

Minutes of the Regular Meeting of the Syracuse City Council held on February 14, 2012, at 7:00 p.m., in the Council Chambers, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Craig A. Johnson  
Karianne Lisonbee  
Douglas Peterson  
Larry D. Shingleton

Mayor Jamie Nagle  
City Manager Robert Rice  
City Recorder Cassie Z. Brown

City Employees Present:

Police Chief Brian Wallace  
Community Development Director Michael Eggett  
City Attorney Will Carlson  
Information Technologies Director TJ Peace  
Finance Manager Steve Marshall  
Police Detective Corey Rowley  
City Planner Kent Andersen

Visitors Present:	Cliff Sorensen	Angel Olavarrieta	Laura Sorensen
	Jordyn Cook	Katelyn Farmer	Malynda Pogue
	Zach Lechman	Ronald Hampton	Corey Wilcox
	Angie Sloan	Julie Heaps	Brent Vandermeide
	Gary Pratt	Dean Rasburne	Holly Rasburne
	Lurlen Knight	Krystal Hassard	Vicki Hassard
	Markasa Phillips	David Mcelroy	Charlotte Duncan
	Lisa Jamison	Chad Thompson	Trent Sorensen
	Emily Sorensen	Gerreld Jacobs	Brian Duncan
	Ryan Chandler	Lisa McKnight	Brent Briggs
	Lindsay Jackson	Julie Bachman	George Bachman
	Mike Norton	Dorathy Law	Charlie Black
	Alan Briggs	Teri Briggs	Joshua Simpson
	Jennifer Stockdale	Garcia Paz	Caryn Doman
	Cathy Wilcox		

1. Meeting Called to Order/Adopt Agenda

Mayor Nagle called the meeting to order at 7:00 p.m. as a regularly scheduled meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Councilmember. She asked all visitors present if any wished to provide an invocation or thought; Councilmember Peterson provided an invocation. Boy Scout Jefferson Wooley then led all present in the Pledge of Allegiance.

COUNCILMEMBER SHINGLETON MADE A MOTION TO ADOPT THE AGENDA. COUNCILMEMBER PETERSON SECONDED THE MOTION; ALL VOTED IN FAVOR.

2. Approval of Minutes

The minutes of the regular meeting of January 10, 2012 were reviewed.

COUNCILMEMBER LISONBEE MADE A MOTION TO TABLE APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 10, 2012 AS PRESENTED. COUNCILMEMBER SHINGLETON SECONDED THE MOTION. ALL VOTED IN FAVOR.

The minutes of the Special Meeting of February 2, 2012 were reviewed.

COUNCILMEMBER PETERSON MADE A MOTION TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF FEBRUARY 2, 2012 AS PRESENTED. COUNCILMEMBER JOHNSON SECONDED THE MOTION. ALL VOTED IN FAVOR.

2. Public Comments

Mike Norton, 2615 W. 1300 S., stated that he hopes that the Council will re-open the discussion regarding an interchange for the West Davis Corridor as it travels through the City. He stated that there are other options to consider and the Council has had the chance to review maps of areas of the City to understand the impacts the proposed interchange will have on the surrounding neighborhoods. He stated that there will be properties that will be made into islands and the people living on those properties will be cut off from their neighborhoods. He added that people that live on the east side of Bluff Road will lose their backyards because of the interchange. He stated that he is simply asking that the Council reevaluate the

interchange and consider pushing it further to the west in the area of 4200 West. He stated it will be easier for the people living in that area to absorb the impact because they have larger tracts of land.

Ken Green, 2286 W. 2175 S., stated that he wanted to stand in opposition to the Bluff Road alternative for the West Davis Corridor. He stated that selecting that option is not an example of forward thinking for the community. He stated that 20 to 30 years down the City will still need a road built further to the west. He stated that in reviewing the maps that UDOT has presented it is clear to see that there are natural feeders into the A route. He stated that in the future the construction trends will not be the same as they are now according to population projections. He stated that the road will run directly through the most populated and constricted part of the community. He stated the A route would help to better develop Antelope Island and may draw more retail establishments to that area of the City. He stated that the Bluff Road interchange would negatively impact at least 1,000 residents. He stated that their overall quality of life will be reduced.

