

Minutes of the Work Session meeting of the Syracuse City Council held on February 10, 2015, at 6:05 p.m., in the Council Work Session Room, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Brian Duncan
Mike Gailey
Craig A. Johnson
Karianne Lisonbee
Douglas Peterson

City Manager Brody Bovero
City Recorder Cassie Z. Brown

Excused: Mayor Terry Palmer (listened to the meeting via telephone)

City Employees Present:
Finance Director Steve Marshall
Police Chief Garret Atkin
Fire Chief Eric Froerer
Parks and Recreation Director Kresta Robinson
Public Works Director Robert Whiteley
Public Works Superintendent Ryan Mills

The purpose of the Work Session was to review the agenda for the business meeting to begin at 7:00 p.m.; review agenda item 7: EnerNOC Agreement, Irrigation Load Control Program; review agenda item 6: proposed ordinance amending Title Four of the Syracuse City Code pertaining to utility cross connections; review agenda item 11: 3000 West Roadway Improvement Project – Bluff Road to 200 South; review agenda item 8: Resolution approving payback agreement for Country Fields Subdivision; review agenda item 5: Proposed budget opening in Fiscal Year 2014-2015 budget; review agenda item 9: Proposed resolution adopting comprehensive edits to the first 11 chapters of the Personnel Policies and Procedures Manual; review agenda item 13: Proposed 2015 Animal Control Services Agreement with Davis County; and discuss Council business.

6:22:59 PM

Agenda review

Mayor Pro-Tem Lisonbee briefly reviewed the agenda for the business meeting to begin at 7:00 p.m.

6:26:02 PM

Review agenda item 7: EnerNOC Agreement, Irrigation Load Control Program

A staff memo from the Public Works Director explained Rocky Mountain Power has partnered with EnerNOC to provide an energy reduction incentive program, so named the Irrigation Load Control Program to eligible customers in Utah and Idaho. This program was developed to ease the burden of high peak power demands from irrigation pumping during June 1 to Sept 30. Those who choose to enroll in the program will earn cash incentives for temporarily reducing electricity use by shutting off irrigation pumps during peak demand periods. Incentive rates can be up to \$25/kW savings, which is estimated at approximately \$13,000/year for all three of our pump stations. There is no enrollment fee for Syracuse City to participate in the program. Load Control Events are determined and notification is made 24 hours in advance. Syracuse is given the option to participate during the event. Opting out has no penalties. Events can last up to four hours/day, but are limited to 52 hours per season. Agreement and Earnings estimates are attached. The memo provided additional information explaining on January 20th, George Neble and Rachel Bethany, (both from EnerNOC) met on a conference call with Mayor Palmer, Councilmember Lisonbee, Brody Bovero, Robert Whiteley, and Ryan Mills. The purpose of the meeting was to make inquiries that were brought up during the previous council meeting on January 13th. All of the inquiries were answered. A summary is as follows:

1. The Customer Data described in Section 5.c. is limited to contact information of relevant on-site personnel, electricity usage billing data provided by Rocky Mountain Power, and electricity usage data measured in kilowatts and collected by the EnerNOC Site Server device that will be installed on-site. EnerNOC does not monitor or

collect any data specific to water volume or usage. The data that is collected will be used to calculate average electricity usage at each site during the Program Hours and to monitor real-time energy reduction during Demand Response Events, both for the purpose of maximizing payments to the city. Additionally, all data is confidential and will not be re-distributed without customer consent.

2. The payout the city will receive per site enrolled in the Program is based on average energy usage (not savings) during the Program Hours and the percent of events in which each site participates. If there are 6 events in a year and a site participates in all events, then the site will receive 100% of its potential payout. However, if there are 6 events in a year but the site only participates in 3 events, then the site earns 50% of its potential payout. More event hours do not necessarily mean a higher payment but with more event hours, each “opt-out” does have a smaller impact.
3. The city will never be penalized for opting out of an event. The city will be notified the evening (by 5pm at the latest) before the event that there is going to be an event the following day. If the city elects to opt-out of participation the city would simply have to notify EnerNOC’s Operations Center which pumps would elect to opt-out. The only negative for opting out is not earning as much. This is why EnerNOC uses 60% participation in the revenue estimate, because that is what is seen from EnerNOC’s entire portfolio of over 1,000 pumps in RMP.
4. The City will maintain full control of the operation of the pumps.

