

Minutes of the Regular Meeting of the Syracuse City Council held on June 23, 2009, at 7:00 p.m., in the Council Chambers, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Alan Clark
Doug Hammond
Lurlen A. Knight
Douglas Peterson
Larry D. Shingleton

Mayor Fred Panucci
City Administrator Rodger Worthen
City Recorder Cassie Z. Brown

City Employees Present:

Community Development Director GJ LaBonty	Police Chief Brian Wallace
Police Lieutenant Tracy Jensen	Fire Chief Craig Cottrell
Building Official Jason VanAusdal	IT Director TJ Peace
Pat Brenchley	Heath Rogers
Lance Jensen	Ryan Carter
Casey Johnson	James Nielson
Corey Rowley	Erin Behm
Joshua Steele	Joe Hamblin
DeWayne Hitchcox	Troy Jamison
Trier Allen	Kyle Nance
Brad Mills	Jan Callister
Coby Purser	Tex Couch
Judy Merrill	Darel Webb
Ben Liegert	Ryan Mills
Tyler Church	

Visitors Present: Charles Grisim	Bob VanVelkinburgh	TJ Jensen
Jamie Yeager	Robert Whiteley	Charlene Jensen
Becky Pitt	Kristy Nielson	Heidi Peace
Kenneth Hellewell	Lori Cottrell	Bob Yeaman
Joannie Panucci	Tanna Woods	Katie Bush
Pat Zaugg	Wendy Wallace	

1. Meeting Called to Order/Adopt Agenda

Mayor Panucci 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. An invocation was provided by Councilmember Clark and at the request of the Mayor, Councilmember Hammond, led all present in the Pledge of Allegiance.

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

2. Approval of Minutes

The minutes of the Work Session Meeting of May 26, 2009 were reviewed.

COUNCILMEMBER PETERSON MADE A MOTION TO APPROVE THE MINUTES OF THE WORK SESSION MEETING OF MAY 26, 2009 AS PRESENTED. COUNCILMEMBER CLARK SECONDED THE MOTION; ALL VOTED IN FAVOR.

The minutes of the Work Session Meeting of June 9, 2009 were reviewed.

COUNCILMEMBER CLARK MADE A MOTION TO APPROVE THE MINUTES OF THE WORK SESSION MEETING OF JUNE 9, 2009 AS PRESENTED. COUNCILMEMBER PETERSON SECONDED THE MOTION; ALL VOTED IN FAVOR.

The minutes of the Regular Meeting of June 9, 2009 were reviewed.

Councilmember Clark stated that he sent an email earlier today to City Recorder Brown and asked that some minor changes be made to the minutes. He stated the changes are as follows:

Page five, line four should be changed from 'other shave noticed' to 'others have noticed'.

Page six, line nine should read 'developer was having a hard time acquiring tenants because of the amount of money he would need to charge for rent with the additional construction requirements'.

Page six, line ten should be changed from 'could soar' to 'would be higher'.

COUNCILMEMBER PETERSON MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 9, 2009 AS AMENDED. COUNCILMEMBER HAMMOND SECONDED THE MOTION; ALL VOTED IN FAVOR.

3. Public Comments

TJ Jensen, 3242 S. 1000 W., stated he wanted to comment on the consent agenda item dealing with the re-appointments of two members to the Planning Commission. He stated that he wanted to take this opportunity to say that Kenneth Hellewell has done an outstanding job on the Planning Commission. He stated that Jamie Nagle has not been serving as long as Mr. Hellewell, but she does a great job as well. He stated he would love to see both of them re-appointed to the Commission.

4. Councilmember Reports

Councilmember Shingleton stated he had nothing to report, but he is looking forward to attending event schedule to take place during the City's Heritage Days celebration.

Councilmember Hammond stated that he had the opportunity to attend the State Republican Convention and it was interesting to see government at work. He stated the convention was an all day event and it was well attended by Syracuse residents. He then stated that he wanted to direct the audience's attention to the Museum display that was recently placed in the foyer area adjacent to the City Hall lobby. He stated that Museum volunteers put a lot of time and effort into the display in order to bring some attention to the Museum. He then stated that he attended the spaghetti dinner last night, which was the kick-off event for Heritage Days. He stated the event was well organized by staff. He stated this will be a fun week in the City and he encouraged all citizens to attend. He stated this is a great time for everyone to work together.

Councilmember Knight reported that he attended the Miss Syracuse Pageant and he was impressed with the beauty and the talent of the contestants that live in this City. He stated there was also much talent on display during the Syracuse Idol event. He then reported that last week he attended the Utah League of Cities and Towns (ULCT) Legislative Policy Committee meeting and there was much discussion about the difficult times the state is going through. He stated the State is looking to reduce their budget by \$150 to \$200 million this year and some of those reductions would impact local communities. He stated the Legislature may be considering making changes to the B&C Road monies formula. He stated that currently taxes paid at the gas pump are divided up between cities and the State, but the State wants to take the full amount and give cities the options to raise sales tax in order to pay for road projects. He stated that retirement solvency may be 80 percent and that will affect the City quite a bit. He stated there has also been discussion regarding increasing the years of service required for public safety personnel to receive full retirement benefits from 20 to 25 years. He added that there have also been discussions about re-implementing the State tax on food. He stated that he will keep the Council apprised of any items discussed during the ULCT meetings.

