

NORTH OGDEN CITY COUNCIL WORK SESSION

May 3, 2016

The North Ogden City Council convened in an open meeting on May 3, 2016 at 5:05 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was delivered to each member of the City Council, posted on the bulletin board at the municipal office and posted to the Utah State Website on April 28, 2016. Notice of the annual meeting schedule was published in the Standard-Examiner on January 2, 2016.

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

STAFF PRESENT: Annette Spendlove City Recorder/HR Director
 Mariah Murphy City Deputy Recorder
 Jon Call City Attorney
 Jami Jones City Treasurer
 Rob Scott City Planner
 Tiffany Staheli Parks and Recreation Director
 Dave Espinoza Public Works Director
 Gary Kerr Building Official
 Clark Crowther Lieutenant

VISITORS: Tom Murdock Brenda Upright
 Steve Rasmussen Kent Bailey Evan Nelson

Mayor Taylor welcomed those in attendance. City Council Member Carl Turner offered the invocation and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. DISCUSSION AND/OR ACTION TO CONSIDER THE APRIL 12, 2016 CITY COUNCIL MEETING MINUTES

Council Member Satterthwaite motioned to approve the April 12, 2016 City Council Meeting minutes. Council Member Swanson seconded the motion.

Voting on the motion:

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

The motion passed.

ACTIVE AGENDA

1. PUBLIC COMMENTS

There were no public comments.

Mayor Taylor asked that agenda items three, seven, and eight be moved up on the agenda.

Council Member Swanson moved to amend the agenda by moving items three, seven, and eight ahead of item two on the agenda. Council Member Stoker seconded the motion.

Voting on the motion:

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

The motion passed.

3. INTRODUCTION OF BRENDA UPRIGHT WITH REPUBLIC SERVICES

Brenda Upright approached the City Council to introduce herself; she provided the Council with a brief synopsis of her professional experience and stated she is happy to be a resource to the City if they have any questions about the services Republic Services can provide to the City.

7. DISCUSSION ON NO FAULT LATERAL INSURANCE FOR SEWER AND WATER BACKUPS

Darrell Child, Vice President of Olympus Insurance Brokerage, used the aid of a PowerPoint Presentation to provide the Council with information regarding the legal liabilities associated with a municipalities operation of water and sewer utilities. In the past, municipalities have enjoyed governmental immunity and were only responsible for those issues in which they had direct interaction or had directly caused. However, now municipalities are judged upon event response; there is a feeling that the City, as the owner of utility systems, should be legally liable or respondent to what certain events can entail. The general public has an expectation that the City should have liability for damages resulting from infrastructure failure. He stated he has reviewed the City's history and found there have been five paid claims involving water or sewer issues and those claims totaled \$108,284; there were also six noted claims that were denied. This is a fairly typical pattern for municipalities and that is the basis of his discussion tonight. He discussed situations where the City has no direct legal liability or duty to pay a claim, yet damages have occurred to private property in the City. The purpose of tonight's discussion is to get the general feel of the Council relative to the level at which the City would prefer to participate in private property damages and the payment of claims. He summarized the manner in which the costs of remediating water or waste water damages has escalated over the years, noting the average event can cost \$38,000 to remediate. High value homes will only cause those costs to grow exponentially. He stated that if the City opts for a no fault insurance program all claims will be submitted to the insurance company and if the insurance company makes the determination that the City has no legal liability, the City can set parameters in place to allow a public adjuster to negotiate the amount the City may be willing to participate in repairs. He discussed the experience other municipalities have had with a no fault program and noted that each city using such a program has created their own internal policy for administering the program; there is a heavy focus on the fact that any amount of city participation will be secondary to a homeowner's personal insurance resources. The policies also designate a maximum participation amount. He added he believes that he will be able to reduce the costs of the City's overall insurance program and he would recommend the City use those savings to dedicate to a no fault fund. Based on the City's history, he believes the City's no fault participation would be fairly limited. He stated he is willing to answer questions the Council may have regarding this approach.