The memo concluded staff recommends the City enter into an Energy Management Agreement with EnerNOC in order to enroll in the program for a term of seven years.

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Mr. Whiteley summarized his staff memo. There was brief general discussion throughout Mr. Whiteley’s presentation.

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Councilmember Johnson indicated he is concerned about providing adequate service levels. Mr. Whiteley assured Councilmember Johnson that service levels will not be negatively impacted and the City has control over the system and can opt to use pumps that have been turned off in order to realize cost savings. The rest of the Council indicated they are comfortable considering approval of the contract during the business meeting.

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Review agenda item 6: Proposed ordinance amending Title Four of the Syracuse City Code pertaining to utility cross connections

A staff memo from the Public Works Director explained the city is required by Federal Law 104-182 and by State Law 19-4-112 (2d) to protect the water system from cross connections. Our current cross connection ordinance requires clarification to administer the program. Staff recommends updating the City’s ordinance to clarify requirements necessary to administer the cross connection control of the City’s water system.

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Mr. Whiteley summarized his staff memo.

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Councilmember Johnson inquired as to the difference between low risk and high risk consumers referenced in the ordinance. Public Works Superintendent Mills indicated a low risk contamination is one that would not cause health problems for the water consumer; a high risk contamination would be something like a chemical water contamination that could cause health problems or even death for a consumer.

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Councilmember Lisonbee asked if it is easy to find a person that can perform backflow or cross connection tests. Mr. Mills answered yes and noted there are several certified professionals in close proximity to Syracuse. Councilmember Lisonbee referenced the section of the proposed ordinance that discusses the need to conduct inspections for cross connections and she asked that the language be amended to provide a reasonable notice for residents that may be subject to inspections. Mr. Mills noted that the section of the ordinance referenced by Councilmember Lisonbee and noted that it only applies to businesses and inspections will only be conducted during business hours. Councilmember Duncan stated that businesses should still be given reasonable notice before an inspection is scheduled. Mr. Whiteley stated he would be happy to add that language.

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Review agenda item 11: 3000 West Roadway Improvement Project – Bluff Road to 200 South.

A staff memo from the Public Works Director explained this project is one that was identified in our list presented to city council as a high priority due to road width safety concerns and poor existing asphalt conditions. Bids for the project were opened February 4, 2015 for the above referenced project. This project includes culinary, secondary and storm drain utility infrastructure upgrades on 3000 West from Bluff Road to 700 South. The project will also widen the road with curb, gutter, sidewalk and new asphalt as well as installing a roundabout at the intersection of 3000 West and 700 South. The low bidder and bid amount are as follows: Low Bidder: Advanced Paving & Construction, Inc. - Bid Amount: \$2,898,999.00. Staff has reviewed the submitted bids from all bidders and recommend awarding the contract to Advanced Paving & Construction, Inc.

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Mr. Whiteley summarized his staff memo.

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Review agenda item 8: Resolution approving payback agreement for Country Fields Subdivision.

A staff memo from the Community and Economic Development Department explained Section 8.10.140 of the Subdivision ordinance addresses written agreements with developers who install infrastructure adjacent to undeveloped properties in the course of development approval. The purpose of the regulation is to provide a method where the developer is compensated on a pro-ratio basis for the installation of that infrastructure at the time the vacant parcel is developed.

8.10.140 Written agreements.

When and as written agreements are deemed to be necessary for the protection and understanding of all parties concerned, then they shall be entered into by all parties concerned, i.e., to cover areas of concern not specifically addressed by the subdivision ordinance or other requirements of the City, and shall be submitted with the final plats to the Planning Commission and the City Council.

(A) Payback Agreement.

(1) The City may enter into a payback agreement with a developer who installs improvements or facilities for water, secondary water, land drains, storm sewer, roads, or parks, where the improvements installed extend, expand, or improve the City's water, secondary water, land drains, sewer, storm sewer, roads, or parks, beyond the improvements required to service or benefit the subdivision or development proposed by the developer or where a developer installs improvements due to the layout or ownership of the land that benefit another landowner or developer who would or should in equity normally pay a portion of the improvements. The payback agreement is not mandatory, but may be used at the option of the City upon approval of the payback agreement by the City Council.