Councilmember Clark stated that he wanted to congratulate the royalty chose at the Miss Syracuse Pageant as follows: Brinley Butler – Miss Syracuse, Bailey Johnson – First Attendant, Kasi Russell – Heart of Syracuse, Ashlie Albrecht – Miss Syracuse Teen, Payton Moore – First Attendance, and Jordan Nelson – Spirit of Syracuse. He then stated that he also wanted to also congratulate the finalists of the Syracuse Idol contest as follows: Jessica Saunders, Mike Norton, Kierra Clark, and Heather Lewis. He then stated that he wanted to thank Sid Stoker from Stoker's Nursery for donating all the flowers that were planted at the roundabout located at 2700 South 1000 West. He stated that he spoke with Principal Venable from Bluff Ridge Elementary recently. He stated that Bluff Ridge staff originally had some concerns about students' safety when traveling through the roundabout. He stated that Principal Venable indicated that no parents have called to complain about the roundabout since its completion and everything seems to be going great. He then reported that he had the opportunity to coaching T-ball in the City and he had a great time doing it. He stated that he wanted to compliment the City's Recreation Department for the way they manage the City's recreation programs.

Councilmember Peterson state he would pick up on a couple of Councilmember Clark's comments because they are things he has been thinking about as he drove through the roundabout for the first time yesterday and he has been participating in some Heritage Days activities. He stated that he has been thinking about how much the City staff does for the City. He stated that he has received a lot of phone calls from employees that have been worried about their jobs and the solvency of their departments through this tough budget time. He stated that he wanted to take this opportunity to thank all the staff – those that are here and those that are not here. He stated he thinks that the City employees do a great job and he is thankful for that, not only as a Councilman, but as a resident.

5. Mayor Report

Mayor Panucci stated that the senior lunch was held today as part of the Heritage Days festivities. He stated that it was great to attend the lunch with the seniors; there is no more an appreciative group than them. He added that staff did a great job organizing the event. He stated that the Miss Syracuse royalty that Councilmember Clark mentioned was in attendance that they assisted in serving lunch to the seniors. He stated there was also a piano performance by one of the members of the royalty; those girls take their roles very seriously and they do a great job. He then reported that he attended a Council of Governments (COG) meeting last week and three Davis County Mayors, including himself, appealed to COG to receive funding currently set aside for right of way purchases. He stated that funding comes from vehicle registration fees and previously all of the funding has been used to purchase right of way land for the legacy corridor. He stated he and the other Mayors asked COG to expend some of the funds to purchase right of way land for the widening of 200 South. He stated that the Utah Department of Transportation (UDOT) is currently thinking of widening the road to three lanes and they are thinking of purchasing enough land in order to eventually widen the road to five lanes. He stated that upon completion that road would be the only east/west road that would connect Syracuse City to Highway 89, Interstate 15, and Legacy Highway. He stated that it would be a major east/west thoroughfare and it would do a lot to boost development in the City. He then stated that he wanted to inform everyone that Fire Chief Cottrell was successful in obtaining a grant of just over \$11,000 to purchase fire shelters that will be used by the Department when fighting wildfires. He stated the shelters are something the City needs to have due to the fact that Syracuse City is responsible to respond to calls for help on Antelope Island. He stated that he wanted to also report that two City Police Officers volunteered to escort the women participating in the Miss Syracuse Pageant and he joked that this was the first year that the officers did not need to be coaxed in to performing in that role.

6a. Proposed Resolution R09-16 re-appointing Kenneth Hellewell and Jamie Nagle to the Syracuse City Planning Commission with their terms expiring July 31, 2013.

The Planning Commission consists of members appointed by the Mayor with the advice and consent of the City Council. Members are appointed for four year terms or until a successor is appointed. Proposed Resolution R09-16 was drafted to allow the Governing Body to consider re-appointing Kenneth Hellewell and Jamie Nagle to the Planning Commission.

Mayor Panucci stated that Syracuse City has an absolutely wonderful Planning Commission and the Council greatly appreciates the work of the Commissioners. He stated that he would definitely recommend re-appointing Mr. Hellewell and Ms. Nagle to the Planning Commission.

COUNCILMEMBER HAMMOND MADE A MOTION TO ADOPT PROPOSED RESOLUTION R09-16 RE-APPOINTING KENNETH HELLEWELL AND JAMIE NAGLE TO THE SYRACUSE CITY PLANNING COMMISSION WITH THEIR TERMS EXPIRING JULY 31, 2013. COUNCILMEMBER CLARK SECONDED THE MOTION; ALL VOTED IN FAVOR.

6b. Proposed Resolution R09-17 re-appointing Glenn Nakae to the Syracuse City Board of Adjustments with his term expiring July 2014.

The Syracuse City Board of Adjustment consists of five members. The members of the Board of Adjustment are appointed by the City Council. Each member serves a term of five years or until a successor is appointed. Proposed Resolution R09-17 was drafted to allow the Governing Body to consider re-appointing Glenn Nakae to the Board of Adjustment.

Mayor Panucci stated that the Board of Adjustments is a board that meets very infrequently; they have only met twice in the last two years to handle appeal cases. He stated the body is not in high demand, but it is necessary to appoint people to the board that are very logical and level headed.

COUNCILMEMBER KNIGHT MADE A MOTION TO ADOPT PROPOSED RESOLUTION R09-17 RE-APPOINTING GLENN NAKAE TO THE SYRACUSE CITY BOARD OF ADJUSTMENTS WITH HIS TERM EXPIRING JULY 2014. COUNCILMEMBER CLARK SECONDED THE MOTION; ALL VOTED IN FAVOR.