The Council engaged in a brief discussion regarding typical terms of a no fault program, with Mr. Child noting that the program would only apply to culinary and waste water events and the City would maintain absolute control over the program and process of considering claims. He then stated the no fault program would not be a rider to the City's existing insurance policy; it would be an independent program managed by the City, but it could aid the City in securing reduced premiums for insurance through the bidding process. Council discussion continued as the Council asked questions to gain a more clear understanding of the no fault program; there was also a focus on the concept of the City creating a

policy to define the no fault program and the circumstances under which the City would pay claims for damages, with Mr. Child providing the Council with information about policies used by other cities. He then stated the next step is for his firm to finish the work they are doing to broker the best deal for the City from insurance providers interested in submitting a proposal to be the City's liability insurance provider. He will be able to report back to the Council within 30 to 35 days regarding the pricing and options he has received from providers. Mayor Taylor asked Mr. Child to work with the providers to ask them to consider what their rates would be if the City were to implement a no fault program.

8. DISCUSSION ON HOME OCCUPATION GUN DEALER/GUN REPAIR

A staff memo from City Planner Scott explained Section 11-16 of the City Code dealing with Home Occupations contains lists of both permitted and prohibited uses. 11-16 A (12) states, 'Any home occupation which is considered by the City Planner to fall under one of the permitted uses shall be authorized under that use.' Furthermore, 11-16 B (19) states, 'Any occupation which is not specifically permitted is considered prohibited unless properly categorized by the City Planner under a permitted use.'

When this ordinance was adopted it was understood by the City Council and Staff that periodically there may be some businesses that the City Council should consider adding to the list of uses. Staff has received a request to operate a fire arms transfer agent (gun sales) business and also a gun repair business. This is a policy question, does the City Council want to allow firearm sales and repair as home occupations?

Federal firearms law requires firearm transfer agents have the gun purchaser come to the agent's home to do a background check. The background check is to ensure the potential buyer can own a firearm when the firearm has been purchased on the Internet. It also requires that the firearm be picked up at the agent's home.

Product sales over the Internet are allowed as home occupations. The question before the City Council is does the City Council want to add gun sales to either the allowed or prohibited list of uses?

Second, is gun repair another use that Staff would like to have the City Council consider adding or prohibiting as a home occupation? Currently, there are three repair uses identified, i.e., musical instruments, upholstery, and computers.

Another aspect of home occupations is if the business does not generate \$500 in gross receipts then no home occupation is required.

The memo concluded staff recommends the Council consider and determine whether or not gun sales and or gun repair should be added to the permitted or prohibited use list for home occupations. Staff will prepare an ordinance amendment based upon the City Council determination.

Mr. Scott reviewed his staff memo. He suggested that the Council entertain comments from Mr. Murdock, the person seeking approval of this type of home occupation license.

Council Member Turner asked if the City's home occupation ordinance currently prohibits gun repair or gun-smithing businesses. Mr. Scott answered yes, though those types of businesses could be operating illegally. Mayor Taylor stated the use could be permitted in commercial zones.

Tom Murdock, 1242 E. 2500 N., stated that he would not technically be repairing firearms in his home; rather, he would be refinishing firearms, which entails disassembling the firearm and outsourcing functions that make the metal appear new. Once that is done, he reassembles the firearm and makes sure it functions before releasing it to the owner. Relative to firearm transfers, he would not offer a storefront setting; rather, he would have a website that would be similar to an eBay site for firearms. He would be considered a federal firearms dealer and he would complete background checks before handing a firearm over to a buyer. He noted that the business would be more of a hobby and would not be large capacity; he does not anticipate completing more than 20 transactions per year. He noted there are currently multiple firearm trades and transactions without federal involvement, but his type of business is a service to local citizens as they have access to a federal firearms mediator that can complete background checks and maintain proper records. He stated he would be happy to answer questions about the business type.

Council Member Swanson stated it is his understanding Mr. Murdock would conduct the background check with the applicant present. Mr. Murdock stated that is correct.

Council Member Turner inquired as to the type of firearms Mr. Murdock performs work on. Mr. Murdock stated he works on rifles, pistols, and semi-automatic weapons. He stated he is not permitted to work on fully automatic weapons.