Nathan Miller, 2107 S. Bluff Road, stated that he knows that the Council has just finished a conversation with UDOT and there are a lot of residents interested in what is happening. He stated he understands the history of the project, but there are some new members of the City Council and he would like to ask them to reopen the issue for further discussion. He stated that the homes located around Antelope Drive will not be relocated; instead they will be surrounded by a freeway system and other roads. He stated that he is trying to think if that is what the Council envisioned a year ago when they voted to support the Bluff Road option. He stated that Antelope Drive is the entrance to the City and the interchange will be a mess and give the City a bad image. He stated that he understands that residents will be impacted no matter where the road is constructed, but one suggestion he would like to make is for the City to reorganize the transportation committee that was assembled by the Planning Commission a year ago; the committee was ultimately disbanded. He stated that the committee had started to discuss this project, but the Council decided to stop that from happening. He stated this is a great opportunity for the citizens to get involved and discuss how to make the City look and feel like they would like. He stated it is a good opportunity to create a vision for the City. He asked the Council to try to look into the future 10 to 50 years from now and determine if the legacy they are proposing is really what they want. He stated that he knows that UDOT will listen to the City Council as much as they will listen to the residents, but he reiterated that he would encourage the Council to reopen the discussion so that "we" can make Syracuse the great city it is.

Ronald Hampton, 2637 W. 1200 S., stated that he will not rehash all that has been said so far, but he feels that UDOT made their recommendation just to hear the citizens complain. He stated that their plan is pathetic. He stated that the new fire station will be located on the west side of the road and it will take them an extra two minutes to get wherever they need to go. He stated that if one's house is burning, they do not want it to burn for an extra two minutes.

Dorothy Law, 3178 S. 3000 W., stated that she would like to thank the City and UDOT for all their hard work as this is an impossible decision to make. She stated that she does not want to get too detailed in her comments, but she thinks that "we" are making the right decision. She stated that Bluff Road has been preserved as a major thoroughfare for years and she feels using that original alignment is appropriate and fair, though some homes will be impacted that may not have been included in the original planning. She stated that she knows that there will be some movement and flexibility on the route, but she knows that UDOT will consider every family living in the area and hopefully come up with the best decision that causes the least amount of impact. She stated she feels it is possible to have the best of both worlds; a beautiful City and a thriving business community. She stated that business leaders have expressed what they need to make that happen. She reiterated that she wanted to thank the Council for all of their hard work. She stated that she knows that not everyone will be happy and that makes the decision hard, but she noted that homes can be rebuilt or moved while farmlands cannot be moved or mitigated. She stated that the rate at which farmland is being lost is scary and she applauded the Council for trying to maintain the focus on farmland in order to keep Syracuse special; it makes "us" what "we" are.

Charlie Black, 3178 S. 3000 W., stated that the Council is in a tough position as well and so are the residents. He stated that no one wants a road to go through their home, farmlands, or through wetlands. He stated, however, that wetlands can be mitigated and a new home can be purchased to replace an old one, but neither of those options are available when it comes to farmlands. He stated that farmland requires a special climate, irrigation system, and soils. He stated that if the road follows alternative A, his farm is just a small portion of the farmland that will be affected. He stated that one of the best and last prime soil climates in Utah is in west Syracuse on the Leo Cook property. He stated that it is probably the best vegetable farming area left in the State and if the highway goes through the middle of it, it will remove a high percentage of that ground and likely put farms out of business. He stated that if one or two farms go out of business it will make it hard for the rest of them to stay in business because they all rely so heavily on one another. He stated that the farmlands balance wetlands to provide a better habitat. He stated that there are thousands of geese that land on his farm to eat grain. He stated this is a unique and neat place and it would be a shame to ruin it because it is irreplaceable.

Chad Thompson, 1686 S. 2660 W., stated that he lives on the corner of Antelope Drive in the Huckleberry subdivision and he house would actually remain intact even though the house next to him would be taken out. He stated that Mr. Black is correct that houses can be replaced or relocated, but he failed to mention that some houses will remain and be

surrounded by roads. He stated that his property value will drop to nearly zero and he will be surrounded on three sides by a road. He stated that he has younger kids that will not be allowed to play outside because of those roads. He stated that the design of the interchange is ludicrous. He stated that his other major concern has not yet been raised this evening. He stated that when his family moved to Syracuse they knew that the road could possibly follow the Bluff Road alignment, but at that time the Syracuse Arts Academy had not yet been built. He stated that his kids attend that school and the City should not have approved its location if they knew it would be located within feet of the road. He stated there are a lot of children whose safety will be jeopardized by locating the road so close to the school. He stated he honestly believes that when the project is done the intersection and interchange will be the laughing stock of the corridor. He stated that he would like the Council to consider other options in order to provide better safety for residents on the community since that is what is most important.

Tom Bland, no address given, stated that he too is in opposition to alternative A and he would like to the Council to reconsider their decision. He stated that he moved to Syracuse in 1996 for the improved quality of life. He stated that the quality of life in Syracuse is rated higher than the average of the state and the entire nation. He stated that he would beg the Council to reconsider their decision so that Syracuse residents can continue to have a high quality of life.

