

Minutes of the Work Session meeting of the Syracuse City Council held on June 23, 2020 at 6:08 p.m., held virtually via Zoom, meeting ID 822 5177 4383, and streamed on the Syracuse City YouTube Channel in conformance with Executive Order 2020-1 issued by Governor Herbert on March 18, 2020 Suspending the Enforcement of Provisions of Utah Code 52-4-202 and 52-4-207 due to Infectious Disease COVID-19 Novel Coronavirus.

Present: Councilmembers: Lisa W. Bingham
Corinne N. Bolduc
Dave Maughan
Jordan Savage
W. Seth Teague

Mayor Mike Gailey
City Manager Brody Bovero
City Recorder Cassie Z. Brown

City Employees Present:

Administrative Services Director Steve Marshall
City Attorney Paul Roberts
Police Chief Garret Atkin
Fire Chief Aaron Byington
Parks and Recreation Director Kresta Robinson
Community and Economic Development Director Noah Steele
City Engineer Brian Bloemen
Administrative Intern Brittany Morgan

The purpose of the Work Session was to receive public comments; continue review of the FY 2020-2021 operating budget; review Flash-Vote survey results regarding 50-acre park funding option as well as discuss funding of the project; review the Planning Commission recommendation regarding a request to surplus a pedestrian walkway at approximately 2850 S. Allison Way; review application for a zone change and preliminary plat approval for the Village at the Bluff located on Bluff Road at approximately 2750 South; discuss buffer wall on 2200 West between Sorenson Companies, Inc. (SCI) property and adjacent residential development; discuss proposed rewrite of Syracuse City alcoholic beverage regulations; discuss potential amendments to the Syracuse City Recruitment and Retention Policy; discuss proposed amendments to the Personnel Policies and Procedures Manual; discussion lease advertisement for vacant space in City Hall; receive a report from Councilmember Maughan regarding North Davis Sewer District (NDSD) matters; discuss proposed Davis County Council of Governments (COG) resolution regarding water conservancy; discuss future agenda items/hear Council announcements; and receive a report on Memorial Day Celebration virtual events.

Public comments

Mayor Gailey stated that tonight's meeting agenda provided instructions for residents to email their public comments to City Recorder Brown by 5:00 p.m. tonight in order for them to be read into the record of the meeting. He indicated no email comments were provided. He also invited live public comments.

Rachel Leavitt stated there is a piece of property adjacent to the Dutch Manor Subdivision that is overgrown with weeds. She stated she has reached out to the City to try to determine who is responsible to maintain the property and preserve the walking path located on the property. She stated that kids cannot ride their bikes on the sidewalk because of the conditions.

Mayor Gailey asked City Manager Bovero to look into the issue. Mr. Bovero stated he will follow up with City staff to determine who will be addressing the matter. He indicated he will reach out to Ms. Leavitt with an update.

There were no additional persons appearing to be heard.

Continued review/discussion of Fiscal Year (FY) 2020-2021 Operating Budget.

The City Council adopted an operating budget in preparation for a truth in taxation hearing on August 11th at 6:00 p.m. Since the Council is considering raising the tax rate above the certified tax rate, it is considered a tax increase under state law and requires a truth in taxation process. The Council will be required to hold a public hearing to discuss the rate increase. The current tax rate for 2019 is 0.001512. The County has calculated the new certified tax rate for 2020 to be

0.001467. The property values for a single-family dwelling have increased approximately 3.2 percent from the prior year. The council discussed at the last meeting raising taxes \$220,000 to fund the items below. This would set the new tax rate to .001593 if approved. The average household would pay ~\$25.00 more per year on property taxes to Syracuse City.

- 2 Full-time firefighters ~ \$150,000
- Tier II pickup for public safety ~ 15,000
- Police, Fire, and Parks and Rec benchmark adjustments ~ \$46,000
- Move Streets seasonal position to part-time ~ \$9,000

The City is required to advertise once on a County combined newspaper advertisement and once individually. The City will share in the cost of the combined newspaper advertisement with other entities going through the truth in taxation process. The County will take care of the combined advertisement and will send it to the newspaper in mid-July. The City will be required to advertise a second time on our own advertisement and that will be required to be sent out within seven days of the truth in taxation hearing; a sample of the advertisement was included in the Council packet.