Mayor Taylor stated there is no staff recommendation regarding this request, but if it is something the Council is willing to consider it will be referred to the Planning Commission for recommendation. He facilitated a discussion among the Council regarding their position regarding the request. The Council ultimately concluded they are supportive of referring the request to the Planning Commission for a recommendation.

Mr. Scott asked if the Council would also like the Planning Commission to consider the section of the ordinance that relieves businesses with less than \$500 in gross receipts from obtaining a business license. The Council briefly discussed this issue and ultimately concluded they are comfortable referring that issue to the Planning Commission as well.

2. **DISCUSSION AND/OR ACTION TO CONSIDER HOW TO PROCEED WITH THE GREEN WASTE FACILITY**

Mayor Taylor stated he sent the Council an email today including photographs of the condition of the green waste facility; the facility is full due to recent damages incurred in wind storms. He stated he is seeking direction from the Council regarding how to dispose of the items. He added that the City plans to pick up bundled branches and tree stumps left at the curb over the next week and take those items to the green waste facility as well. The Council discussed options for disposing of the items at the facility, concluding to advertise the opportunity for residents to pick up wood from the facility before proceeding with burning it. Mr. Rasmussen suggested that the burning take place on days when the clearing index is adequate to allow for good diffusion; this will reduce negative impacts on nearby residents. Mayor Taylor stated that it will likely take three days to burn all the items and he is hopeful it will be possible to get consecutive good air quality days. He then stated that he would like to consider purchasing a quality mulcher for the facility to mulch trees and offer mulched materials to residents, but it may not be necessary to move forward with something like that until after the adoption of the budget; he would truly like to consider a comprehensive plan for the facility within the next couple of months. The Council briefly discussed this concept with Public Works Director Espinoza, who indicated that outsourcing material shredding would require heavy subsidization from the City. The Mayor stated there may be options to implement a more aggressive compost or mulch program at the pit and he feels the options before the Council tonight are to either burn all items at the pit now and assess future programming at a later date, wait to burn until after a more global assessment has been completed, or proceed now with developing a shredding and composting program. Council Member Swanson stated he would prefer option one: burn the materials now and consider a more comprehensive shredding and mulching program in the future. Council Members Satterthwaite, Stoker and Turner agreed. Discussion then centered on the potential of generating revenue by selling quality mulch or shredding materials from the pit. Mayor Taylor asked two Council Members to participate on a committee to consider future programming at the facility. Council Members Swanson and Urry volunteered and committed to recruit residents to participate on the committee.

Discussion then briefly continued with a focus on the great community support North Ogden residents have provided to assist in cleaning private and public

properties following the storms. Mayor Taylor added City crews have done a great job as well and he is very proud of the entire community.

4. **DISCUSSION AND/OR ACTION TO CONSIDER A RESOLUTION
DECLARING AS SURPLUS AND SELLING OR OTHERWISE
DISPOSING OF A CELLULAR TOWER SITE LOCATED AT
APPROXIMATELY 346 E. PLEASANT VIEW DRIVE**

A staff memo from City Attorney Call explained the City has been approached regarding the sale of an easement on the old public works building property. Under Utah Code we have to notice the sale of any significant pieces of real property prior to disposition. The City has provided a notice that we will discuss the sale of an easement on this property in the paper two weeks prior to this meeting.

Unlike many of the provision in the state procurement code the City is not required to sell the easement to the highest bidder but may take into consideration other factors besides money. In this case staff would recommend that the City proceed forward with the sale of the easement to the only party who would be able to make use of the property without interfering with cellular communications in the area. Disruption in services could potentially occur if the City was to sell this easement to another individual or company who would require that the cell tower be deconstructed once the lease expires.

The City has received a letter from Crown Castle, the entity who wishes to purchase the easement. The execution of this letter is the same as entering into a real estate purchase contract so the City should not agree to sign the letter unless it is willing to sell the easement. The letter and exhibits have been included in the packet for the Council's review.

The memo concluded Mr. Call recommends the Council consider the sale of this easement on our property and decide what is best to do in the interest of the City.

