

SOUTH JORDAN CITY
CITY COUNCIL MEETING

June 4, 2024

Present: Mayor Dawn R. Ramsey, Council Member Don Shelton, Council Member Jason McGuire, Council Member Patrick Harris, Council Member Kathie Johnson, Council Member Tamara Zander, City Manager Dustin Lewis, Assistant City Manager Jason Rasmussen, City Attorney Ryan Loose, Director of Strategy & Budget Don Tingey, IT Director Jon Day, Director of Public Works Raymond Garrison, CFO Sunil Naidu, City Engineer Brad Klavano, Director of Administrative Services Melinda Seager, Director of Planning Steven Schaefermeyer, Police Chief Jeff Carr, Fire Chief Chris Dawson, Communications Manager Rachael Van Cleave, Recreation Director Janell Payne, IS Systems Administrator Ken Roberts, GIS Coordinator Matt Jarman, City Recorder Anna Crookston, Meeting Transcriptionist Diana Baun, Parks & Rec Administrative Assistant Kaitlin Youd, Arts Program Coordinator Tiffany Parker

Absent:

Others:

6:45 P.M.
REGULAR MEETING

A. Welcome, Roll Call, and Introduction to Electronic Meeting - *By Mayor, Dawn Ramsey*

Mayor Ramsey welcomed everyone and introduced the meeting, noting that the internet service for City Hall and the surrounding area was knocked out by a car accident and apologized for the disruption.

B. Invocation – *By Council Member, Don Shelton*

Council Member Shelton offered the invocation.

C. Pledge of Allegiance – *By Assistant City Manager, Jason Rasmussen*

Assistant City Manager Rasmussen led the audience in the Pledge of Allegiance.

D. Minute Approval

D.1. May 21, 2024 City Council Study Meeting

D.2. May 21, 2024 Combined City Council & Redevelopment Agency Meeting

Council Member Shelton motioned to approve the May 21, 2024 City Council Study Meeting and May 21, 2024 Combined City Council & Redevelopment Agency Meeting minutes as published. Council Member Zander seconded the motion; vote was 5-0, unanimous in favor.

E. Mayor and Council Reports

Council Member Don Shelton

- Met with a developer with some ideas for a project in the city.
- Attended the Memorial Day Program, noting the Mayor represented the city well.
- Attended many activities with Summerfest.
- Thanked staff for their efforts to fix our streets and keep them well maintained.
- Thanked CFO Sunil Naidu and his team for their help answering his questions in regards to budget issues.

Council Member Tamara Zander

- She, her husband and their real estate team were asked by the Veterans of Foreign Wars Group in South Jordan to help them the Saturday before Memorial Day at the Salt Lake City Cemetery with flag placement and marker cleaning.
- While serving on the board for the South Valley Chamber of Commerce she was asked to speak at the Women in Business Luncheon this past week.
- Enjoyed all the Summerfest activities and shared one of her favorite events is viewing and judging the chalk art. She also shared she has had nothing but positive comments from residents on how well the event was executed, how safe it felt, and how well it was organized.

Council Member Patrick Harris

- Attended South Valley Sewer Board Meeting.
- Serves on the city's Audit Committee and attended a meeting with that recently.
- Attended Summerfest and even had the chance to encourage coworkers to attend. The Mulligan's Bash had lots of attendance with a lot of food served. Bingo was fun at the Senior Center, the parade was fabulous as was the car show, chalk art, and puzzle unveiling. It felt like a very safe event to him, and it was well controlled.

Council Member Johnson

- Echoed Council Member Harris' comments about Summerfest and heard positive feedback from many in her neighborhood.

Council Member Jason McGuire

- Attended the Memorial Day Program.
- Attended some play rehearsals and is very proud of what he has seen.

- Regarding Summerfest, he specifically heard great things about the van wrap sponsored by the Art's Council, the Dowdle puzzle. He also thanked Communications Manager Rachael Van Cleave for her coverage during the parade as he was unable to attend, and for her social media coverage allowing him to keep up with what was happening all weekend.

Mayor Dawn Ramsey

- Thanked everyone who participated in the Memorial Day event, it was lovely.
- Attended Bingham High School's graduation and was unable to attend Herriman High School's graduation due to her own daughter's graduation from Bingham.
- Commended Council Member Zander on her South Valley Chamber Women in Business event, she did a wonderful job.
- She thanked Council Members Shelton and Harris for their participation on the Audit Committee, as well as CFO Naidu for his work.
- Discussed DARE Graduations, thanking all those who were able to attend.
- Regarding the Dowdle Puzzle unveiling, she has loved seeing the great response to the puzzle. They are still available at any of the following three locations: City Hall, Station 64, and Mulligan's.
- Everything about Summerfest was awesome. Last year they made the decision to spread the events across the city, and they did it again this year encouraging even more residents to participate. She discussed the Mulligan's event, and thanked everyone for their hard work on the whole thing. She also noted that someone expressed their appreciation for not seeing overflowing trash cans throughout the events, as that doesn't usually happen in most places, and so many were impressed by that high standard; she thanked the staff who made sure things stayed clean and maintained.
- She had the privilege of Executive Assistant Melanie Edwards accompany her to a Utah Business Event last week, where she was recognized, and she thanked Ms. Edwards for her help as she is really the one running the city behind the scenes.