Mr. Marshall reviewed his staff memo; the Council indicated they do not need extensive discussion about the budget at this point and they would prefer to wait to conduct further review until after public input has been provided.

Review Flash-Vote survey results regarding 50-acre park funding options; continued discussion of funding the project.

A staff memo from the City Manager explained in February, the City received public input on the design of the 50-acre park to be located at 2000 West and Gentile St. The City Council tasked the Parks Advisory Committee with examining the survey results and devise some options on funding the park, and advise the Council of any suggested changes to the design. The Park Advisory Committee voted to recommend that the City start with a park funding survey, in order to establish the residents' willingness to contribute to the park in the form of a bond election. After the survey, the Committee would like to use the results to formulate a funding plan for the park. The City contracted with FlashVote to provide a survey service in order to enhance the amount of public input, and provide it in a way that has statistic validity. The intent of the survey service is to give the Council data as part of their decision making, not to override the Council's decision making. The park funding survey was conducted on June 10th and 11th and received participation from 547 residents, representing a 63 percent response rate. Based on the sample size of this survey, it is calculated to have a four percent margin of error with a 95 percent confidence level. The survey also produced over 140 written comments from the community.

Goals of the 50-Acre Park Funding Survey

- It is proposed that the goals of the survey include the following:
 - Find out the level of enthusiasm the community has for funding the park through a bond election.
 - Find out if the COVID-19 pandemic is a factor on their current level of enthusiasm.
 - Find out if the community is interested in novel investment/funding mechanisms for the park, specifically a mini-bond program.

The results of the survey were provided via a link in Mr. Bovero's staff memo; the goal of this discussion is to review the results and discuss the timeline for the Parks Advisory Committee to finalize recommendations on park funding.

Mr. Bovero reviewed his staff memo and facilitated a review of the survey results document. Council discussion on the likelihood of a ballot question for a general obligation bond receiving public support in the 2020 Election. Mr. Bovero indicated that the public does not appear to be supportive of a bond sufficient to cover the entire park cost; one option is to break the park into two phases that would be funded independent of one another using two different bonds or other fundraising revenues. Discussion centered on the timing of the required action to schedule a bond election for 2020; the Council debated the likelihood of success in 2020 based upon circumstances ranging from COVID-19 to other ballot questions that will be include on the 2020 Election ballot that would result in a financial impact for the voter. The Council weighed the options of pursuing a bond election in 2020 versus 2021, which is a Municipal Mayor/Council election. A majority of the Council initially supported a bond election in 2020, which a measured approach to only secure approval of a total bond amount that would result in approximately \$5 per household per month. The Council then indicated they are supportive of modifying the plans for the project to include other components, such as a dog park or splash pad, to make the project more attractive to a larger percentage of City residents. However, as discussion continued, Councilmember Maughan stated he would prefer for the City to pursue fundraising efforts to secure a certain amount of money before asking the residents to support a bond; he fears that the bond will not receive support this year and if that is the case, it will be difficult to go back to the electorate next year asking the same ballot question. Councilmember Bingham agreed, but noted she was concerned about the timing of expending existing park development impact fee revenues; she asked the City is in jeopardy of

forfeiting those monies if the regional park project is delayed for another year. Administrative Services Director Marshall stated that the City has six years to expend those monies; the City could wait until 2021 to pursue a bond election and still fall within the six-year timeframe. He added there are other park development projects to which that funding could be allocated if that becomes necessary to avoid forfeiture. Councilmember Bingham stated that with that information, she would rather wait until 2021 as she feels there is a better chance of the bond question receiving support at that time. This led to continued philosophical discussion about the circumstances that could influence election results, with the Council concluding they feel it would be appropriate to develop a long-term fundraising plan for the project and submit the ballot question to the voters in 2021. Before making a final decision, they concluded they would like to hear a report from the Parks Advisory Committee regarding their interpretation of the survey results and any funding ideas they may have. Mayor Gailey tasked Councilmembers Bingham and Savage with coordinating a meeting of that Committee to facilitate that report during the July 14 work session meeting.