Mr. Call summarized his memo and concluded it is his recommendation that the City not be concerned with reserving the option to install equipment on the tower and simply proceed with executing the agreement. Public Works Director Espinoza agreed and stated the equipment will not be needed any time in the imminent future. Mr. Call then briefly reviewed the terms of the agreement, noting the total amount to be paid to the City for the property is \$369,149 over a specified period of time. The Council indicated they felt the agreement is a good deal for the City, with Council Member Satterthwaite stating the only thing that may make the agreement better would be if the City could receive a greater amount of money up front rather than allowing the payment to be spread over a

longer period of time. Mr. Call noted Crown Castle will pay the City \$35,000 upon execution of the agreement and \$65,000 within three months; this means the City will receive \$100,000 within three months of signing the agreement and the remaining \$270,000 will be paid over the next four years. Council Member Swanson stated he is satisfied with the payment terms.

Council Member Turner motioned to approve Resolution 10-2016 declaring as surplus and selling or otherwise disposing of a cellular tower site located at approximately 346 E. Pleasant View Drive. Council Member Stoker seconded the motion.

Voting on the motion:

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

The motion passed.

5. PRESENTATION ON THE MISSION/VISION STATEMENT AND TAGLINE FOR THE CITY.

Mayor Taylor reported City Administration has been working to create a tag line for the City that would be printed under the City’s logo on marketing materials. He stated employees have participated in an internal process and the tagline they are currently recommending is “Community Starts Here”. He indicated Parks and Recreation Director Staheli and Public Works Director Espinoza are co-chairs of the committee that was assembled to work on the project and he asked them to present their recommendations to the City Council.

Ms. Staheli stated the committee worked to develop mission and vision statements for the City; the vision statement should communicate where an organization wants to be and the mission statement is how to get there. The vision statement is “to create a safe and beautiful community with excellent municipal services” and the mission statement is “to provide outstanding service through effective teamwork, transparency, and planning”. The mission and vision statements were presented to the employees and they were asked to develop a tagline that fits with the statements and they came up with “Community Starts Here”. The next step is to go back to the committee and have them work to incorporate the tagline with the logo in order to print them and display them throughout the City and on marketing materials.

Mayor Taylor stated that he anticipates developing five or six options for incorporating the tagline with the logo and those options can be submitted for citizen input before a final design is selected. The Council indicated they are pleased with the recommendation.

6. **DISCUSSION AND/OR ACTION TO CONSIDER AN ORDINANCE ANNEXING PROPERTY LOCATED AT APPROXIMATELY 2650 NORTH AND 1350 EAST AND REZONE FROM SINGLE FAMILY RESIDENTIAL R-1-10.**

City Recorder Spendlove noted that the annexation of property at 2650 North and 1350 East has been approved by the Council, but the legal description for the property included in the ordinance was incorrect and it is necessary for the Council to consider a new ordinance that will adjust the legal description for the property in order for recording to occur.

Council Member Turner motioned to approve Ordinance 2016-13 annexing property located at approximately 2650 N and 1350 E and rezone from Single Family Residential R-1-10. Council Member Swanson seconded the motion.

Voting on the motion:

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

The motion passed.

****The meeting recessed briefly at 7:29 and reconvened at 7:40 p.m.****

7. **FISCAL YEAR 2016-17 BUDGET**
A. BENEFITS
B. BUDGET REVIEW
C. QUESTIONS AND COMMENTS

Mayor Taylor first noted that during the last budget meeting the Council considered amendments to the capital projects worksheet and City Treasurer Jones briefly reviewed the changes she has made to the document since the last meeting.

