

SOUTH JORDAN CITY
CITY COUNCIL BUDGET MEETING

February 28, 2024

Present: Mayor Dawn R. Ramsey, Council Member Patrick Harris, Council Member Kathie Johnson, Council Member Don Shelton, Council Member Tamara Zander, Council Member Jason McGuire, City Manager Dustin Lewis, Assistant City Manager Jason Rasmussen, Director of Commerce Brian Preece, Director of Strategy & Budget Don Tingey, Fire Chief Chris Dawson, Director of Administrative Services Melinda Seager, Director of Public Works Raymond Garrison, Director of Recreation Janell Payne, CFO Sunil Naidu, Director of Planning Steven Schaefermeyer, Police Chief Jeff Carr, Human Resources Director Teresa Cook, Director of Engineering Brad Klavano, City Attorney Ryan Loose, Deputy Director of Finance Nick Geer, Associate Director of Parks Colby Hill, IT Director Jon Day, Deputy City Recorder Cindy Valdez, Meeting Transcriptionist Diana Baun

Absent:

Others:

5:12 P.M.
BUDGET MEETING

A. Welcome, Roll Call, and Introduction: *By Mayor Dawn R. Ramsey*

Mayor Ramsey welcomed everyone present and introduced the meeting.

B. Invocation: *By Director of Strategy & Budget, Don Tingey*

Director Tingey offered the invocation.

C. Discussion Item

C.1. Fiscal Year 2024-25 Budget.

City Manager Dustin Lewis gave a brief introduction regarding the Capital Improvement Projects being discussed tonight and indicated everything is detailed in printed version of the report (Attachment A). He then began reviewing the Project Book (Attachment A) from the beginning, going through each project in order, noting that everything listed, with the exception of the last page, fits within the current budget planning. He also noted that Council Member Shelton had emailed some questions before the meeting, and CFO Sunil Naidu responded via email (Attachment B).

Council Member Shelton asked about the stoplight located at Old Bingham, noting that the noted indicate it was funded from a CDA that is not listed as a source of funding.

Manager Lewis responded that under the General Fund it is listed as CDA Maintenance. He continued reviewing Attachment A, starting with Regional Trail Development.

Council Member Harris asked about the process of determining financial responsibility for each trail's maintenance.

Manager Lewis responded and explained how that is determined, there are agreements indicating who is responsible for what. He asked Associate Director of Parks, Colby Hill to share updates on the damages to a portion of the Jordan River Trail from the recently high water levels.

Associate Director Hill explained the trail is severely undercut and a detour has been provided via the horse path until the water level drops. A few options for repairs when levels drop are bank stabilization, which will have to be worked on with the state and others, along with pushing the trail slightly to the side to avoid future damage if this continues to happen.

Manager Lewis continued reviewing Attachment A and projects coming up in the next 5 years, including the city's responsibility to maintain the portion of the trail from Bingham Creek Regional Park that will run through property being given to the city from the Larry H. Miller group.

Council Member McGuire asked about any commitments of funds to the Southwest Regional Performing Arts Center.

Director of Strategy and Budget Don Tingey responded that will be a county project, and we have no current commitment to funding for that.

Manager Lewis continued reviewing Attachment A, discussing commitments for the new senior center and current community center improvements.

Mayor Ramsey asked about the work ahead for the I-15 off-ramps.

Manager Lewis responded that is being taken off the project list because the costs exceeds the funds currently, and UDOT has determined that needs don't match the funds either. In UDOT's research the project has grown beyond what they can do right now.

Mayor Ramsey noted this has been in lists during budget meetings for over six years, and she would like to have discussions about outside sources for funds to help with those I-15 projects, especially Federal Funds being collected that could be used for these projects. She would like to see that happen in a meeting outside of this one since we should be getting some of that outside money.

Manager Lewis continued reviewing Attachment A, discussing a question submitted by Council Member Shelton in his email (Attachment B) regarding Mulligan funds, and CFO Naidu reviewed his answer from Attachment B.

Council Member Shelton asked about Park Impact Fees.

Director Tingey responded there is money in that fund, however it is not enough to tackle any current projects. It will have to sit for another year or so to accumulate more so it can be used in the future. Park Impact Fees will be minimal for a while with the slowdown in new development, and when the annexed areas begin developing they will negotiate their contribution with the Development Agreements created.