F. Public Comment

Mayor Ramsey opened the public comment portion of the meeting. There were no comments and Public Comment was closed.

G. Presentation Items

G.1. Play Preview from Sandbox Theater. *(By Director of Recreation, Janell Payne)*

H. Consent Action Items

H.1. Resolution R2024-20, Authorizing Mayor to sign the Interlocal Cooperation Agreement between Salt Lake County and South Jordan City for the South Jordan Recreation Center Pool expansion. *(By Director of Strategy & Budget, Don Tingey)*

H.2. Resolution R2024-25, Appointing members to the Art's Council. *(By Director of Recreation, Janell Payne)*

H.3. Resolution R2024-33, Designating the Interim Emergency Successors for 2024-25 and identification of alerting authority and individuals authorized to send alerts. *(By City Manager, Dustin Lewis)*

H.4. Resolution R2024-36, Appointing members to the Bingham Creek Park Authority Board. *(By Director of Strategy & Budget, Don Tingey)*

Council Member McGuire motioned to approve the Consent Items above as stated. Council Member Johnson seconded the motion.

Roll Call Vote

Yes – Council Member Jason McGuire

Yes – Council Member Kathie Johnson

Yes – Council Member Don Shelton

Yes – Council Member Tamara Zander

Yes – Council Member Patrick Harris

Motion passes 5-0, vote in favor.

I. Public Hearing Items

I.1. Resolution R2024-35, Amending the FY2023-24 Budget for South Jordan City. The appropriation authority shall apply to the fiscal year ending June 30, 2024. *(By CFO, Sunil Naidu)*

CFO Naidu reviewed background information from the Council Report. He referred to questions emailed to him prior to this meeting from Council Member Shelton and briefly reviewed those (Attachment A).

Mayor Ramsey opened the Public Hearing for comments; there were no comments and the hearing was closed.

Council Member Shelton asked about the separate insurance policy for drones, asking how many drones we are flying.

City Manager Dustin Lewis responded it's not the number of drones being used, but the liability associated with airborne operations.

Council Member Shelton motioned to approve Resolution R2024-35, Amending the Fiscal Year 2023-24 Budget for South Jordan City. Council Member Harris seconded the motion.

Roll Call Vote

Yes – Council Member Don Shelton

Yes – Council Member Patrick Harris

Yes – Council Member Kathie Johnson

Yes – Council Member Tamara Zander

Yes – Council Member Jason McGuire

Motion passes 5-0, vote in favor.

I.2. Ordinance 2024-12, Amending portions of sections 7.03.060 (Insurance) and 7.05.030 (Charges for Special Community Services) of the South Jordan City Municipal City Code relating to insurance requirements for commercial haulers and waste programs offered to residents. *(By Director of Public Works, Raymond Garrison)*

Public Works Director Raymond Garrison reviewed background information from the Council Report and his prepared presentation (Attachment B).

Mayor Ramsey opened the Public Hearing for comments; there were no comments and the hearing was closed.

Council Member Harris pointed out that general liability insurance doesn't cover any road exposure, specifically excluding auto, asking what specifically this plan was covering.

Director Garrison responded that this is for any commercial haulers doing business in the city, such as ACE.

Council Member Harris noted that this general liability policy would not respond to any damage one of those commercial vehicles might do to a person or property while driving. An auto policy would cover that, but not this general liability policy and he worries that this decision may not be doing what staff thinks it is doing for the vehicles.

Council Member Shelton asked about the auto coverage required by law, and if it was different for a commercial vehicle versus a personal vehicle.

Council Member Harris noted that those types of commercial haulers most likely have no less than \$1 million coverage, but he was unsure of the exact requirements.

Council Member Shelton asked for any examples of where the general liability insurance would come into play.

Council Member Harris responded that it would be in an instance where the city was liable for something one of those commercial haulers did, but he was unable to come up with a specific example.

Council Member Shelton suggested the city ought to know, or specify what the coverage is since the road is where just about everything and anything is going to happen.

Assistant City Manager Rasmussen added that this policy is for any commercial haulers in the city, service haulers servicing businesses and restaurants, etc. For the city's specific contracted haulers, for things like garbage and curbside pick-up, he believes those agreements contain language requiring a minimum amount for the reason of protecting the city should they be involved in an accident while contracted for the city. This policy covers all other commercial haulers operating in South Jordan.