Ms. Spendlove then noted she has been working to secure a benefit plan for City employees and she is recommending University of Utah Health Plans, which offers the same provider network as the former Public Employee Health Plan (PEHP) offered to employees. The increase for the new plan is 8.5 percent, which is substantially lower than the increase the City would have paid to stay with PEHP. The budget included a 10 percent increase, which will cover the new plan increase. She added there is a three percent increase for the City's dental plan and the vision plan did not increase. She then stated she needs direction from the Council regarding the City's contribution to health savings accounts (HSA) for employees; six employees currently have the high deductible plan for family coverage and they use a HSA to cover increased out of pocket costs. The first year the City offered this plan the City contributed \$1,000 to HSA accounts, but that amount decreased to \$750 and \$500 in years two and three. Mayor Taylor facilitated a discussion regarding the high deductible plan and HSA, with a focus on the premium costs for the various benefit plans offered to City employees. Ms. Spendlove noted that the City saves \$1,350 in premium costs for employees that enroll in the high deductible plan. Council Member Swanson stated he would be comfortable depositing \$750 or \$1,000 into HSA accounts for employees using that plan. Council Member Turner agreed. Discussion then centered on opportunities to incentivize employees to move towards the high deductible plan, with Ms. Spendlove noting it will be difficult to do that if employees are not confident that the Council will continue to provide funding in their HSAs.

Council Member Swanson motioned to contribute \$1,000 to HSAs for employees enrolled in the high deductible plan as of July 1, 2016. Council Member Turner seconded the motion.

The Council engaged in a discussion regarding the manner in which the money is deposited into an employee's HSA; Council Member Urry stated he would prefer to offer the deposit monthly rather than once a year to ensure funding is available for the deposit.

Council Member Swanson amended his motion to specify that HSA contributions will be made monthly rather than in one lump sum at the beginning of the year. Council Member Turner seconded the motion.

Voting on the motion:

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

The motion passed.

Ms. Spendlove then stated the City is currently paying 90 percent of the costs for traditional health benefits and 95 percent of the qualified high deductible plan. The City also pays for 90 percent of the dental plan. She asked if the Council wishes to maintain those percentages. Council Member Urry stated he believes the employees that are enrolled in the plan that costs them a lower premium amount should be using that savings to cover out of pocket expenses. Ms. Spendlove stated she believes the employees are doing that and have managed their savings very well.

Council Member Turner motioned to maintain the percentages for traditional and high deductible health insurance plans and the dental plan. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	aye
Council Member Urry	nay

The motion passed.

Ms. Spendlove reported she had to go out to bid for life insurance, accidental death, long term disability, and short term disability coverage due to a proposed 26 percent increase with the current provider. She stated she will have proposed amounts before adoption of the final budget, but she has included in her budget request a 10 percent increase over last year's costs. She stated the actual costs could be lower than included in the tentative budget.

Council Member Satterthwaite then discussed the issue of asset based budgeting that he had discussed with the Council in their last two budget meetings. It is his hope that over the next year City Administration can move in the direction of identifying all assets in order for the Council to create a budget that will cover depreciation of assets. The City's accounting system has the ability to budget for depreciation and he asked former Council Member Bailey to provide his input on this issue as he is very familiar with asset based budgeting. Mr. Bailey stated this issue is something that became very apparent to him during his time as a City Council Member; the City was not covering depreciation appropriately in the past and it is important to come up with a way to allocate long term assets over short term business cycles. The City has also used a Capital Improvement Plan (CIP), but it has really been nothing more than a project wish list and he feels it would be better for the City to move in the direction of setting up a depreciation schedule for all major expenditures and consider whether the estimation is

realistic to cover the cost of replacement at the end of the assets lifespan. The City could then begin setting aside a provision for replacing assets and the amount of money set aside could mirror depreciation. He stated it can be very difficult to move in that direction, but if it were possible to identify all assets and set aside a provision for the replacement of those assets and also allocate funding for that provision, it will be possible to build reserves in the City's budget to fund future replacement of assets in the future. He added there are other cities that do something similar to what he is recommending; Brigham City has a 25 year asset protection plan that is revised every year in their budget process. Taking this kind of approach can help future elected officials recognize the importance of leaving that funding alone. He would love to see the City move in the direction of asset based budgeting to cover depreciation and future asset replacement. He stated he is worried about the City getting into a situation similar to what occurred in Ogden City where they suddenly needed to replace a 100 year old water system and there was no provision set aside to aid in that project, forcing them to bond for the costs. He stated he would like for the City to look far enough into the future to avoid the need to bond.