Manager Lewis also addressed the light at Old Bingham and Prosperity, noting the city is being reimbursed and will be getting some of that money sent back from West Jordan, as they have already agreed to that. He continued reviewing on page 6 regarding reviews and reports regarding maintenance from the county/state, and moved on to discuss the funding sources listed in Attachment A.

Council Member Shelton asked about the possibility of using CDBG Grants for the crosswalk button upgrades.

Director Tingey responded that could be an option, but they will have to wait until the end of the cycle to see where they are at with those funds.

Manager Lewis continued reviewing Attachment A, specifically culinary water funds and moving on from there in the paperwork. He then moved on to discuss the neighborhood behind where Merit Farms is currently located and the options for the street continuations when Merit Medical begins developing in the near future. Staff discussed the benefits of doing the work on the street extension in conjunction with the development, and that it would allow for an upgrade of the water line to help avoid stagnant water issues as well by changing to a looping water line. Many residents have expressed their opinions on extending the road, but the neighborhood currently only has one road in and out; this would give them two options now and since it wouldn't create a direct route to another main road it shouldn't increase traffic in the neighborhood. The funding is already available for this project, he just wanted to discuss the timing with the council.

CFO Naidu discussed the specific projects on the last page of Attachment A in detail with the council. Bonding options and processes were discussed, as well as the details for each project listed along with staff recommendations for timing. Some of the projects can be covered with water funds and future bonding, as there are other debt obligations being removed in the near future that these new costs would replace. The water annex building could also be partially covered under the label of infrastructure and gain some funds from current and future Master Development Agreements (MDAs). If the council gives their permission, staff can go to the current and future developers of our planned communities and attempt to collect some of that money from them. If the developers refuse then he can come back to the council and offer some

other suggestions. Everyone just needs to keep in mind that construction start dates for some of those communities aren't set and might not be done in time to fund these projects.

Council Member Zander asked what happens if they go to the developers and only some of them agree to the funds, is it an all or nothing option.

Attorney Loose noted that these funds would be agreed upon in the MDAs, and developers in those communities must follow their community's MDA, they cannot pick and choose what they fund for infrastructure. He believes the place to start is telling these owners what their share of the infrastructure costs will be and then working with them based on their reactions, since funding infrastructure is usually a part of creating a master planned community.

CFO Naidu reiterated that getting funds from those communities may not be an option based on timing, since they don't have set timelines for beginning their construction and funds are needed soon. Another option available he specifically discussed for the Fire Station is a Lease Revenue Bond, and they talked about that option.

Manager Lewis noted that these projects being discussed from the last page of the packet (Attachment A) are essentially the last of the major new infrastructure projects in the city. After these, most projects become renovations and upgrades on older facilities and equipment. He then asked the council whether they'd like staff to research and/or pursue all the available options shared tonight, or if they have specific avenues they would like to focus on over others.

Mayor Ramsey asked if the rising costs are being continually considered in these funding discussions.

Director Tingey noted that the \$20 million estimate for Station 65 has a one year construction escalation cost agreement built in to the estimate.

Mayor Ramsey asked for the best and worst case scenarios in terms of funding and bonding for these four specific projects.

CFO Naidu responded that best case scenario is developer funding. In terms of bonding he will strategize as best he can to get the best deals for what is absolutely needed. His goal is to find the most effective ways to use the revenues coming in and match those with priorities on projects so they avoid borrowing outside as much as possible. He also discussed the timing on bonding and how the market works in terms of getting quotes on interest rates.

Council Member McGuire asked if they wanted to move forward with the water tank and annex building to avoid those being held up by the other projects.

Manager Lewis summarized everything discussed tonight and the instructions given to staff. The tentative budget meeting is planned for April 2 for the council to review everything in the final budget before the final approval meeting in May. He also feels that they've been able to cover everything needed so the next budget discussion meeting for March can be canceled.

Council Members McGuire and Shelton will not be available for the April 2 meeting.

Council Member Shelton motioned to adjourn the February 28, 2024 City Council Budget Meeting. Council Member McGuire seconded the motion; vote was 5-0 unanimous in favor.

The February 28, 2024 City Council Budget Meeting adjourned at 7:12 p.m.

UNAPPROVED