewed the three

general fund revenue streams are property tax, sales tax, and franchise taxes. The city only controls the property tax rate.

General Fund Revenue by Department

<u>Department</u>	<u>FY 2018- 2020</u>		<u>FY 2021</u>		
	<u>3 Yr Avg Budget</u>	<u>3 Yr Avg Actual</u>	<u>Budget</u>	<u>Taxes</u>	<u>Other</u>
				\$2,050,000	\$1,094,000
Legislative	\$60,333	\$48,761	\$60,000	\$60,000	\$0
Judicial	\$106,433	\$95,413	\$102,000	\$0	\$102,000
Administrative	\$738,833	\$639,450	\$894,000	\$554,500	\$339,500
Public Safety	\$202,000	\$190,586	\$260,000	\$254,000	\$6,000
Fire	\$558,567	\$527,978	\$612,000	\$525,500	\$86,500
Planning & Zoning	\$361,667	\$348,578	\$380,000	\$0	\$380,000
Streets	\$279,667	\$233,627	\$296,000	\$116,000	\$180,000
Parks	\$235,167	\$212,406	\$299,000	\$299,000	\$0
Recreation Transfer	\$70,833	\$45,000	\$70,000	\$70,000	\$0
Capital	\$73,667	\$73,667	\$171,000	\$171,000	\$0
General Fund surplus moved to Capital	\$0	\$493,000	\$0		

Distribution of General Fund Revenues



Paramedic Transfer

Davis County has been working closely with all cities and fire districts within the county to facilitate a transition of paramedic service providers. Chief Tolman presented a history of paramedic service in Davis County since 1978. Larger cities have been breaking away. He

compared Emergency Medical Technician (EMT) advanced and EMT paramedic. Paramedics have a higher level of training and in-depth knowledge of treatment. He completed his paramedic training in 2020 and attested personally to the difference. The county currently uses two paramedics on scene and has a goal of no more than 8 minutes from dispatch to scene 90% of the time. That goal is not being met. Issues with the current system are poor response times, one paramedic responses, billing, and supplies. Discussion for change started seriously in 2019 with all involved parties. At this point subcommittees have been formed and interlocal agreements are being drafted. The plan is to have 11-12 paramedic coverage units. SWC was slated to be with Layton but would have better results if SWC provides their own unit. Davis County would be borderless across units and respond based on GPS location.

Chief Tolman pronounced it will be cheaper to operate our own unit than to contract with another city. The estimated annual contract price is \$850,000 per paramedic unit which is much higher than the entire SWC fire department budget. Other advantages would be that fire chiefs would have direct control over the staff instead of the Sheriff and response times will be better. Of the current 32 SWC fire employees 16 are licensed paramedics. State law now allows one paramedic for calls, but the county wants to keep two. Derek shared he would need to expand the fire employee pool to around 38. He explained the reason three staff are needed is so one can drive the ambulance and two can administer aid in the back. The department will still be staffed by part time employees. He noted he has people wanting to part of the South Weber Fire Department. The projected increase in cost is \$118,000. The county is receiving \$64,000 which can be picked up by the city, leaving a deficit of \$54,000. Chief Tolman projected uniform and personal protection equipment costs will increase less than \$5,000 per year. He shared that he will be applying for a grant which would give three years of funding for the 3rd staff member.

Council discussed the future of the paramedic service. Councilman Halverson expressed support for SWC providing our own unit. Councilwoman Petty agreed. She encouraged absorbing the county levy into our budget. She queried the cost of turnouts. Chief Tolman replied they are \$3,000 each, but confirmed he has some stored. Councilwoman Alberts stated this option is the best available. Councilman Soderquist indicated this method is the most cost effective with the best level of service. He fully supported this approach. Mayor Sjoblom had been to the meetings and reviewed the isolation of our city within the county. Councilman Winsor said we need to show the value of this service to the citizens. He indicated the county's budget cycle is calendar year unlike the city which is July through June. He related the county will continue with services, so he questioned the timing of breaking away. David explained we will continue to pay DCSO while they provide service. He stated it must be a coordinated effort with the various agencies involved and recommended we begin no later than July 2022. If the grant money is received, the transition would start immediately. Everyone agreed that public outreach is essential. A committee of chiefs and city managers are creating unified messages to be used. Chief Tolman iterated overlap is essential and forecast the ability to maintain staffing at the county will decrease as their jobs near the elimination date.

Councilman Winsor inquired when the city can get a license, and will it overlap with the county license? David replied the state is aware of the situation. Derek confirmed the state will allow an overlap in licensing. Council agreed getting the license sooner is desired, but David indicated the interlocal agreement must be in place first. As soon as we have the license, our AEMT can operate at their trained level. Angie requested clarification of the grant process. Chief Tolman responded he should have answer by June. Three financing options were presented based on the timeline for switching from county to city. Council Members Soderquist and Alberts emphasized

the critical need to educate the citizens. Mark McRae communicated there is no guarantee that revenue will continue to increase as it has, and even so it would likely not cover the added expenses. The costs of the city continue to increase for example labor to care for additional parks. Funding source needs to be a long-term decision and not just thinking one year at a time.