City Manager Lewis added this could apply to a garbage truck picking up the trash at Harmon's, and could cover other aspects of business like breach of contract, etc. It's also difficult to buy coverage amounts as low as this \$350,000 policy, as they are generally sold in million dollar increments. The haulers themselves would most likely have their own coverage of at least \$1 million aggregate and have an umbrella policy on top of that.

City Commerce Director Brian Preece added that all commercial operators in the city have to get a permit from the Business Licensing Department and have a sticker that shows they have been through that process.

Council Member Shelton motioned to approve Ordinance 2024-12, Amending portions of sections 7.03.060 and 7.05.030 related to Insurance and Charges for Special Community Services of the South Jordan City Municipal Code. Council Member McGuire seconded the motion.

Roll Call Vote

Yes – Council Member Don Shelton

Yes – Council Member Jason McGuire

Yes – Council Member Patrick Harris

Yes – Council Member Kathie Johnson

Yes – Council Member Tamara Zander

Motion passes 5-0, vote in favor.

J. Staff Report and Calendaring Items

City Manager Lewis reminded the Mayor and Council Members to retrieve some items left for them behind the dais.

Administrative Services Director Melinda Seager shared that this is Chief Technology Director Jon Day's last City Council Meeting after announcing his retirement on July 15.

Council Member Zander motioned to adjourn the June 4, 2024 City Council Meeting. Council Member Johnson seconded the motion; vote was 5-0, unanimous in favor.

ADJOURNMENT

The June 4, 2024 City Council Meeting adjourned at 7:38 p.m.

This is a true and correct copy of the June 4, 2024 City Council Meeting Minutes, which were approved on June 4, 2024.

Anna Crookston

South Jordan City Recorder

Hi Sunil,

Here are my observations/questions regarding the final amended budget:

1. Page 1 of the budget/ page 48 of the council packet:

1. I was surprised to see that there were no adjustments made to the budgeted tax revenues for the year. Am I missing something or were you just really good at estimating our various tax revenues this year?

No, I did not make any adjustments to tax revenues this year. I think my estimates are really close, hope to be in the positive though.

Property taxes: We have May and June's taxes remaining to be collected. Per our budget, we need about \$100k between the two months. I think we will get around \$130k

Sales Tax: We have April, May, and June's taxes remaining to be collected. Sales tax growth has been slow this year. We definitely will be short but not significantly compared to budget. I am hoping to cover that difference with an increase in interest revenues as well as savings from operations.

2. Can you provide more information on the Water Charges, Natural Gas, and Police Forfeitures? I'd appreciate better understanding what these expenses are.

Water Charges: General Fund is required to pay Water Fund for the use of water. Money allocated here is a portion of costs of water usage in the City parks. General Fund pays around \$750,000 a year to the Water Fund for water usage.

Natural Gas: We have added new city buildings (Fire Station, Public Safety) but have not accounted for the increased cost of heating and cooling. This adjustment is to cover current year costs.

Police Forfeitures: Drug forfeitures seized under Federal or State laws. State law requires monies seized by officers to go directly to the State. Cities can then request funding from State Forfeitures fund to be used for specific purposes defined by the state.

3. It appears to me that we transferred \$4,353,986 to our Reserve Fund during the fiscal year, is that correct?

No, transfers are appropriated expenditures related to General Fund. These costs incurred and paid for from the respective Funds. They do not go to Reserve Fund balance. Any additions to Reserved Fund balance would show as Contribution to Fund Balance.

\$4,353,986 transferred were for the following purposes:

\$2,726,228 to Debt Service Fund to make Debt Service payments.

\$1,619,563 to Capital Equipment Fund to pay for purchase or lease of Public Safety Vehicles.

\$8,195 transferred from Streets to street related capital project.

To provide further clarifications on Fund Balances, each fund has their own fund balances. They are to be used within the Funds for their specific needs and purposes.

For example, Water Fund will have its own fund balance and can only be used to cover for costs related to its operations. So would Debt Service Fund, Capital Projects Fund, RDA Fund, Mulligans, General Fund, Self-insurance, etc.

There are categories of Reserved Fund Balance within General Fund but not all are available to be spent;

1. Nonspendable – These are the total dollar value of inventory on hand.
2. Restricted – Monies restricted by source and can only be used for specified purposes (Liquor allotment, Forfeiture funds, State grants, etc.)
3. Committed/Assigned – Monies set aside for specific purpose/projects. City Council's decision to set aside \$1 million toward expansion of Fitness Center pool is an example of this. Monies in this categories either all of portions of it could be re allocated if the project scope changes or if it is no longer needed.
4. Unassigned – This is the City's emergency/rainy day fund available for purposes determined by the City Council. Out of approximately \$13.7m recorded as Reserved Fund Balance (GF), \$12.8 is unassigned.