Council Member Satterthwaite stated that based on the City's current asset records, the total depreciation costs could be \$26 million and it can be difficult to determine how to fully fund depreciation. He indicated his present recommendation is to try to fund one-fourth of that total cost over the next five to six years by funding a certain portion each year. One-fourth of the \$26 million would be just over \$6 million. It would be necessary to identify the funding as reserved and connected to the City's list of assets so that future City Councils understand the purpose of the funding. Council Member Swanson stated it would be valuable to connect funding to certain projects or equipment purchases so that future Councils understand that a reduction in that funding will result in elimination of a given project or purchase. Council Member Satterthwaite agreed. He inquired as to the possibility of the Council finding money in the current budget needed to dedicate to depreciation. Mayor Taylor suggested the proposed budget will not be connected to a specific asset management program, but City Administration will work to develop that program over the next year in preparation for the next budget but it may be beneficial to review the budget for utility funds to determine if there is money available to dedicate to depreciation.

Ms. Jones then reviewed the budgets for the utility fund and discussed potential utility rate increases. She stated the recommendation is to increase water rates by \$2.28, which will increase revenues by \$163,000 to fund the current year depreciation. Council Member Satterthwaite stated that the accumulated \$26 million in depreciation costs is for past costs and any depreciation funded this year is for future needs. Discussion then centered on the possibility of increasing water rates based on a market analysis, with Council Member Urry noting he noticed a short fall in water revenues of nearly \$100,000 and he asked if the City has not collected from users. Ms. Jones stated that the proposed 2016-2017 budget

included a revenue projection that was slightly higher than it should have been and the actual revenue should be \$1,257,000. Council Member Urry stated that revenues should be easy to project because they are based on water rates and the number of households in the City; there is no reason for a \$100,000 short fall. Ms. Jones agreed, but noted over the past year the City has had many difficulties with failing water meters and it will be difficult to completely correct that issue for up to six months. Mayor Taylor stated there are other factors that contributed to the short fall as well. Council Member Urry asked Ms. Jones if she is comfortable with the current revenue projection of \$1.4 million. Ms. Jones indicated that projection is based on increased rates, but she answered she is comfortable with that. Council Member Urry stated that revenues associated with connection fees should be increased in the next budget year because of the anticipated increase in development in the City. Mayor Taylor stated it is reasonable to increase those revenues. Discussion then centered on the operating budget for the water department, which includes depreciation costs. Council Member Urry argued the rate increase may not be needed this year and it may be possible to delay until next year. Council Member Swanson disagreed and stated that the payers are currently not paying rates sufficient to cover operational costs and depreciation to replace infrastructure in the City. The surplus money available is intended to complete projects that should have been funded by depreciation funding in the past, but that has not happened. Council Member Urry stated that he has been a member of the Council for three years and rates have been increased each year; he is tired of raising rates every year. Council Member Satterthwaite agreed, but noted that he is confident in the need to raise rates to cover the depreciation and replacement of assets. Mayor Taylor added the City used funding from utility funds to complete the Public Works Facility and it is necessary to replenish those funds to cover current and future needs. Discussion of funding of depreciation continued and the Council reached the consensus that the rate increase is needed to cover accumulated depreciation. Council Member Urry dissented and stated he feels strongly that the rate increase is not needed this year; it will negatively impact those residents in the City that are on a fixed income. Council Member Swanson stated that it is necessary for people to pay for what they use and to cover the cost of service. Council Member Urry stated that he pays for 4,000 gallons of water and he only uses 1,000; he only puts his garbage out once a month, but he pays for the entire month. He stated that he is paying for more than what he uses. Council Member Swanson stated that the cost of providing a service must be amortized across all residents when living in a community or it would be necessary to dramatically increase staffing levels to keep track of what each resident is actually using each month. Council Member Satterthwaite stated that he would be comfortable creating a tiered rate schedule that bills for every 1,000 gallons of water used. Council Member Urry stated that he has reviewed each City budget for the last 10 years with a fine tooth comb and there are many changes that could be made to be more fiscally responsible, but it would mean the Council would need to make difficult decisions.

Council Member Satterthwaite moved to approve the recommended water utility rate increase of \$2.98 as the increase is justified to address cumulative depreciation costs. Council Member Swanson seconded the motion.