Public Works Facility

David reviewed the city is currently under contract to purchase land specifically designated for a new public works facility to replace the run-down current city shop at 1727 East South Weber Drive. The city was able to budget money for the last few years to purchase the property and now that property is secured the Council must discuss the funding options for the construction of a facility on the property. The construction of the facility will be a major financial expenditure for South Weber City.

There are three funding philosophies that could be applied to this facility. Each with pros and cons.

1. Bonding – Borrow money to build now and commit city revenue to pay for the facility over time.
2. Saving – Set city revenue aside and build the facility in the future when the funds are available.
3. Combination-- Use available city revenue and bond for the remainder.

Recommended principles to follow:

1. Cost to be shared by all departments who will use and benefit from the facility.
2. The portion of the facility that is needed to meet existing needs must be funded with utility fees and General Fund revenues.
3. The portion of the facility that is needed to meet future growth can be funded by Impact Fees.
4. Sale of the current public works property could go toward funding the project.
5. Sale of other city property, such as on the S-curve or Lester Drive could be considered as a funding source.
6. Possible grant money, including grants which match funds, need to be thoroughly researched.

Councilman Winsor asked about the timing needs for the facility. What are the risks of waiting to build? Mark Larsen stated that there are Environmental Protection Agency (EPA) issues with the current building. Salt is uncovered and runs into injection wells. The potential for immense fines is a real issue. Mayor Sjoblom wondered if the site will need environmental cleanup before sale. Further research will be required but the hope is to sell as is. Council Member Soderquist wanted more information. He asked if the building can be built in phases. He inquired what the existing properties are worth if they are sold. Mark replied phasing is expected; the infrastructure for utilities would need to be completed first and then a salt shed. David said he talked to our financial advisor about bonding options. Future increased cost to build could outweigh the benefits of saving until fully funded. Interest costs are currently very low. A \$10 million bond over 20 years with an interest rate of 2.5 % would be \$13 million to pay back. \$8 million over 20 years at 1.58% would be \$10.13 million. There is often a correlation of low interest rates and high construction costs. Building costs will always increase as time passes. Councilman Halverson, looking from contractor's point of view, vocalized there must be a dollar amount as a goal. He recommended designing the building first and then looking at funding with detailed information. Alternately, you can take your cost and then design around the amount, but

over 20 years with an interest rate of 2.5 % would be \$13 million to pay back. \$8 million over 20 years at 1.58% would be \$10.13 million. There is often a correlation of low interest rates and high construction costs. Building costs will always increase as time passes. Councilman Halverson, looking from contractor's point of view, vocalized there must be a dollar amount as a goal. He recommended designing the building first and then looking at funding with detailed information. Alternately, you can take your cost and then design around the amount, but Councilman Winsor said that is approaching it backwards. We need the design, a phasing plan, and then funding can be considered. David requested clear direction. Councilman Winsor estimated costs for a preliminary plan stating the general rule is about 1% of the total project cost. He recommended budgeting \$100,000 for the design. David stated the leftover budgeted funds from property purchase can be carried over once the final amount is known. Council Member Winsor cautioned that the citizens were told the money was solely for property purchase and any change should be brought forward as an action item. Mark McRae requested the Council weigh in on the guiding principles for funding. All Council Members were against bonding.

Property Tax Rate

When the City Council increased the property tax rate in 2019 a decision was made to let the rate decrease for a couple of years before bringing the rate back up to avoid major tax increases in the future. The Council had anticipated adjusting the property tax rate again and needed to discuss the implementation timeline of that plan.

The Finance Committee directed 20% of sales taxes-tax revenues be set aside for capital projects. Staff is preparing a 5-10- year capital improvement's plan to help with the budgeting process. Committees will be tasked with organizing and prioritizing the individual projects. Councilman Winsor canvassed how the Council will address the added expense of paramedic service. If funding is through property tax, what would the rate be? Is the city being as frugal as possible before looking to raise taxes? Councilwoman Petty proposed adjusting the tax rate for the same amount the county is giving up and looking to the grant as the first funding option. Councilman Winsor suggested increasing the whole amount now and then have it ready when the transition is made. Councilwoman Petty disagreed and thought incremental increases would be better. Councilman Halverson recommended matching the county amount and next year increase to maintain the rate. Councilwoman Alberts agreed the grant should be the first source for funding, but she would prefer maintaining the rate every 3-5 years instead of annually. Councilman Soderquist wanted to educate the citizens to what maintaining tax amount means and to maintain the rate annually. **amended 02-23-2021**

The supposition that sales tax will continue to increase and using it for paramedic service would steal from other services that also have needs. Councilman Soderquist was ready to have the hard discussion. He wanted to move forward as if the grant will not fund it, so the city is prepared. Councilman Halverson didn't believe maintaining the rate would cover the \$54,000 deficit, but if the grant is received after three years it could be equivalent. Councilman Winsor cautioned that the housing market affects the property tax rate. He summarized Council thoughts that tax increase this year would be only the amount from Davis county paramedics and then maintaining that rate for the next 3 years. Council agreed with his assessment. David clarified that property tax funding is designed for the dollar amount to stay the same not the rate. Councilman Winsor added that there is a cap on property tax and the amount in relation to that cap affects bonding rates. Staff reviewed there are currently two bonds that will be paid off in 15 years. One was for building the FAC and fire station and the other was for water. The latter was refinanced to lower

Staff provided a draft strategic plan for Council discussion and amendment. The strategic plan built off the 2020 strategic plan carrying forward applicable ongoing goals and identifying additional goals and directives for 2021.