7. Authorize Administration to execute agreement with Davis County Sheriff's Office for Animal Control Services.

In response to several questions during the last City council meeting staff investigated the concept of providing animal control services within Syracuse City. Davis County has offered to provide this service via a prorated call cost to each City in the County. Community Development Director LaBonty investigated information regarding current services needs

and the current animal control ordinance adopted by Davis County. This information was shared with the Council via email last week indicating significant demands upon the service provider will be needed to supply the service. Police Chief Wallace also discussed this concept with South Ogden Chief of Police. He discovered that there is more of an impact upon the South Ogden police department relative to dead or loose animal calls when the animal control employee is "off duty". Furthermore, Chief Wallace mentioned the oversight of the service by animal rights groups is significant and is a necessary accommodation within the service provision. City Administrator Worthen contacted the South Ogden city manager and discussed his experience in transferring what was once a Weber County service internal to his City. The South Ogden City Manager noted that costs do not cover the employee pay and benefits, building depreciation, insurance, and vehicle, but that animal housing costs and building operations are covered by collected revenue. Mr. Worthen an email to the Council regarding his conversation with South Ogden City and a copy of that email was included with other information provided relative to this agenda item. Upon completion of this brief analysis staff does not think the City could provide an animal control service for less than \$38,767.00, which is the revised contract amount provided by Davis County. In follow up to the current Davis County contract, Chief Wallace and the County discovered several County service call adjustments within the initial service proposal which lowered the overall cost downward approximately \$2,500 dollars. The information gathered at this point indicates it is more cost effective to remain with the County; as such, staff recommends the Council authorize the Mayor to sign the animal control agreement with Davis County.

Mayor Panucci stated the Council has been talking about the Animal Control Services program quite a bit lately. He stated it is his opinion that Davis County provides a very good service for a very reasonable fee.

Councilmember Knight stated that he wanted to thank Chief Wallace for putting so much work into reviewing this contract and for getting the price of the service decreased by finding calls that should not have been charged to the City.

Councilmember Shingleton stated that he talked with County Commissioner Downs and he told her that it would be nice for the City to have a little more input into the contract before it is finalized by the County. He stated that Commissioner Downs told him that she was under the impression that the County had spoke to the City before determining the price to be paid for animal control services. He stated that he informed Commissioner Downs that had not been the case. He then also thanked Chief Wallace for his hard work to save the City money.

COUNCILMEMBER PETERSON MADE A MOTION TO AUTHORIZE ADMINISTRATION TO EXECUTE AGREEMENT WITH DAVIS COUNTY SHERIFF'S OFFICE FOR ANIMAL CONTROL SERVICES.
COUNCILMEMBER SHINGLETON SECONDED THE MOTION; ALL VOTED IN FAVOR.

8. Public Hearing – Proposed Resolution R09-15 adjusting the Syracuse City Fee Schedule.

During the City Council Work Session held June 9, 2009 the Governing Body reviewed the user fees charged for participation in City Recreation programs. The Council determined it would be appropriate to hold a public hearing to consider increasing Recreation program user fees. Staff reviewed the fee schedule and made the recommended changes to be considered by the Council, as well as made some other minor changes throughout the fee schedule. A copy of the recommended fee schedule has been provided to each member of the Governing Body for their review.

Mayor Panucci then convened the public hearing.

Mayor Panucci explained that the reasoning behind increasing recreation participation fees is that recreation is not a core service; the City does provide recreation, but it is his belief and the belief of several other Councilmembers that recreation programs should be largely self supporting. He explained that by increasing recreation fees each program should pay for itself rather than be subsidized by the City. He stated the only way the City will subsidize the program will be by paying the salary for the coordinators that manage the programs, but the lion share of the cost to provide the recreation programs will now be covered by participants. Councilmember Knight agreed and added that the City is also mindful that there are some kids in the community whose families may not be able to afford the recreation program fees; to that end, the City has some opportunities to make recreation programs accessible to everyone in the City. He added that he feels the fee increases are in-line with fees charged by other cities. He stated he felt that Syracuse City has a good recreation program and these fee increases will help to maintain the program.

Community Development Director LaBonty informed the Council that there are some other changes to the fee schedule in addition to the increases in the recreation program fees. He stated that over the past three or four months the City has caught people executing construction projects without the property permits; therefore, a penalty fee has been included in the fee schedule in order to deter people from doing that in the future. Mayor Panucci stated that it is true that some people in the City have chosen to ask for forgiveness for their failure to maintain property permits rather than obtaining permission at the onset of a project. He stated that if someone were to begin building a storage shed on their property that violates City ordinance or required a permit the City will have the ability to impose a fine. Councilmember Clark stated he was the Councilmember that recommended the penalty fine, but he is somewhat concerned that the fee being recommended by staff is

too high. He then inquired as to the cost of a conditional use permit. Mr. LaBonty stated applicants are charged \$100. Councilmember Clark stated that a \$250 fine for not obtaining a permit that would have only cost the applicant \$100 is too high. Councilmember Shingleton agreed and recommended that the penalty be an additional \$100.

Councilmember Peterson stated that he wanted those in attendance to be aware that recreation program fees are being increased by \$5.00 per sport, with the exception of football, which is being increased by \$10.00.

Kerry Logan, 582 W. 3750 S., stated that he would be concerned that there may be some people that are not aware that they need to obtain a permit from the City before doing certain construction projects on their property. He stated that many residents would not think to call the City to get permission; therefore, lowering the fine would be more reasonable and fair.

Councilmember Shingleton reiterated that he felt the penalty fee should be lowered to \$100.

There being no further persons appearing to be heard, Mayor Panucci closed the public hearing.

Councilmember Knight asked if he would need to obtain a permit if he were purchasing a shed that was over 200 square feet, to which Mr. LaBonty answered yes. He then explained there is another penalty fee that has been included in the fee schedule and that is to penalize those that perform excavation work without obtaining the property permit.

Councilmember Clark stated he would be comfortable with that penalty as long as it did not affect homeowners that dig a hole in their front yard without calling a utility locating company. Mr. LaBonty stated that the penalty would apply to anyone digging in the public right-of-way without proper authorization.

Councilmember Hammond inquired as to how staff arrived at the recommended penalty amounts. Mr. LaBonty stated the fine is based on the fact that the violations are misdemeanors and the fee for a misdemeanor is the same as the fee recommended by staff.