Council Member Stoker asked if the Council would agree to decrease rates if it is found that the increase is not justified by development of an asset based budgeting program to cover depreciation. Council Member Satterthwaite answered yes. Council Member Swanson stated it is important to proceed with development of the asset based budgeting program as soon as possible. Council Member Satterthwaite stated he is committed to proceeding immediately and information will be available to the Council in the next few months. Mayor Taylor stated he is committed to working in that direction as well and he feels it is necessary to further break down the intent of depreciation funding into multiple categories so that residents can understand the amount of funding dedicated to new assets (impact fees), operations, and future repair and replacement of assets.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	nay
Council Member Urry	nay

The motion passed on a three to two vote.

Ms. Jones then referenced page 27 of the proceeded with her review of utility funds in the budget; this included information regarding salary increases, training cost increases, and operational increases. At the conclusion of the review of utility funds, Ms. Jones moved back to page one of the budget and reviewed the general fund budget and departmental operational budgets; there was brief Council discussion throughout as the Council sought clarification of the various operational costs. Throughout the discussion there was focus on items such as projected revenues, City-wide salaries and wages, travel and training cost, professional and technical contracts, artistic productions, snow plow funding policies, operating costs at the aquatic center, and spreading of employee costs over multiple budgets,

Mayor Taylor and Ms. Jones committed to make amendments to the budget according to Council feedback before presenting the document to the Council for acceptance at their May 10, 2016 meeting.

8. PUBLIC COMMENTS

Steve Rasmussen, 1092 E. 3250 N., stated that during the last Council meeting he inquired about the library project and was told that the County has committed to relocating the skate park to make room for additional parking. He inquired as to where the skate park will be moved to. Mayor Taylor stated that it will be moved to an existing park nearby. Mr. Rasmussen then stated he is very concerned by the discussion about an asset based budget and fully funding depreciation. He stated he applauds the efforts and forethought that must go into the concept, but he is unsure how the City will ever generate enough revenue to fund such a great amount of money without increasing utility rates astronomically. He wondered if it is truly necessary to fund 100 percent of depreciation because there is no way all the money needed to fund depreciation will be spent in one year.

9. COUNCIL/MAYOR/STAFF COMMENTS

Council Member Turner inquired as to the progress of selecting a new Finance Director for the City. Mayor Taylor stated City staff is conducting the applicant screening process and there may be an item on the next Council meeting agenda to appoint a new Finance Director.

Parks and Recreation Director Staheli noted a local resident currently provides the service of putting up and taking down the flags at City buildings and he has asked Council approval to rotate the POW/MIA flag into the rotation of flags that are being flown. The Council approved inclusion of the flag in the rotation.

Council Member Stoker stated that she has visited various water infrastructure sites throughout the City and was very impressed by staff that manages the City's water systems. She thanked staff for giving her the opportunity to visit City facilities to gain a better understanding of operations.

Council Member Swanson thanked the Police Department for the opportunity to visit with them recently and participate in roleplay scenarios. It is sobering to think of the situations that Police Officers can find themselves in and he is grateful for their service. Council Member Turner agreed and stated there are other jurisdictions that offer a citizen's academy where residents can have a similar experience and that may be something worthwhile to offer in North Ogden in the future.

Council Member Urry stated that he appreciates the relationship among Council Members and the fact that they can disagree with one another and work together. He stated that he also appreciates everything City employees do and his strong feelings about budget issues are nothing personal against them.

Mayor Taylor thanked the Council and staff for their work on the budget. He then asked that the Council move into a closed meeting to discuss a property transaction.

Council Member Swanson moved to convene in a closed executive session to discuss the purchase, exchange, or lease of real property. Council Member Turner seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	nay
Council Member Urry	nay

The motion passed on a three to two vote.

The closed session began at 10:35 p.m.

The regular meeting reconvened at 11:11 p.m.

10. ADJOURNMENT

Council Member Satterthwaite motioned to adjourn. Council Member Stoker seconded the motion.

Voting on the motion:

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

The motion passed.

The meeting adjourned at 11:11 p.m.

Brent R. Taylor, Mayor

S. Annette Spendlove, MMC
City Recorder

Date Approved