(2) The dollar amount of the payback to the developer shall be solely determined by the City under the direction of the City Engineer after consideration of the portion of the improvements or facilities installed that benefit the developer's development, and the portion of the improvements or facilities that are specifically oversized or installed to provide for future development or benefit other landowners or future developers.

(3) The City shall, in all cases, be immune and not liable for any payments to the developer if the payback agreement is determined to be unenforceable or if the City is not able to collect from future developers. At the time a payback agreement is entered into with a developer, the City shall record a notice against the benefited property with the county recorder's office, which notice shall inform the benefited landowners that at such time as they develop the benefited property they will be required to pay for a portion of the improvements previously installed.

(4) The payback agreement shall not confer a benefit upon any third party and shall be in a form approved by the City Administrator or his designee. The responsibility for payment of the required improvements or facilities shall rest entirely with the developer.

(5) The payback agreement shall expire 10 years from the date of the payback agreement or at such time as the developer has recovered the costs specified in the payback agreement, whichever comes first.

(6) If any part of this title is found to be invalid by a court of competent jurisdiction, or if the Legislature of the state of Utah should pass a law which would invalidate any portion of this title, all parties to the payback agreement shall be released from further responsibility thereunder and shall be relieved from any and all responsibility thereunder. [Ord. 13-02 § 1 (Exhibit); Ord. 09-11 § 2; Code 1971 § 8-2-14.]

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Mr. Whiteley reviewed the staff memo.

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Review agenda item 5: Proposed budget opening in Fiscal Year 2014-2015 budget.

A staff memo from the Finance Director referenced an attached letter drafted by Mayor Palmer. He has requested that staff present his alternative proposal for the use of fund balance. He is proposing that the fund balance be saved and used for a future regional park facility. During the January 27, 2015 meeting, the Council discussed the budget opening and potential changes. Staff has included the same information from the last meeting on this document updated with the revisions that were proposed by the City Council. To recap, there was discussion regarding funding additional road projects, increasing road surface treatment funding, and drawing down fund balance in order to pay off our 2005 sales tax bond. The following is how staff calculated the projected fund balance change for FY2015 and the use of existing fund balance to pay off the 2005 sales tax bond:

- **\$400,000** – Transfer to Class C roads fund to fund new road projects and surface treatments. This is the projected increase in fund balance for FY2015. This is a combination of an increase in revenues (i.e. sales tax up 7.5%) and a decrease in expenses (departments not spending entire budget allotment).
- **\$500,000** – Transfer to park impact fee fund to pay off 2005 sales tax bond.
We owe \$835,000 in additional principal on the bond. We can use \$500,000 from the general fund unrestricted balance in combination with \$335,000 from the parks impact fee fund balance to pay off the additional \$835,000 owed on the bond. **Total interest savings = \$108,875.**
- **\$335,000** – budget additional funds from the park impact fee fund balance to pay off the 2005 sales tax bond. This amount combined with the \$500,000 of unrestricted general fund balance would pay the additional \$835,000 owed on the bond.
- **General Fund - Unrestricted Fund Balance Calculation:**
 - **FY2014 fund balance** = \$2,145,746 or 22.3% of \$9,636,109 FY2014 revenues.
 - **FY2015 fund balance estimate** = \$2,545,746 or 25.8% of \$9,850,000 FY2015 revenue estimate.
 - **FY2015 - 16.7% minimum balance** = \$1,645,000 of \$9,850,000 FY2015 revenues estimated.
 - **Fund balance available to use** = \$900,746 (\$2,545,746 – 1,645,000)
 - \$400,000 to Class C roads
 - \$500,000 to Park Impact fund to pay off 2005 sales tax bonds.
- Please review the detailed capital projects listing attached with this document for recommended changes. As a summary, here are the proposed changes to capital projects for FY2014 – 2015. I have worked with Brody Bovero and Robert Whiteley in updating and revising this capital projects list.
 - Antelope Drive / 3000 West intersection improvement = \$440,500.
 - Allison Way – Sewer main replacement with road repair = \$160,000.
 - 1000 West – 1700 South to 2075 South – all utilities and road reconstruction = \$685,000.
 - Various road improvement projects (1475 west, 3300 south, etc) = \$290,000.
- Along with the capital project changes and debt pay off, I have included a list below of other requested budget changes in this budget opening:

General Fund

- o \$100,000 increase in sales tax revenue.
- o -\$4,000 decrease for liquor fund allotment.
- o \$25,000 increase in ambulance revenue.
- o \$6,500 increase for basketball program revenues.
- o \$3,000 increase for ice skating rink sponsorships.
- o -\$50,000 decrease in court fines.
- o \$10,000 increase in park reservations revenue.
- o \$27,000 increase in professional & technical for efficiency audit (total budget of \$50,000)
- o \$51,325 increase for purchase of ice rink, skates, and construction supplies.
- o \$20,000 increase in salary and wages for Community & Economic Development.
- o \$6,000 decrease in expense for liquor fund expenses.
- o \$400,000 increase in transfer of funds to transportation fund to pay for additional road construction projects and surface treatments.
- o \$500,000 increase in transfer to Park Impact Fee Fund to pay off the 2005 sales tax bond.

Park Impact Fee Fund

- o \$500,000 increase in transfer from General Fund to pay off of the 2005 sales tax bond.
- o \$166,616 decrease in park impact fee revenues. This is due primarily because development has lagged behind expectations and because impact fees for existing subdivisions are charged at a lower rate (if they paid a park purchase impact fee prior to our updated combined park impact fee.)
- o Increase of \$835,000 in bond payment to pay off the 2005 sales tax bond.

Capital Projects Fund

- o Decrease in capital lease payment of \$25,000 for police vehicle lease.
- o Increase in capital equipment of \$25,000 for purchase of ambulance equipment and upgrades. The net change to the fund is 0.

The memo concluded staff recommends adopting proposed resolution R15-04 adjusting the Syracuse City budget for the fiscal year ending June 30, 2015.

Following is the letter sent to the City Council by Mayor Palmer:

“At the January 21st Council Work Session, members of the City Council gave instruction on the use of the General Fund balance for purposes of paying down debt and road improvements. It is my opinion that the fund balance should be used a little bit differently, and since I will be out of town on February 10 I would like you to present to the Council the alternative scenario outlined below. As I understand it, members of the Council instructed you to prepare the budget amendment as follow:

General Fund

\$400,000 Projected Surplus for road improvements, including 3000 W/Antelope Dr.
\$500,000 Fund balance for pay-off of Jensen Park bond
\$900,000

Park Impact Fee Fund

\$335,000 for pay-off of Jensen Park bond
\$335,000

\$1,235,000 Total

It is my opinion that the citizens of this City strongly desire a regional park. In addition, I believe that a regional park is a key component of sustaining our local businesses. Although I agree that paying off debt is always a good decision, sometimes there is even a better alternative. By using the \$500,000 from the fund balance and \$335,000 from the Park Impact Fee to pay off the Jensen Park bond, we are putting the regional park in jeopardy. I have been working diligently to find ways to fund a regional park without raising taxes. Even with this \$835,000, it is proving difficult to find the \$6-\$8 million we estimate for the park. Now with this money being used for the Jensen Park bond, we would drastically hamper our ability to construct the regional park without borrowing. For this reason, in addition to the proposed budget amendment directed by the Council, I would like you to also present the following scenario as alternative:

General Fund

\$400,000 Projected Surplus for road improvements, including 3000 W/Antelope Dr.
\$500,000 Fund balance reserved for regional park, pending outcome of Park Master Plan.
\$900,000

Park Impact Fee Fund

\$335,000 reserved for regional park, pending the outcome of Park Master Plan
\$335,000

\$1,235,000 Total

Thank you.
Sincerely,

Mayor Terry Palmer
Syracuse City”

6:45:22 PM

Mr. Marshall reviewed his staff memo.