Marva Rampton, 1700 S. Bluff Road, stated that there are several things about this discussion that bother her. She stated that farmlands are very important. She stated that farmlands are important too, but there are farmlands throughout the state and farmlands are not unique to Syracuse. She stated that one thing that the farmers have going for them is that they are protected by the government while the average citizen is not. She stated that Charlie Black's farm should be considered commercial property rather than farmland. She stated that the option that the Council has supported will create more safety issues by separating the fire department from the rest of the City. She stated that in less than two minutes someone can die in a fire and if there are going to be neighborhoods that will be locked in by streets it will be difficult for emergency responders to reach them. She stated that Bluff Road is also a historical road and she does not think that the people that decided to set land aside for the road in that area had any idea what Syracuse would grow to be like. She stated that Syracuse is not through growing and she asked if the Council really wants the freeway to run through the center of the City rather than locating it further to the west.

TJ Jensen, 3242 S. 1000 W., stated that he would like to point out that the fire department currently has access issues because of busy school traffic in the area. He then noted that there was recently some "drama" surround the appointment of a new Fire Chief. He stated the Council ultimately appointed a Fire Chief and he congratulated Chief Froerer.

Randy Miller, 1531 W. 2175 S., stated that he does not live very close to any of the proposed West Davis Corridor routes, but he knows that an injury to one is an injury to all. He stated that the Council and citizens should collectively tell UDOT to "stuff it". He stated that the road is not good for the farmers or the citizens. He stated that he would like to make a quick book recommendation; he suggested that the Council read The Power Broker, which is a book about Robert Moses and the fall of New York. He stated that Mr. Moses wielded power with transportation in order to ruin the city and make it so that only a certain class of people could live there.

Bruce Schofield, no address given, stated that the last gentleman that spoke asked why the road is needed and where it is going to be located. He stated that he has attended a lot of the meetings to discuss this project and he wanted to review some of the options. He stated that the road could be located near 4200 West, but there is a new school and the North Davis Sewer District sewer plant in that vicinity. He stated that from what he understands the sewer plant has a lot of equipment that cannot be located near vibration; he added that a lot of people don't often think about the Buffalo Point Elementary School, but there are a lot of kids in that area as well. He stated that school would be impacted as much as the Arts Academy. He stated that his opinion is that a dike should be built to run from the south end of Antelope Island from Fremont Island to Promontory. He stated that he has maintained that opinion throughout this entire process, but everyone has told him that the road would be too far from the City.

Lurlen Knight, 400 S. 2000 W., stated that he noticed the City recently sold 60 acres of park land. He stated that if that is the case, he thinks the City needs to buy park land somewhere else in the City to replace the portion that was sold. He then stated that he also noticed an item on tonight's agenda dealing with the reissuing of bonds. He stated that he wants to compliment the Council for doing that. He stated that interest rates are so low and a lot of money can be saved over the life of the bond. He stated when the bonds were first issued the City worked with Zion's Bank, but they also worked with a company that sold bonds on the national level. He stated that he would encourage the Council to see if they can get a better rate on the national level again. He noted that the NDSB just refinanced some of their bonds and the taxpayers will save substantial money as a result. He then stated he wanted to comment about the West Davis Corridor. He stated that there are a lot of people that will be impacted by the road. He stated he can remember years ago when Interstate-15 was being constructed through Ogden. He stated that Ogden fought the project and pushed the freeway to the west and when the freeway finally opened it just about killed Ogden economically because motorists could easily bypass the City. He stated that one of the ways into Ogden was through Riverdale and they took advantage of that and made a lot of money in sales tax

dollars as a result. He stated that if the road in Syracuse is pushed too far to the west, people will not use it as much as they would if it were closer to the City center. He stated Syracuse is a destination City right now and if the road were closer to the City center, people from Layton and Clearfield would come and use that road to get to Salt Lake rather than using Interstate - 15. He stated that would make Syracuse a through fare and the business districts would benefit as a result. He stated he understands the difficulties that the Council is facing, but he asked them to consider any potential impacts to the entire City.

Larry Kirby, no address given, stated he was here when the City Council approved the Bluff Road option and he felt somewhat bulldozed over. He stated that he hopes that some of the newer citizens will have as much input in this process as those that have lived here for many years. He stated that "we" will look back 15 to 20 years from now and much of the farmland will be gone no matter where the road ends up being constructed. He stated that kids of farmers will choose to sell farmland rather than continuing to farm it. He stated that "we" should move cows, not people even though the farms have some very emotional rhetoric. He stated he does not understand why it is more appropriate to move so many homes instead of impacting a small portion of farmland.