Councilmember Clark stated he was concerned about penalizing a homeowner for digging in their yard. Mr. LaBonty stated it may be possible to change the language to dictate that the excavation penalty would only apply to commercial entities or utility companies. Councilmember Clark stated that if that change is made he would be comfortable with the amount of the fee for not obtaining an excavation permit.

COUNCILMEMBER CLARK MADE A MOTION TO ADOPT PROPOSED RESOLUTION R09-15 ADJUSTING THE SYRACUSE CITY FEE SCHEDULE, WITH THE FOLLOWING CHANGES:

- CONSTRUCTION ACTIVITY WITHOUT CONDITIONAL USE PERMIT FEE SHALL BE \$100.
- CHANGE THE WORDING 'EXCAVATION WITHOUT A PERMIT' TO 'UTILITY EXCAVATION WITHOUT A PERMIT'.

COUNCILMEMBER SHINGLETON SECONDED THE MOTION; ALL VOTED IN FAVOR.

9. Public Hearing – Proposed Resolution R09-14 adjusting the Syracuse City Budget for the Fiscal Year ending June 30, 2009.

Several expenditures have and are still occurring in the FY 2008-09 budget year that were unbudgeted. City Administration is requesting that the Council formally recognize and authorize those expenditures in conformance with State statute. The City Council set a public hearing to consider the proposed budget opening.

Mr. Worthen reviewed stated there are a few changes that need to be made to the budget; those changes are basically transfers to recognize additional revenues and expenditures.

Finance Director Holt explained that there are two items for the Council to consider; the first is authorization to move monies between departments before the end of the current fiscal year. He stated that Administration is asking for authorization to move money between departments included in fund 10 of the City's budget and it may be necessary to do the same in fund 50. He stated that the existing total appropriations are not changing. He stated the second thing for the Council to consider is to increase funding in some areas of the expenditure side of the budget. He stated that the park development impact fee expenses will go up by \$172,000; phase two of Rock Creek Park was completed and the money for that project will need to be taken from the fund balance. He stated that funds 17 and 18 will be established and they will be known as the Parks Maintenance Fund and the Street Lighting Fund, respectively. He stated it is necessary to establish those two funds to recognize the revenue being generated by the recently implemented parks maintenance and street lighting fees. He then stated that fund 30, the secondary water operation fund, needs to be increased by \$50,000 to cover operating cost increases. He stated the money for this transfer will come from the fund balance. He stated that fund 31, the secondary water impact fee fund, will need to be increased by \$45,000 to cover the costs associated with the Freeport pump number four. He stated that fund 51, the culinary water impact fee fund, will need to be increased by \$120,000 to cover the completion of the well house. He explained that the two year project took longer to complete than originally anticipated, which impacted the current year budget. He stated the funding for this transfer will come from the fund balance.

Mayor Panucci asked if the secondary water impact fee is part of an enterprise fund, to which Mr. Holt answered yes. He then stated that it may be necessary to increase the appropriation in fund 80, which is capital improvement franchise tax money, by approximately \$100,000. He stated that as it becomes necessary to close out the current year budget the road project fund may be a little over budget and it would be better to use existing funds to 'zero the fund out' rather than carry a negative balance into the next FY.

Councilmember Clark asked if these same funds have been adjusted in the tentative 2009-2010 budget according to the items included in the budget opening. Mr. Holt stated that he did learn from these issues and he has made the appropriate changes to the fiscal year 2009-2010 budget to try to ensure that it is not necessary to make these same budget openings in the next fiscal year.

Mayor Panucci then convened the public hearing.

There being no further persons appearing to be heard, Mayor Panucci closed the public hearing.

COUNCILMEMBER HAMMOND MADE A MOTION TO ADOPT PROPOSED RESOLUTION R09-14 ADJUSTING THE SYRACUSE CITY BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2009.
COUNCILMEMBER SHINGLETON SECONDED THE MOTION; ALL VOTED IN FAVOR.

10. Public Hearing – Proposed Resolution R09-18 adopting the tentative budget as an operating budget for Fiscal Year 2009/10 and setting a public hearing to consider retaining or increasing the 2009 Certified Tax Rate of .001500.

The City Council adopted the tentative FY 2009-2010 budget on April 28, 2009 and has since been reviewing and amending items included therein. One large funding source for the budget is property tax revenues. The City has not yet received the recommended certified tax rate from the Davis County Treasurer's Office, but Staff anticipates that the proposed rate will be considerably higher than the current rate. If the Council wishes to maintain or increase the current rate, the City must follow a process defined by State Law most commonly referred to as the "truth in taxation" statute. This includes delaying adoption of a final budget until August in order to properly notify the public and hold a public hearing regarding maintaining or increasing the certified tax rate. If this is the direction the Council chooses, Proposed Resolution R09-18 may be adopted declaring the tentative budget as the operating budget until the conclusion of the "truth in taxation" process. The Resolution also includes a provision to set a public hearing to consider maintaining or increasing the certified tax rate and adopting the final budget. Staff recommends that the public hearing be scheduled for August 11, 2009.