Councilmember Savage asked City Administration to begin working on a plan for creating programs and opportunities for securing donations from citizens or private entities in the community.

Planning item: Review Planning Commission recommendation regarding a request to surplus a pedestrian walkway at approximately 2580 S. Allison.

A staff memo from the Community and Economic Development (CED) Department explained Arce Nacario, the owner of the home south of the pedestrian walkway located at approximately 2580 South Allison Way has approached the city requesting to put up a 6' vinyl privacy fence along the south edge of the walkway. However, Ordinance 8.15.010(D) says:

“(2) Fencing is not required, however if fencing is installed next to the trail it is required to be chain link or 50 percent open rail/slat vinyl. An additional six inches of concrete is required on each side of the walkway to embed the base of the fencing posts. All other non-open fencing must be offset 10 feet from the trail.”

None of the fencing options allowed by ordinance were desired by the homeowner. Planning Commission held a public hearing and considered the following options on June 2, 2020.

1. Amend ordinance 8.15.010(D) pertaining to fencing adjacent to pedestrian walkways
2. Surplus the walkway land which would then initiate the city surplus land policy which requires the land to go to bid for purchase by adjacent landowners.
3. Do nothing, requiring the homeowner to follow existing ordinances.

During the public hearing portion of the meeting, many residents requested that the walkway remain in place as it is a valuable asset to them and expressed desire to amend the ordinance to allow the fence to be installed by the owner. After the public hearing, Planning Commission unanimously recommended to City Council to amend the ordinance rather than sell the walkway.

City Planner Davies reviewed the staff memo and facilitated discussion among the Council regarding the options available to the Council responsive to request from the applicant, but also responsive to the concerns that have been expressed by the surrounding property owners. Discussion centered on historical ordinance amendments relative to fence regulations for properties bordering public walkways. The Council indicated while they were not ready to act upon the surplus request at this time, they would like for staff to discuss the fencing issue with surrounding property owners, determining if existing fencing is compliant. At this point, they are leaning towards ordinance amendments responsive to the conditions on the subject property.

Planning item: Review application for zone change and preliminary plat approval for the Village at the Bluff, 18-acre parcel located on Bluff Road at approximately 2750 South.

A staff memo from the Community and Economic Development (CED) Department explained Mike Bastian with Castle Creek Homes has applied to rezone approximately 18 acres located on Bluff Road at about 2750 S. The request is to change from A-1 to PRD. The PRD zone requires that the preliminary plans be provided and approved along with the rezone application. This makes it so the city knows exactly what type of development is proposed prior to approving a rezone. These details are cemented in a development agreement signed by both parties that is also approved with the zoning. A public

hearing was held at Planning Commission on June 2nd, 2020 and was tabled because staff comments had not been addressed. There were a handful of residents from Trailside Park in attendance who expressed opposition to the project. On June 16, the commission resumed discussion on the item and unanimously approved a motion to recommend approval to City Council. Staff has reviewed the plans for compliance with adopted land use ordinances and reviews are included in this packet. The applicant has also conducted a geotechnical, traffic and wetland study of the site.

The memo concluded the goals of tonight's discussion should be centered around whether the zoning of the land should be changed and if the preliminary plans meet the City's ordinances. The item will need to either be placed on another work session for further review or on the next business meeting for a vote.