Mayor Nagle stated that the Council has heard everything that has been said tonight about the West Davis Corridor. She stated that she understands that no matter where the road is constructed it is going to be impactful and the City is committed to working with UDOT to try to minimize those impacts whenever possible. She stated that she simply wanted the citizens to be aware that the Council is aware of all their concerns.

### 3. Public Hearing – Proposed Resolution R12-07 adjusting the Syracuse City budget for the Fiscal Year ending June 30, 2012.

A staff memo from Finance Director Steve Marshall explained that the budget opening document itemizes recommended budget line item changes to revenue and expenditures for all city funds. Throughout the year it becomes necessary to review the budget and make changes reflecting what has occurred since the initial budget adoption in June 2011. The memo reviewed some of the highlights:

- The brightest spot with this budget opening is the fact that sales tax revenue is projected to finish up \$200,000 over the prior budget year. Within this budget opening we are proposing that all of these funds go to roads, as well as an additional \$115,580 for a total increase funding to the roads of \$315,580.

This increase in funding for the roads accomplishes two things. First and most important, it is an amount that exceeds our salaries & benefits in the B&C roads fund (\$306,560 – salaries & benefits in B&C fund) effectively eliminating salaries & benefits from the B&C roads funds. Second, it allows us to complete two more road projects bringing us to a total of 3 road projects and \$512,255 for FY12.

- Another highlight is that we are adding an impact fee road project to the budget in the amount of \$600,000. This would go to widening roads in our city (i.e. 700 South) that have the greatest need for improvement based on impacts from new residential homes.
- So between the 3 projects above and this impact road project the city is looking at putting approximately \$1,112,225 to our roads in FY12.
- The total general fund revenue budget excluding sales tax (\$339,650 – \$200,000) increased by \$139,650. The total general fund expense budget excluding the transfer to B&C roads for the new projects (\$451,032 - \$315,580) increased by \$135,452. A net increase of \$4,198.
- All other funds in the city had minor budget changes mainly attributed to depreciation expense. New infrastructure is given to the city each year when subdivisions are completed. The increase in depreciation expense is for the new infrastructure.

Mr. Marshall approached the Council and summarized his memo.

Councilmember Johnson stated that he has a couple of questions about the funding for the City newsletter. He stated he noticed that the budgeted amount for that has increased by \$5,000. Mr. Marshall stated that is correct and that is due to the fact that when the budget was originally created, staff projected that some of the costs associated with the newsletter would be offset by advertising revenue, but the projections for advertising revenue has not been as high as originally anticipated.

Councilmember Johnson then stated that he noticed there were some costs associated with the remodel of the east side of City Hall. He asked if the City fronted those costs because ReMax backed out of the lease. City Manager Rice stated

the City paid those costs and his plan was to include it in the common area maintenance (CAM) rates for ReMax. He stated that when a new tenant is secured those costs will be considered into their CAM rates as well.

Councilmember Johnson inquired as to what an Engine Boss is. Mr. Rice stated that the City recently purchased a fire tender truck and in order to get it certified for use by the U.S. Forest Service there was a requirement to have an employee assigned to be the Engine Boss. He stated the City did not have someone serving in that position, so when the vehicle arrived the City was forced to enlist the help of neighboring city. He stated that now the City has its own Engine Boss and another one in training so that by the time the fire season rolls around the City will have at least two Engine Bosses. Councilmember Johnson asked if that is a new employee position. Mr. Rice stated it was a contract employee. Mr. Marshall stated that it has allowed the truck to be called to fires out of the state, which generates revenue for the City. Councilmember Lisonbee stated that the increased expenditure associated with the Engine Boss is \$315,580 and she asked what kind of revenue the City will bring in to cover that expenditure. Mr. Marshall stated that the increased expenditure for the Engine Boss is \$10,000, not \$315,580.

Mayor Nagle stated that she wants to comment Mr. Marshall and Mr. Rice and everyone else in the City that has "knuckled down" because it is a huge accomplishment to be able to dedicate all the B&C Road funds to maintenance and repairs rather than to wages. She stated that is probably the single greatest thing that Mr. Marshall and Mr. Rice have helped the City with since they began their employment. She stated that is the most glaring item in the budget opening document and she commends everyone that was involved in it. She stated all small changes added up to a big amount to be focused on the roads.