Mr. Holt explained that last yesterday afternoon the City received the formal recommended certified tax rate from Davis County and the State Tax Commission. He stated the City adopted a certified rate last year of .001500 and the revenue generated by that rate was \$1.485 million. He stated that over the past year County wide property values have been reduced by the assessor's office and some other items were changed in the calculation of the tax formula due to some new legislation. He stated these two factors caused the County and the State to arrive at a certified tax rate for Syracuse City of .001613. He stated that the total value of property in Syracuse City was artificially lowered by 7.5 percent; therefore the tax rate was adjusted upward by 7.5 percent in order to allow the City to generate the same amount of revenue as was generated last year. He stated that if the City were to accept the certified tax rate the property tax revenue the City would realize would be \$1.524 million. He stated the reason the revenue amount would increase over the amount realized last year is the additional homes and growth that has taken place in the City. He stated if there had been no growth since last year, the amount of revenue realized by the City would be the same. He stated that inside the tentative Fiscal Year (FY) 2009-2010 budget staff tentatively proposed the City Council adopt a certified tax rate of .002245, which would generate an additional 596.933 in property tax revenue, which would have been a 39.1 percent tax increase on the amount of taxes that the City gets from taxpayers. He stated that the Council has considered that rate for the last six or eight weeks and there have been extensive meetings to discuss the issue with the public and to receive input. He stated the process has been handled in a very businesslike manner and people have tried to understand what is happening in the City. He stated that the proposed tax increase was more of a shock to citizens than to staff because staff has been dealing with this issue for the past three years. He stated that late this afternoon staff and the Council discussed other ways to balance the budget besides implementing a tax increase. He stated that the Council could elect to not include any road projects in the budget rather than increasing taxes. Mayor Panucci stated that he wanted to clarify that would not mean that road maintenance would not be funded, but rather that no new road projects would be funded. Mr. Holt then stated that the City started the budget process with a potential \$1.250 million shortfall. He stated staff reacted to that possibility by making budget reductions and the Council implemented two new monthly user fees. He stated the budget shortfall was subsequently reduced to \$600,000. He stated that the item the Council needs to deal with this evening is whether to increase the certified tax rate in order to balance the budget, or remove road project funding in order to balance the budget, or a combination of the two. He stated that during the work session the

Council discussed possibly considering a tax increase anywhere in the range of zero to 15 percent, rather than the previously discussed 39.1 percent.

Mayor Panucci then convened the public hearing.

Bob VanVelkinburgh, 2081 W. Craig Lane, stated that he has two suggestions about the City's budget; one is short term and one is long term. He stated that first of all he wanted to give a little background to the audience as well as pass along some thanks to the Council. He stated he has attended most of the City Council meetings during which the budget has been discussed and he wanted to thank the members of the Council and the Mayor for all their hard work on the budget; they have been working hard to get the budget in shape so it can be dealt with. He stated that he wanted to explain something to the audience. He stated there are three ways for the City to increase its revenues. He stated that two of those methods are elastic and they expand or contract as the economy changes. He stated the two sources that are elastic are sales tax revenues and permit and fee revenues. He stated that the third is non-elastic, meaning that no matter the state of the economy, the revenue source does not change. He stated that source is property tax. He stated that has caused a lot of concern for the citizens because they understand that once property taxes are increased they usually do not get reduced. He stated that his first suggestion is that, if property taxes are raised, a sunset clause is added to the property tax statute to dictate that the property tax rate would be lowered after a period of two years. He stated that at the end of two years the Council would have their choice of maintaining the increase, raising it, or lowering it. He stated his next suggestion is the long term suggestion. He stated that everyone has seen the present democratic administration try to stimulate the economy by sending a lot of funding from Washington D.C. to other areas of the United States. He stated that some months ago he wrote each of the Councilmembers a letter suggesting that the City hire a grant writer, which would be someone that would be aware of the grants made available by the federal government. He stated Syracuse City should get its share of the money flowing from Washington D.C. He stated there is a lot of it available. He stated he has tried every way possible to finance a specific grant writer, but he learned during tonight's work session that two City employees are going to assume those duties and he wanted to tell them that he was available to help them in any way he can. He stated that the City needs to increase the money coming from Washington D.C. to Syracuse City. He thanked the Council for their time and consideration.

Bob Yeaman, 1218 W. 3150 S., stated that he first wanted to thank the Council for the roundabout project. He then stated that he wanted to talk about the 10 percent reduction in pay that the members of the Governing Body took. He stated that he would recommend that they take their 10 percent back and instead do away with their benefits package. He stated that he did not believe that part time employees should receive benefits; there are more than 50 other part time employees in the City that do not receive benefits. He then stated that he would like the Council to adopt a resolution opposing the Legislature's intent to increase the years of service needed for public safety employees to receive full retirement benefits from 20 to 25 years. He stated law makers should not balance their budgets on the backs of public safety employees. He stated that he appreciated comments made at the past Council meeting. He stated that he thought that the Council had given up on finding a solution to the budget crisis that would work for all parties. He thanked Mayor Panucci for not giving up on reducing the budget expenditures.

Kerry Logan, 582 W. 3730 S., thanked the Council for this opportunity. He stated that he is in agreement with gentleman that spoke before him. He stated that he felt that serving on the City Council should be an honor and he did not believe elected officials should receive any benefits. He stated that if the members of the Governing Body need full time benefits, they should get a real job. He stated that the position they hold is not supposed to be a full time job and it does not take too much time out of their lives and they should not be receiving full benefits or compensation. He then stated that he can not think of a better group to support than public safety employees; the money the Council could save by eliminating their benefits could help to ensure that public safety employees get to keep their benefits. He stated that Syracuse City actually has about five less Police Officers than is recommended for a city this size. He stated that the City does need public safety employees and that need will be noticed the most when they are not available.