The plan identifies five overarching strategic objectives – (1) public safety; (2) infrastructure, equipment, and municipal services; (3) fiscal sustainability and planning; (4) community engagement; and (5) employees. Within each strategic objective, goals have been identified with action plans and tasks outlined to accomplish each goal.

David reviewed the goals and the Council made comments, suggestions, or questions along the way.

1. PUBLIC SAFETY

1.1 Provide Effective Emergency Services

1.2 Protect People & Property through Effective Law Enforcement

1.3 Protect People & Property through Effective Code Enforcement

1.4 Be Prepared for a Major Emergency

- Council was reminded that they should be completing the National Incident Management System (NIMS) training provided by the Federal Emergency Management Agency (FEMA).
- The Emergency Operations Center (EOC) needs organization.
- Councilwoman Petty requested the Youth City Council be involved in the Community Emergency Response Team (CERT) program

1.5 Mitigate Potential Hazards

2. INFRASTRUCTURE, EQUIPMENT & MUNICIPAL SERVICES

2.1 Maintain a Quality, Compliant, High-Functioning Culinary Water System

2.2 Budget for and Complete New Infrastructure Projects According to the Water CIP

2.3 Maintain a Quality, Compliant, High-Functioning Sewer System

2.4 Budget for and Complete Infrastructure Projects According to the Sewer CIP

2.5 Maintain a Quality, Compliant, High-Functioning Storm Drain System

2.6 Budget for and Complete Infrastructure Projects According to the Storm Drain CIP

2.7 Maintain a Quality, Compliant, High-Functioning Streets System

2.8 Budget for and Complete Infrastructure Projects According to the Streets CIP

2.9 Maintain a Quality, Compliant, High-Functioning Parks & Trails System

2.10 Budget for and Complete Projects According to the Parks CIP & Priority List

2.11 Maintain a Quality Recreation Program

2.12 Maintain City Equipment to Required Standards

2.13 Maintain a Quality Justice Court

2.14 Determine the City's Future with Fiber

2.15 Provide Increased Levels of COVID Protection Throughout the Community

2.16 Provide City Support for Country Fair Days

2.17 Maintain a Quality and Compliant Building Department

2.18 Maintain a Quality and Compliant Business Licensing Department

3. FISCAL SUSTAINABILITY & PLANNING

3.1 Review and Update All Capital Facilities Plans as Needed

2.18 Maintain a Quality and Compliant Business Licensing Department

3. FISCAL SUSTAINABILITY & PLANNING

- 3.1 Review and Update All Capital Facilities Plans as Needed
- 3.2 Maintain the Family Friendly Culture of the Community Through the Development Process
- 3.3 Review & Update the General Plan (Next Update Anticipated between 2025-2027)
- 3.4 Update Land Use Code Title 10
- 3.5 Maintain a Sustainable Tax Structure
- 3.6 Maintain a Sustainable Utility Fee Structure
- 3.7 Maintain a Sustainable Infrastructure Replacement Program
- 3.8 Solidify Northern City Boundary Line
- 3.9 Actively Participate in State Legislative Advocacy through ULCT as it relates to SWC
- 3.10 Prepare a Fiscally Responsible, Balanced Budget Annually
- 3.11 Coordinate Annual Financial Audit

4. COMMUNITY ENGAGEMENT

- 4.1 Provide Excellent Customer Service, e.g., Timely Response to Citizen Questions/Concerns
- 4.2 Share Information of Day-to-Day Operations of the City through All Available Methods
- 4.3 Provide Easy Access to City Information on a Quality Website
- 4.4 Improve the Marketing of City Events
- 4.5 Increase Followers on All Communication Platforms
- 4.6 Increase the Unity of the Community Through Developing Community Service Opportunities

5. EMPLOYEES

- 5.1 Hire Quality Employees
- 5.2 Retain High-Performing Employees
- 5.3 House Employees in Facilities that Enhance High-Performance
- 5.4 Maintain Quality Policies & Procedures

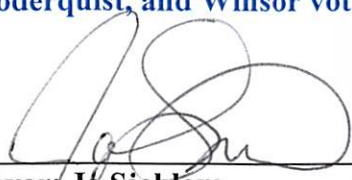
REPORTS

Council & Staff

No one had anything to report. Mayor Sjoblom thanked the staff for organizing the retreat.

ADJOURNED: Councilman Winsor moved to adjourn the Council Meeting at 2:22 p.m. Councilwoman Petty seconded the motion. Mayor Sjoblom called for the vote. Council Members Alberts, Halverson, Petty, Soderquist, and Winsor voted aye. The motion carried.

APPROVED:



Mayor: Jo Sjoblom

Date 02-23-2021

Attest:



City Recorder: Lisa Smith