Councilmember Peterson stated that he thought that he saw a proposal for where the staff wanted to use that money, but he cannot find it in his packet. Mr. Marshall stated there was a list of unfunded projects that was included in the packet behind the budget adjustment document. He stated it is the same document that was provided to the Council at their budget retreat last year. He stated the list includes 10 or 12 projects. Councilmember Johnson asked if staff has targeted any projects to be completed with the funding included in this budget opening. Mr. Marshall stated that he has targeted three road projects. He stated that the \$600,000 in transportation impact fees is not what he is referring to; rather he is referring to the money now available through Class C road monies. Councilmember Lisonbee stated that she is confused about the use of the impact fees. She stated that the project to reconstruct Gordon Avenue was supposed to be covered by impact fees; that was mentioned through the course of three different public hearings about the project. She stated that she has not seen those costs debited from the impact fee funds. Mr. Marshall stated that project took place in the last budget year. Councilmember Lisonbee stated that is correct, but the latest report of the City's impact fees included on the State Auditor's website, it says that there is \$600,000 still available in 2012. Mr. Marshall stated that the impact fee study references proposed areas for which to use the impact fee monies. He stated that the report shows all revenue coming into the City and what the current balance is and where the City projects to use the money. He stated that is just a proposal and not a final determination on how to spend the money. He stated that currently the money is pointed to the extension of 2700 South from 2000 West to 3000 West, but now that the City has a new Public Works Director he wants to sit down with him and make sure that is the best place to use the money. Councilmember Lisonbee stated that before Mr. Marshall began working for the City and when Rodger Worthen still worked for the City there was a lot of discussion about the Gordon project and the two change orders that were submitted. She stated the project as \$800,000 or \$900,000 and it was said two or three times during public hearings that the money for that project would come from transportation impact fees, but she has not seen that transaction. Mr. Marshall stated a portion of the project was paid from the water impact fee funds as well as the transportation impact fee fund.

Mayor Nagle then convened the public hearing.

TJ Jensen, 3242 S. 1000 W., stated that he wanted to commend the staff, Mayor, and Council for doing everything they have done in order to complete one or two road projects. He stated that one of the priorities has been to replace the secondary water line under Bluff Road because that water line does not have sufficient capacity to water all lawns in the City at the same time. He stated that he would encourage the Council to take that into consideration; there is a problem with delivering the water from Jensen Park to the entire City and that needs to be resolved at some point.

There being no additional persons appearing to be heard Mayor Nagle closed the public hearing.

COUNCILMEMBER PETERSON MADE A MOTION TO ADOPT PROPOSED RESOLUTION R12-07 ADJUSTING THE SYRACUSE CITY BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2012. COUNCILMEMBER SHINGLETON SECONDED THE MOTION; ALL VOTED IN FAVOR, WITH THE EXCEPTION OF COUNCILMEMBER LISONBEE WHO VOTED IN OPPOSITION.

5. Proposed Resolution R12-04 updating and adopting Syracuse City Engineering Standards and Construction Specifications.

A staff memo from Public Works Director Robert Whiteley explained that the proposed Syracuse City Engineering Standards and Construction Specifications have been provided to the Council for consideration and can be formally adopted via adoption of a resolution. Each municipality follows a set of engineering standards to ensure that minimum requirements are being followed based upon industry standard and local conditions. Syracuse City's standards are currently included as an appendix of Title Eight in the Syracuse City Code. The original standards have been incorporated into this document (shown in gray shading). This document is more comprehensive based upon common standards used in the engineering industry. As technologies advance, the standards must advance as well. That is the purpose for the currently proposed updates. In order to streamline updates of this document in the future, it is recommended that these standards stand as a separate document from the ordinance. The ordinance will still refer to the city standards. Future resolutions will ensure that the most current version is being followed. The City's standards have not been updated for at least 15-years.

Mr. Whiteley approached the Council and summarized his staff memo.

COUNCILMEMBER JOHNSON MADE A MOTION TO ADOPT PROPOSED RESOLUTION R12-04 UPDATING AND ADOPTING SYRACUSE CITY ENGINEERING STANDARDS AND CONSTRUCTION SPECIFICATIONS. COUNCILMEMBER LISONBEE SECONDED THE MOTION; ALL VOTED IN FAVOR.

#### 6. Authorize Mayor to execute the Lease Purchase Agreement with Zion's Bank.

A staff memo from Finance Director Steve Marshall explained that in July of 2011 the Council approved the FY12 budget which included the acquisition of 10 hybrid police vehicles to replace some of the older vehicles owned by the City. Historically the City has purchased three police vehicles each year. However, due to budget constraints, the City has not purchased any vehicles since 2009. By leasing these 10 vehicles, the City will pay approximately the same amount that would have been spent to purchase the same three vehicles we have in previous years. This lease agreement is between Zion's Bank and the City for the purchase of 10 hybrid police vehicles. The vehicles have been built and are now in service within the Police Department. This lease agreement authorizes the City to borrow the money from Zion's Bank so that the City can pay the vendor who built the cars. This lease is a four payment, three year lease with the first payment to be made at the inception of the lease agreement and each additional payment to be made annually on February 15 of each year. The final payment will be made on February 15, 2015. The interest rate is a fixed 2.7% rate over the life of the lease agreement.