TJ Jensen, 3242 S. 1000 W., stated that a 15 percent tax increase would raise the County recommended certified rate of .001613 slightly. He stated that one thing everyone needs to be aware of is the fact that property appraisals have been lower than in the past and people may be appealing that with the argument that they can not sell their home even with the value being decreased by 7.5 percent. He stated the reality is that the City will probably realize a bigger revenue hit than is being anticipated. He stated it has been mentioned in the past that Syracuse City's certified tax rate is significantly lower than the rates of other cities. He stated that Syracuse has prided itself on pinching pennies. He stated the City was having good times and was able to do that a couple of years ago, but now the City is in a spot where they are trying to decide what road projects to delay, even though the projects need to be done. He stated that hopefully the City will have the money next year to put those road projects back in the budget. He stated he believes the City should raise its property tax rate close to the rates of other cities. He stated that Syracuse City is not the same city it was 10 or 20 years ago; there are a lot of services that the City now provides that it did not provide in the past. He stated that one thing that was mentioned in the last Council meeting was the fact that there are times that, due to understaffing in the Police Department, there are only two Police

Officers on duty to cover the entire City with a population of over 22,000. He stated he asked the Police Chief if calls for service have increased. He stated the Police Chief told him that call levels have increased significantly and they are expecting the caseload to increase by at least 1,000 cases this year. He stated that ideally it is necessary to have more than two Police Officers covering the town. He stated that with that in mind he felt that breaking up the necessary property tax increase over a two or three year period would be good. He stated the Council could implement a 10 or 15 percent increase this year and do subsequent increases over the next three or four years in order to raise the City's property tax rate close to the rates of other cities. He added that during the last Council meeting there was a discussion about whether the City could afford to replace police cars that are breaking down. He suggested adding a temporary fee of \$2.00 to the monthly utility bills to help pay for new police cars. He stated that besides that he has some other cost saving ideas, such as asking employees to work a four day work week rather than five days and stretch out the time between needed lawn-mowings at City properties, just to name a few. He stated that he thinks the reality is that the City needs to increase taxes now; it may not be the best idea to implement the entire increase at this time, but it is important to find additional ways to generate revenue.

Tracy Jensen stated that he lives in West Point City. He stated that he had one question that he wanted to clarify. He stated that he has watched the City grown from 9,000 residents to over 20,000 residents. He stated that Syracuse City is probably the fourth or fifth largest city in the County, but its tax rate is the eighth highest County-wide. He stated that he thinks that Syracuse City residents should be paying where the curve is. He stated that he lives in West Point and they have the second highest tax rate in the County. He encouraged the Council to consider where Syracuse City is on the list of property tax rates that ranks cities from the highest to the lowest taxed. He stated some type of increase is necessary this year and in future years.

Pat Brenchley, 2203 N. 2350 E. Layton, stated she is a Syracuse City employee and she wanted to say how much she appreciated the discussion in the work session about balancing the budget without furloughing the employees or reducing employee pay or benefits. She stated she has had a lot of people approach her about the proposed 40 percent tax increase and she tried to make sure people understood that for those owning a home valued at \$250,000 they would only be paying an additional \$6.87 per month. She stated a 15 percent tax increase will cost those same residents \$1.72 per month. She stated that she lives in Layton and pays much more in property taxes than Syracuse City residents do. She stated she did not think that people would be afraid to give a small amount of money if they knew that would prevent a furlough or salary reductions for employees. She stated that luckily the employees that work for Syracuse are dedicated and they love working here and that is why they do not quit and seek employment elsewhere. She stated that the cost employees pay for medical and dental benefits will increase 10.5 percent and 20 percent respectively this year. She stated that she would encourage the Council to remember these things between now and August 11 when they will be making the decision regarding how to balance the budget. She stated there are a lot of citizens calling the Council and voicing their opinions, but she wanted to remind the Council that there are City employees that are struggling too and she asked the Council to remember that.

Jamie Nagle, 773 W. 2400 S., stated that she also attended the work session earlier this evening and she wanted to commend the Council for the diligence that they have shown through this budget process. She stated that it has been very interesting for her to watch both sides of a very heated argument and to watch both sides work their way to the middle. She stated that she understands how hard times are and she respects all the time, effort, and energy that that Council is putting into coming up with solutions. She stated that she recognized the tight spot the City is in and she is sad when she drives around and sees vacant store fronts. She stated that she is discouraged to not see a lot of effort on the City's part to increase its revenue base. She stated that she and her family visit Layton on a regular basis to eat at their restaurants and give them tax dollars. She stated she would encourage the Council and employees to find a way to increase interest in the City from commercial entities. She stated that she also felt that everyone can do a better job of getting involved and shopping in Syracuse City and give tax dollars to freely support the City. She stated that she would really like everyone to focus on that goal. She reiterated that she appreciated all the time and effort the Council has put into the budget during this troubling time.

Becky Pitt, 2203 N. 2350 E., stated that she is present to read a letter on behalf of a spouse of a City employee who is at home with her disabled child that is having seizures tonight. Ms. Pitt read the letter as follows:

"I am writing regarding the Standard-Examiner article of June 11, 2009 titled '40 percent tax increase on the table – shortfall stymies Syracuse'. I am the wife of the Syracuse Police Officers, having attended City meetings and followed news stories about the City's budget woes, City employees and their spouses and families, and I have been frustrated at the facts and details which are being omitted. Syracuse City Councilmen publicized their vote to cut their pay by 10 percent. What they failed to mention is that 10 percent is about \$50 per month and that their positions are part-time jobs; they are still receiving pay from their full-time jobs. Also, the City Council voted to allow themselves and the Mayor the option of receiving health benefits from the City. Not only does no other part-time employee of the City have this option, but the City Councilmen who elect to receive the health benefits do not pay one penny for them; their health premiums are paid in full by Syracuse City while the full-time employees pay about \$250 per month for their health benefits. Thanks to Councilmen Alan Clark and Lurlen Knight for recognizing that the burden is and has been on the backs of the employees for a long time and