6:51:30 PM

Councilmember Johnson thanked Mr. Marshall for preparing the budgeting opening as directed by the Council during the January 27 work session meeting. Councilmember Duncan agreed and noted that one of the priorities of the Council when developing the fund balance property was the repayment of debt. He stated he does not understand why the Mayor is requesting that the Council do something different and something that does not fall within the fund balance policy. Councilmember Peterson stated that repayment or early payment of debt is not the highest priority in the fund balance policy. He added he has always been supportive of paying down debt, but he is not sure that it is necessary to completely pay off the Jensen Park bond at this point in time; there is some value in having cash on hand and positive cash flow. He supported the Mayor’s request to wait for one month until a recommendation is provided by the City’s Parks and Recreation Advisory Committee. Councilmember Johnson stated that in order to realize the benefit of saving \$100,000 in interest, it is necessary to completely pay off the bond at this time. The payoff will also benefit the City’s secondary water fund. Councilmember Duncan agreed and noted the only reason that entertained reducing the City’s fund balance to 20 percent was to pay off debt; he would not have considered agreeing to a 20 percent fund balance in order to build a park or completing some other expenditure. He stated the idea is not fiscally responsible and in the history of the City debt has never been paid off early. Councilmember Lisonbee asked that discussion of this issue continue during the business meeting.

6:58:16 PM

Review agenda item 9: Proposed resolution adopting comprehensive edits to the first 11 chapters of the Personnel Policies and Procedures Manual.

A memo from the Finance Director referred to attached policy manual PDF documents; there was both a red line and a clean copy of the proposed edits to the first 11 chapters of the policy manual. We discussed the comprehensive edits to the Syracuse City Personnel Policies and Procedures manual at our last City Council meeting. There were a few suggested changes that we have incorporated in the updated draft. They are as follows:

- 1.040 Amendments: Changed language on how minor vs. significant changes will be handled.
- 1.050 Distribution: Changed may to shall in the last sentence.
- 1.060 Acknowledgement Form: Grammar error fixed
- 1.070 Disclaimer: Added language about Mayor
- 2.010 Human Resource Specialist: Deleted the City Council in the last sentence.
- 2.040 Personnel Records. (d) Access: Added language about direct Department Head and non-direct Department Head.
- 3.030 Nepotism: Deleted the end of the first sentence.
- 3.070 Newly Created and Existing Positions: Grammar error fixed.
- 3.100 Application Process: Changed the age back to 14.
- 5.120 On-Call Pay: Added the word Non-exempt to the beginning.
- 5.130 Special Programs: Grammar error fixed.

- 6.030 Breaks and Meal Periods: Changed the word lunch to meal to be consistent with the remainder of the policy.
- 7.030 Medical, Dental and Vision Insurance: Added the word employees after Full-Time.
- 8.130 Funeral Leave: Added Step-Parent to the list.
- 9.130 Social Networking: Deleted the word excessive and added the word any.
Added the exception of discretion of city manager and when employee has approval not to use sites excessively.
- 10.040 Definitions. (a): Added the words an adverse or negative and deleted the word retaliatory.

Staff recommends adopting proposed resolution R15-07 Approving comprehensive edits to the first 11 chapters of the Syracuse City Personnel Policies and Procedures Manual.

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Mr. Marshall reviewed his staff memo.

[6:59:00 PM](#)

Review agenda item 13: Proposed 2015 Animal Control Services Agreement with Davis County.

A memo from the City Manager explained this contract represents an interlocal agreement between Davis County and Syracuse City for animal control services. The contract is in effect from January 1, 2013, through December 31, 2017. The information submitted for your review does not represent any change in service; however, each year the rate we pay for animal control services is subject to adjustment based on the percentage of calls that Davis County Animal Care and Control receives from Syracuse residents and the City. The total compensation amount noted in the 2014 contract was \$40,441.98; the total compensation amount for animal services noted in the 2015 amendment is \$42,339.41. Wildlife services are billed separately at \$25.75 per call, with a total fee for 2015 at \$2,034.25. The potential action by the Council is to vote on whether to authorize the Mayor to execute the contract amendment with Davis County Animal Care and Control.

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Mr. Bovero reviewed his staff memo.

Council business

There was no Council business.

The meeting adjourned at 7:00 p.m.

Terry Palmer
Mayor

Cassie Z. Brown, CMC
City Recorder

Date approved: March 10, 2015