Mr. Marshall approached the Council and summarized his staff memo.

Mayor Nagle asked if the purchase price at the end of the lease is \$1.00, to which Mr. Marshall answered yes.

Councilmember Johnson asked if the interest rate is variable or fixed. He stated he saw a reference to a maximum rate of five percent. Mr. Marshall stated it is a fixed rate and the five percent amount is related to the bond refinance item to be considered later in the meeting.

COUNCILMEMBER PETERSON MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE LEASE PURCHASE AGREEMENT WITH ZION'S BANK. COUNCILMEMBER LISONBEE SECONDED THE MOTION; ALL VOTED IN FAVOR.

#### 7. Consideration for adoption of resolution R12-08 of the City Council of Syracuse City, Utah, authorizing the issuance and sale by the Municipal Building Authority of Syracuse City, Utah, of its Lease Revenue Refunding Bonds, Series 2012, in the aggregate principal amount of not to exceed \$5,700,000; and related matters.

A staff memo from Finance Director Steve Marshall explained that the Municipal Building Authority is a separate legal entity from Syracuse City Corporation. It was established in August 2006 to allow the City to streamline the funding and construction of City facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt will be paid off and the properties will be deeded to the City. The executive board of the MBA is comprised of the Mayor and Councilmembers of Syracuse City. Since the MBA and Syracuse City are two separate legal entities, it will be necessary to adopt two separate resolutions – one for Syracuse City and the other for the MBA. Staff is anticipating an annual savings of \$15,700 or a total savings over the life of the bond of \$206,000.

Mr. Marshall approached the Council and summarized his staff memo.

Councilmember Johnson inquired about the reference to the maximum rate of five percent. Mr. Marshall stated that the agreement includes parameters because it is not known what the final price or final interest rate will be. He stated that the Resolution say that the rate will not exceed five percent, but in reality the rate will likely be much less than that. He stated that staff is considering a couple of different financing options; fixed versus a step-up rate. He stated that with a step-up rate the interest rate is two percent at the beginning and it gradually increases until it is four percent at the end of the term. He

stated that he is trying to find a balance that will provide the best cost savings. He stated that upon approval of Council the City will seek bids for the best pricing.

COUNCILMEMBER LISONBEE MADE A MOTION TO ADOPT PROPOSED RESOLUTION R12-08 OF THE CITY COUNCIL OF SYRACUSE CITY, UTAH, AUTHORIZING THE ISSUANCE AND SALE BY THE MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH, OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2012, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,700,000; AND RELATED MATTERS. COUNCILMEMBER PETERSON SECONDED THE MOTION.

Councilmember Peterson stated that he had a question and it may be better suited for Jonathan Ward from Zion's Bank. He stated that earlier this evening Lurlen Knight referenced the refinance of the sewer bonds and they got a "steal of a deal" and they used a competitive bid process. He stated the amount of the bond was approximately three times more than the amount being considered tonight, but he asked for Mr. Ward to explain how the City goes about getting the best interest rate. Mr. Ward approached the Council and stated that Councilmember Peterson's question is a good one. He stated that he talked with Kevin Cowan, General Manager of the NDS, about their bond refinance. He stated that the NDS has an AA+ rating, which is one notch lower than the highest possible rating from Standard and Poors, one of the larger rating agencies. He stated that with that type of a credit rating, bonds ought to be sold on a competitive basis where underwriters from all across the country are allowed to bid on and buy the bonds. He stated that he also recommended that they sell the bonds without a normal function or nuance of revenue bonds since that was a debt service reserve fund. He stated that makes a lot of sense from the vantage point of the rate payers and tax payers in the district. He stated that the Government Finance Officers Association (GFOA) website has links to best practices under debt management and they say any bond rating in the A range or above qualifies to be sold via a competitively sold transaction. He stated that Zion's Bank has been a real advocate of competitive transactions where the entity asks the buyers of bonds to compete with each other for the best interest rate. He stated that the NDS was selling around \$12 million and that is very enticing to underwriters across the country that bid on bonds. He stated the two most prominent bidders in Utah are Piper Jaffrey and JP Morgan Chase and they have won more transactions than any other underwriter across the country and they do a remarkable job. He then referred to the City's bonds and stated there are a couple of factors to consider. He stated that a few years ago the City's bond rating was downgraded from an A+ to an A, which is one step, in large part due to cash balances on hand. He stated the City had expended a lot of cash during the course of the economic recession and there was no plan in site from the perspective of the rating agencies to try to replenish those cash reserves. He stated that he was very excited to see the turn around of the City's cash status; that is a very positive trend. He stated that a single A rating makes selling bonds in a competitive nature a little more tricky, but not impossible. He stated that there is also a question of how the bonds should be sold. He stated the NDS sold their bonds in the public capital markets, which is a national forum that any particular bond investor can use to purchase bonds. He stated that the City's bonds were structured in 2008 as private placement bonds after a debate about the options. He stated that private placement was going to get the City comparable interest rates with lower upfront costs. He stated that Wells Fargo purchased the bonds and they offered the flexibility to prepay after five years. He stated that the lockout period is typically 10-years. He stated currently there are buyers in today's market that are very aggressive and they want to own the bonds as an investment and they are willing to provide prepayment options, so that when and if rates drop lower than they are today the City will have the option to refinance again without any sort of penalty. He stated that Zion's Bank will try to find the best option for the City and they are currently soliciting proposals from two buyers: Bank of Utah and Wells Fargo. He stated that both are very interested in owning the bonds. He stated the resolution that the Council is being asked to adopt tonight will allow them to formalize the refinance process.