that residents were not aware of what cuts had already been made. Mayor Fred Panucci said that we can't hold them (our employees) harmless; Syracuse City employees have not been held harmless. City employees have been working for sub-par wages for many years and I am amazed at what they accomplish with what little they are given. The money lost from an employee's paycheck each month for the increase in health insurance alone is already five times what the average Syracuse City citizen is being asked to pay for the proposed tax increase. There have only been two tax hikes in the last 20 years. Syracuse residents say their taxes are increasing each year; I am sure this is true. As with all of us the amounts of tax we pay go up as inflation increases, as the values of our homes and property increases, and as other agencies, including Davis County, the School District, etc., raise their tax rates. This is how I look at the situation: we as Syracuse City employees and Syracuse City citizens are in this together. We do not necessarily create the problems the City is experiencing, but together we have to face our present situation. We are not on opposing sides; we can work together. The City's budget shortfall was originally \$1.7 million and Syracuse City employees have taken several hits in order to reduce the City's expenses. Employees received no merit increases last year and will not receive merit increases or a cost of living increase this year. Their 401K company matches have been taken away, medical insurance premiums increased 10 percent, dental insurance premiums increased 25 percent, and employees are paying these increases, which is about \$50 for a family. The City is on a hiring freeze; employees who leave are not being replaced. Some areas that are in dire need have taken employees from other areas of the City in order to make things work. Other cuts and sacrifices, too numerous to mention, have been made. Now, public employees are offering to take two mandatory furlough days from work – days without pay – to help out even further. Across a group of fewer than 180 employees, we have brought the originally \$1.7 million budget shortage down to \$606,000, less than half if the furlough days are approved. We need you, as 24,000 residents, to help us make up the rest. It is a comparatively small tax increase we are asking for. Please also remember that we employees have started from the bottom. Syracuse City Police Officers and Fire Fighters are one of the lowest paid departments in the State of Utah. You should feel lucky that Syracuse City employees love the community and love their jobs. After working for Syracuse City for several years my husband could work for any of the surrounding cities and his starting wage would be what he is making now. Like ever other Police Officer in Syracuse City he works part-time jobs in addition to his full-time job. We do not live extravagantly; we cannot even rent an apartment for less than our house payment; we do not have cable TV or satellite; we do not have cell phones that we pay for; and we do not even have caller ID or any of those options on our home phone. I have heard Syracuse citizens talk about being on a fixed budget. Please believe me – I understand what a fixed budget is and how difficult it is to make finances work, especially in our present economic situation. I do not know what else we can give. We need your help. We need you to give as well."

Coby Purser, 458 N. 2975 W., stated that he wanted to talk about benefits received by Councilmembers. He stated that the part-time Fire Fighters had benefits at one point, but life insurance for Fire Fighters was eliminated about a year ago and the only way he was informed of that change was via a letter in his pay check. He stated that the Council has spent much more time talking about their benefits. He stated that when a Councilmember drives to work in their vehicle their chances of getting hurt are very low, but those that work in the public safety field have a much higher chance of getting hurt at work. He stated that the Council has said over and over that City employees do less with more, so when the City is going through a tough time the Council should figure out how to take care of those people that do so much for the City. He stated he does not work for Syracuse City for the money, but he felt that the employees in the Police and Fire Departments should be watched after and taken care of.

There being no further persons appearing to be heard, Mayor Panucci closed the public hearing.

COUNCILMEMBER CLARK MADE A MOTION TO ADOPT PROPOSED RESOLUTION R09-18 ADOPTING THE TENTATIVE BUDGET AS AN OPERATING BUDGET FOR FISCAL YEAR 2009-10 AND SETTING A PUBLIC HEARING TO CONSIDER INCREASING THE 2009 CERTIFIED TAX RATE OF .001500 TO .0019356.

Councilmember Clark stated that he knows that would be a 20 percent increase and that the Council talked about increasing the tax rate anywhere from one to 15 percent, but he wanted to make that motion because he is aware that the Council can not increase the rate higher than what they decide upon tonight, but they can go lower; meaning that if the City advertises the potential for a 20 percent tax increase, that amount can be decreased anywhere under 20 percent, but the Council could not implement more than a 20 percent increase.

Councilmember Knight stated that he wanted to comment on some of the things that have been said this evening. He stated he agrees that the Fire Department employees should have life insurance. He stated that they should know that if they are injured in a burning building their wives and children will be taken care of. He then stated that he has spoken to many restaurant owners about locating their business in Syracuse City. He added that he is going to Tennessee soon and while he is there he plans to meet with one of the owners of property in the town center to discuss some options for making his property in the town center more attractive to tenants. He stated in response to the comments regarding West Point's tax rate, he felt that Syracuse City has a lower tax rate than West Point because Syracuse has a larger commercial base. He stated that he has pondered how cities like West Point and Fruit Heights fund their budgets because neither city has a commercial

base. He stated, however, that the point is well taken. He stated that Syracuse City 'thumps itself on the chest' about its low tax rate; one of the reasons the Council has not raised taxes is because the City was receiving high sales tax revenues and high building fee revenues and it did not make sense to go to the citizens for more property tax dollars when the City was already meeting its obligations with the money it had coming in. He stated that over the past three years things have started to dip and now revenues have gone over the edge and it feels like the City is freefalling. He stated the City could adopt a budget that will keep the City right on the edge. He stated it may be possible to make it around the corner, but if something goes wrong it will be difficult to deal with it because the City is already so close to the edge. He stated that regarding public safety retirement, he would work very hard with the ULCT on that issue. He stated that the State will have their own budget woes coming up and they plan to deal with those woes in a special legislative session. He stated that it is his opinion that the City will be going through this same situation next year. He stated he has talked to a lot of citizens and he has responded to their emails and their concerns. He stated he has tried to explain that the City's fund reserve is as low as it can be according to State law; the City has not given increases to employees for two years; only two vehicles will be replaced in the Police Department and one of those vehicles had a salvage title. He reiterated the City is 'on the edge' and if the Council will implement a tax increase that will give the City some cushion and the ability to get away from the edge a little. He stated that he is supportive of grant writing and he is hopeful that the City will receive several grants, but there is no guarantee that will happen. He stated that he does not want to base the budget on what the City might be able to get; he would rather have some leeway. He related a personal story about how his family manages their budget and he explained that his family always tried to have some kind of reserve fund to help out if something goes wrong. He stated that this tax increase will not pull the City completely out of the position it is in. He added that he did not think it would be wise to go much longer without giving employees raises. He stated the proposed tentative budget is not a sustainable budget; road projects are being eliminated and when road maintenance is put off it usually results in the need to replace the road later down the line which costs the City more money.