2. Page 8 of the budget/page 53 of the council packet: There is a typo in the first sentence following the Self Insurance heading.

It has been corrected.

3. Page 10 of the budget/page 55 of the council packet: Can you help me better understand our self-insurance program?
 1. Do we have high deductible insurance to cover large claims?

The City has a high deductible of \$500,000 for a \$2 million general liability policy. The City also have an excess liability policy up to \$8 million with a \$10,000 deductible.

2. How much do we actually pay for our insurance?

1. Surety:	\$8,152
2. Liability:	\$270,649
3. Property:	\$115,474
4. Drone:	\$7,888
5. Cyber:	\$55,000
6. Auto:	\$191,599
7. Inland Marine:	\$7,110

3. How much are we saving since moving to a self-insurance program?

We are not showing any savings in the books this year. One of the main reasons for moving to self-insurance was to reduce City's liability exposure. Over the last few years with URMMA, the City's share of claims consistently increased largely due to an increase in claims from member cities. South Jordan has done a great job managing exposure thereby reducing claims liability the benefits of which the City will realize going forward.

4. How much did we pay in total claims last year?

With URMMA (FY 2023): \$212,157

Self-insurance (FY2024): \$84,260

5. Help me understand why we transferred in \$1,000,000 from our General CIP Fund and then transferred over \$725,000 to Fund Balance. Is that transfer part of the total transferred to our Reserve Fund?

Couple of years prior to transitioning from URMMA to Self-insurance program, I started putting money aside toward deductibles, losses, and to Payoff City's portion of recaptured losses. At that point, Internal Services Fund did not exist so I had saved that in the Capital Projects fund balance and reserved it for the above purposes.

The Final Amended budget shows the transfer of the \$1 million set aside in the Capital Project Fund to the Internal Service Fund for its intended purposes. Insurance premium was around \$170k more this year. In addition, the City had to pay off the remaining balance of recaptured losses to URMMA. That left us with

\$725,000 in the reserved fund balance in the Internal Service Fund to cover for claims and loses going forward. It is my intent to maintain up to million dollars of fund balance in this fund.

4. Pages 12 & 13 of the budget/pages 57 & 58 of the council packet:
 1. Did Santorini pay us over \$330,000? Why?

\$330,306 was paid by “Everbrook Academy” who is the developer of the property adjacent to Santorini. This money was then passed on to DAI as part of the reimbursement agreement the City had with DAI.

The Development agreement between the City and Santorini village developer (DAI) back in 2014, required DAI to construct Emporio Drive. The City also agreed to collect full cost of construction with interest from the new developer and reimburse DAI when the adjacent property was developed.

2. Where did the Manhole Leveling Reimbursement come from?

The money to fix manholes came from South Valley Sewer District.

5. Page 15 of the budget/page 60 of the council packet: Where did the \$4,000,000 for the 9800 S. and Bangerter betterments come from? Did we just save up the money over the last few years or did we get some funding from State and County sources or both? If we received funding from other entities, how much did we get?

The \$4 million comes from legislative appropriations. A few years ago, legislature appropriated \$700,000 a year for the next 15 years toward certain improvement projects. Instead of taking \$700k a year, the City chose to take out a loan from the State Infrastructure Bank for the full \$10.5m to take care of larger projects. We had set aside \$4 million of that money to pay for the City’s share of improvement costs related to 98th South and Bangerter interchange project.

\$700,000.00 yearly appropriation is being used to make yearly payment toward the loan.

Sent from my iPhone

Ordinance 2024-12

Title 7 Solid Waste Management - Amendment

CITY COUNCIL MEETING – JUNE 4, 2024

Chapter 7.03.060 - Insurance

All commercial haulers and licensed private haulers shall have and maintain at all times general liability insurance in an amount not less than: a) property damage, three **Fifty** hundred thousand dollars (~~\$300,000.00~~-\$350,000.00); and b) personal injury, one million dollars (\$1,000,000.00) per person and per accident **and two million dollar (\$2,000,000) aggregate**. In addition, all vehicles shall be covered by motor vehicle insurance required by law.

Chapter 7.05.030 (B) - Charges for Special Community Services

Neighborhood Dumpster Program: The Neighborhood Dumpster Program ("NDP") involves the delivery of a ~~thirty (30) cubic yard~~ large waste dumpster to a specific property or neighborhood for a fee. This dumpster may be used for neighborhood cleanup projects. The Director may establish restrictions prohibiting the collection of tires, hazardous waste materials, and other materials as deemed lawful.

Ordinance 2024-12

Questions?