Councilmember Shingleton asked if the refinance will take place this year or if the City is required to wait until 2013. Mr. Ward stated the IRS allows refinancing once in advance of the 2013 date, so this would be the City's one time opportunity prior to that time. He stated that if the new bonds have a prepayment at any time clause, the City could technically refinance again. He stated the tricky thing is that in order to prepay the bonds, Wells Fargo has a protection through 2013, so Wells Fargo will be paid all the interest that is owed to them through 2013, but the City has the opportunity to refinance at lower rates and put the new bond proceeds in an interest bearing account through 2013 and the costs to do that are relatively low compared to what the City is actually going to save.

Councilmember Peterson referred to Councilmember Johnson's question about the maximum rate of five percent and he asked what interest rate was used to calculate the savings amounts that were provided to the Council. Mr. Ward stated that if the City were to sell the bond right now in the public capital market the true interest cost would be around 2.83 percent. He stated that as Mr. Marshall indicated, bonds sold in the public markets are sold with a serialized structure and there is a different interest rate every year. He stated that the true interest cost is arrived at by averaging all the rates, but in addition to the interest rate there are a lot of upfront fees. He then stated that on the private placement market the all inclusive rate would be approximately 3.16 percent. He stated that he is trying to gauge which market is currently better.

Councilmember Peterson inquired as to the City's current interest rate. Mr. Ward stated it is 4.13 percent, which is not a bad rate, but it is set for a 16 year period and if it can be lowered the City can save a lot of money over time.

There being no further discussion regarding the proposed resolution Mayor Nagle called for a vote. ALL VOTED IN FAVOR OF THE MOTION TO ADOPT.

#### 8. Councilmember Reports.

Councilmember Johnson stated that he attended his first Utah League of Cities and Towns (ULCT) meeting to try to get his feet wet. He stated it was a good experience and he enjoyed meeting other people in the same situation as him. He then stated that he wanted to wish former-Councilmember Kimmel the best of luck in his new endeavors and he will be sorely missed on the Council and throughout the City. He stated he appreciates what Mr. Kimmel did in standing up for his principals and what he thought was best for the City. He then stated that he went on a ride-along with the Police Department recently and that was really good. Councilmember Peterson stated that he heard that the Police Dog attacked Councilmember Johnson. Councilmember Johnson stated that he did let the drug sniffing dog attack him.

Councilmember Shingleton stated that there seemed to be some misconceptions at the last special meeting of the City Council about the appointment of the Fire Chief. He stated that the reason the Council tabled the appointment was because they were carrying out their fiduciary responsibility of taking a look at things; it was nothing against the Fire Chief as he is qualified in all aspects of firefighting. He stated that some accusations have been made and some heated words spoken and he feels that people need to take a look at what was said in the minutes of the meeting because there was nothing inflammatory said. He stated that he also wanted to wish Mr. Kimmel the best on his new adventure in Oklahoma and then Canada opening some restaurants for his employer. He then noted a job well done on the budget opening. He stated "we" have been able to save money and take money that was previously spent on wages and reassign it to the Class C Road Funds account. He stated he wanted to compliment the staff on their efforts.

Councilmember Peterson stated that he also went on a ride-along with the Police Department and he wanted to mention a couple of things from that. He stated that Officer Steele and the police dog Drake do an awesome job; the dog is very impressive and Officer Steele is great at handling him. He stated he was also with Officer Rowley and they responded to a variety of different things that night; a couple of them were serious medical calls and he thought the public safety responders worked so well together. He stated that he believed that in both cases the Syracuse City officers were the first on scene with the Fire Department very close behind them. He stated Davis County Sheriff's paramedics were pretty close behind as well. He stated they all worked together very professionally. He then stated that, as was mentioned before, the NDSB did refinance their \$15 million bond and they will save \$2 million over the life of the bond. He stated that the money will be used to pay off two smaller bonds. He then stated that tomorrow the Davis School District Superintendent is hosting a lunch that the Council and Mayor have been invited to. He stated he looks forward to attending that. Councilmember Johnson asked what time the lunch will be held. Councilmember Peterson stated it is at noon at Syracuse Elementary.