COUNCILMEMBER KNIGHT SECONDED COUNCILMEMBER CLARK'S MOTION.

Councilmember Peterson stated that he wanted to comment before voting on the motion. He stated that he feels that as a Councilmember he has two main responsibilities; one is to listen to the people and the second is to be fiscally responsible. He stated that considering the position the City is in and the fact that it was possible to cut so much from the budget he feels comfortable knowing that he has listened to the people. He stated that most people do not want a tax increase so he feels he has listened to them; on the other hand he feels like the City has not been totally fiscally responsible, hence Councilmember Knight's comments regarding the City 'living on the edge'. He stated that if he was making a final vote tonight regarding how much taxes should be increased he would vote for a 10 percent increase, but he is willing to vote to advertise a 20 percent increase to give the Council some leeway in the decision making process over the next six weeks.

Councilmember Clark stated that during the next work session he would like to discuss economic development in the City and he would like staff to try to help the Council understand what they can do to help out with economic development. He then stated that he feels very strongly that any increased revenues generated by a tax increase should be deposited into the City's reserve. He stated that the tentative budget is a very 'bare bones' budget; it is basically a copy of the FY 2008-2009 budget with all road project funding eliminated. He stated that he feels that when the Council adopts its final budget resolution for this year they should provide some requirements for the City to have a specified amount of money in its reserve at all times. He stated that the State requires cities to have five percent of their total budget in reserve, which is approximately \$300,000 for Syracuse City, but the City can not touch that money. He stated that he would like to have more money in the reserve so that if the City goes through these tough times again there will be some cushion to fall back on. He stated that the City needs to be fiscally responsible and thinking about today and tomorrow. Councilmember Peterson agreed and stated that he did not think that, if extra money were in the reserve, the City would find ways to spend it. He stated he has had a lot of residents ask why the City did not have a savings account. He stated the answer is that there were some savings that were spent and that increasing taxes would provide the City an opportunity to start saving again. Councilmember Knight stated that he would agree; the City did have close to 18 percent of its budget in reserve and over the past few years the reserve has been spent down with the mindset that the City was going through a tough time and the reserve was intended to help the City in tough times and the City would get through it. He stated that the problem is that the City got into the tough time and is not yet out of it.

Councilmember Hammond stated that he was very pleased during tonight's work session that City management had been able to balance the budget. He stated that the Council and staff have been working on the budget for months and they are finally at the point of balancing the budget and he thinks that is a very positive thing. He stated that he realizes that in the FY 2010-2011 there will be some very taxing times for the citizens and there will be financial problems passed down to the City from the State and other entities. He stated that during that FY the Council will probably need to raise taxes. He reiterated that he thinks that the Administration has done an excellent job getting the budget to this point and he believes the City will be fiscally responsible by having a balanced budget. He stated that the City now needs to look further to see how to

get more businesses into the City and pursuing stimulus dollars. He stated that if those things are at the City's back, it will be possible to push harder. He stated that if the City had a slush fund of 20 percent, which would be nice to have, the City may not push as hard to get things done. He suggested that everyone push harder and get the budget balanced.

Councilmember Shingleton stated there are pros and cons to every option. He stated he thinks that everyone present this evening has been able to breathe a sigh of relief. He stated that he talked to some people after the work session and he told them that if he had known that the budget was balanced, so to speak, he would have probably gotten a lot more sleep last night. He stated that he thinks the employees some times get the feeling that the Council wants to put everything on them and that is not true. He stated the hardest thing he has had to do is fire someone or lay someone off because it does not just affect him at the moment that he is firing the person; rather, it affects him before, during, and after because he understands that action does not only affect the employee, but it affects their entire family. He stated he felt the entire Council felt that same way. He stated he still thinks there are some things that can be done. He stated he wanted to hold his judgment on the proposed tax increase at this point, but he stated he probably would not be in favor of an increase because there may be some other things the City can do, like Councilmember Hammond said. He stated the City needs to be fiscally sound; the City needs to move forward and go from there.

Mayor Panucci then called for a vote on Councilmember Clark's motion.

VOTING "AYE" – COUNCILMEMBERS CLARK, KNIGHT, AND PETERSON. VOTING "NO" – COUNCILMEMBERS HAMMOND AND SHINGLETON.

Councilmember Knight stated that he wanted to point out that this means there will be another public hearing held on August 11, after which the City will vote on a final budget and certified tax rate. He stated the City can not vote to implement a tax increase higher than 20 percent, but the increase could be lower than 20 percent. Councilmember Knight asked what the deadline is for adopting a final budget. Mr. Worthen stated that the budget must be finalized no later than August 17. He stated the Council could choose to vote on the budget after their public hearing on August 11, or they could reconvene in a special meeting to adopt the final budget on or prior to August 17.

11. City Administrator Report.

Mr. Worthen stated that he had not items to report.

At 8:38 p.m. COUNCILMEMBER KNIGHT MADE A MOTION TO ADJOURN. COUNCILMEMBER PETERSON SECONDED THE MOTION; ALL VOTED IN FAVOR.

Fred Panucci
Mayor

Cassie Z. Brown, CMC
City Recorder

Date approved: July 14, 2009