Councilmember Lisonbee stated that she wanted to explain that she has a very bad infection tonight and if she came across as abrasive during tonight's work session she wanted to apologize to all involved. She stated that she appreciates everything that the staff does and they have displayed the utmost in professionalism in answering questions and putting forth their ideas. She then stated she is excited for Mr. Kimmel to have the opportunities that he is having and she wishes him the best in Oklahoma and Canada. She stated that will be an adventure for their family and she appreciates all that he did for the City while he served.

#### 9. Mayor Report.

Mayor Nagle stated she would like to congratulate the Syracuse High School Lady Titans basketball team; they recently beat the Layton High School team, who was second place in the state, by a score of 52 to 37. She stated it was a very respectable win. She then stated that she wants to officially welcome Chief Froerer to the City staff; the employees at the Fire Department are very happy to have him. She then stated that at the last meeting she talked at length about the efforts that the Council of Governments (COG) was taking to look at ways to reduce the policing fees that each city pays as well as how different entities can work together. She stated that COG formed a task force and she was sorry that she did not know that the other Chiefs were participating until she arrived at the meeting so she apologized to Chief Wallace. She stated that the proposal that will be taken to COG deals with roadblocks that must be overcome in trying to consolidate services. She stated there has been a lot of distrust in the past and that was actually increased after what recently happened in Syracuse City. She stated there was a lot of talk about how the other members of COG thought that Syracuse was negotiating with the Sheriff's Office and that the City would go the way of West Point. She stated that the fees that are in place are the same fees that were assessed in 1984 and no one really know who had the authority to increase those fees; so each City would pay \$.50 per individual into the task force. She stated that some cities that are like size as Syracuse were paying approximately \$4,000 into the task force, but the task force needs more than 11 officers to function and that amount of money does not parlay into

enough for the necessary number of officers. She stated that as a result, some entities have been donating a full time officer and Syracuse City is one of those entities. She stated that equates to a little over \$80,000. She stated that the proposal that will be taken to COG will be to even out the costs that each entity is paying. She stated the breakeven point seems to be \$2.50 per resident per City. She stated that 10 of the 15 Mayor were in attendance and they all bought off on that increase that will take place over the next five years. She stated that at that point in time the task force can have another conversation about whether to pay the fee or donate an officer and pay their wages. She stated it is a great start and it was a big leap of faith for a lot of cities. She then stated she is very excited about the Class C Road funds being donated back to road repairs rather than salaries. She stated that road problems are the biggest issue the City is facing and she appreciates Mr. Rice's efforts to make those positive changes.

10. City Manager Report.

Mr. Rice stated that today the Parks and Recreation Department staff and he briefed the Davis County Gala Committee hoping to be awarded the Gala for 2012 in order to earn donations for Chloe's Sunshine Park. He stated that the goal of the Gala each year is to raise \$25,000 and find a worthy charity or project to benefit from that money. He stated there were three groups that briefed today and Syracuse did a great job and he should be notified within the next few days as to whether the City has been selected to be the recipient of the Gala proceeds.

11. Consideration of adjourning into Closed Executive Session pursuant to the provisions of Section 52-4-205 of the Open and Public Meetings Law for the purpose of discussing the character, professional competence, or physical or mental health of an individual; pending or reasonably imminent litigation; or the purchase, exchange, or lease of real property

COUNCILMEMBER PETERSON MOVED THE COUNCIL ADJOURN INTO A CLOSED EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF SECTION 52-4-205 OF THE OPEN AND PUBLIC MEETINGS LAW FOR THE PURPOSE OF DISCUSSING THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL. COUNCILMEMBER JOHNSON SECONDED THE MOTION, WITH THE FOLLOWING ROLL CALL VOTE: VOTING "AYE" – COUNCILMEMBERS JOHNSON, KIMMEL, LISONBEE, PETERSON, AND SHINGLETON. VOTING "NO" – NONE.

The meeting adjourned into Closed Executive Session at 8:35 p.m.

The meeting reconvened at 9:35 p.m.

At 9:36 p.m. COUNCILMEMBER PETERSON MADE A MOTION TO ADJOURN. COUNCILMEMBER JOHNSON SECONDED THE MOTION; ALL VOTED IN FAVOR.

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Jamie Nagle  
Mayor

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Cassie Z. Brown, CMC  
City Recorder

Date approved: July 10, 2012