City Planner Davies reviewed the staff memo and facilitated a review of the project plan submitted by the applicant. Councilmember Maughan stated that the land use ordinance governing PRD developments prohibits a design where more than half of the front façade of a building is consumed by the garage. In this case, more than 50 percent of all units is consumed by the garage and he asked how staff determined that the plan is compliant with City ordinances. Mr. Davies stated the front façade is measured to the top plate of the second story of a building because there is not a clear definition in the Code to govern how the front façade will be measured; using this measurement, the determination was made that garages were less than a quarter of the front façade. This matter seems to be open to interpretation and is an issue that is appropriate for the Council to address with the applicant at the preliminary plat phase. Councilmember Maughan stated that is a different explanation than the Council received when considering a different project in the City; the Council was told that measurements were taken considering the true width of a structure, not the total square footage of the front of a building façade. Councilmember Bingham stated that townhomes are inherently tall and narrow and it would be very difficult for a developer to design a townhome with a garage consuming less than half of the building's width. Councilmember Savage stated the only way to do it would be to rotate buildings so the garage is not on the front of the unit, but it would need to be accessed by a private street. Councilmember Maughan stated there are other options; he is simply concerned that the design does not conform with City ordinance and that the interpretation of the Planning Department is inaccurate. City Attorney Roberts stated that the PRD ordinance indicates that garages shall not be the major architectural theme of the building; it does not provide a specific distance measurement. Councilmember Maughan stated that language is very subjective and will be problematic for the City. The Council continued its review of the preliminary plan for the project and discussed opportunities for incorporating different features in the design of the building units to mitigate the impact of the front facing garage. Councilmember Bingham spoke in favor of the design and indicated that requiring adjustments that would create private driveways for units throughout the project would detract from the neighborhood feeling in the project. Councilmember Maughan disagreed and argued that the current design does not conform with the ordinance and is contrary to the sentiment that development in Syracuse City should be higher class and not made up of projects in which density is the top priority.

Mayor Gailey indicated the ordinance is up for interpretation and does not provide direction regarding the manner in which the garage as the percentage of the total building façade should be measured. He asked for feedback from the Council regarding how to perform that measurement. Councilmember Savage stated he is comfortable measuring the building façade from the top plate of the unit, after which he indicated he would like for an additional feature to be included on the façade of the building that could be classified as a prominent feature to detract from the garage. Councilmembers Bolduc, Bingham, and Teague also indicated they are comfortable measuring the building façade from the top plate. Councilmember Maughan stated that for projects in other zoning categories, the Council has been told the building façade would be measured from side to side, and he would like to be consistent and apply that same practice in this zone as well; he feels that measuring from the top plate is a means of avoiding the requirements of the ordinance. Councilmember Bingham stated that it is contradictory to create a zone that is meant to allow for townhomes and condominiums, but then prohibit the garage on the front of the home that consumes the majority of the façade.

Mayor Gailey then invited input from the applicant. Mike Bastian stated he is open to using feedback from the Council to adjust the design of his project, though he feels that the current design complies with the City Code. The Code indicates that a PRD project cannot have a repeating building pattern within three buildings in the project, so he has created three different building designs to avoid repeating. He addressed other components of the design and reiterated that he feels that the project complies with City Code; he is willing to adjust the plan, but each time he considers adjustments, his costs increase. He feels this type of product is in demand and will blend well with the surrounding community; it has a subdivision feeling. The Council then engaged in discussion with Mr. Bastian regarding topics such as amenities included in the project, landscaping plans, and color and architectural themes. Councilmember Bingham stated she feels Mr. Bastian has done a good job of designing a project that fits a need in the community and includes individual units that stand on their own, but are also cohesive and complimentary to one another.

Mayor Gailey closed discussion of the item and asked that a discussion and action item be included on the August 11, 2020 meeting agenda.

Discussion regarding buffer wall on 2200 West between Sorenson Companies, Inc. (SCI) property and adjacent residential development.

A staff memo from the Community and Economic Development (CED) Department explained when Canterbury Corners subdivision was built, the city required the developer Benchmark Homes, to build a wall to buffer between SCI rear storage area and the residential area. The wall was built within the public road right of way. An HOA was never set up to maintain the wall or the space between the sidewalk and wall. The subdivision was built around 2003 and the SCI building was built in the early 1970's by the C.H. Dredge trucking company, so SCI was definitely there first. The wall has since fallen into disrepair, with holes and graffiti. The area has many weeds and is a real eyesore spurring complaints from the neighbors. The wall is approximately 5' high grey cinderblock wall. In the portion behind Utah Onions, the wall is 6' tall. Instead of a standard sidewalk/park strip treatment, the sidewalk was brought up to the back of curb. Between the sidewalk and fence there is about a 1' strip of dirt that grows weeds and has some gravel. Behind the wall is another foot or so and then there is a 6' tall chain-link fence with razor wire on top. It appears that SCI or Utah Onions does not have any ownership responsibility for the wall since it was built by a developer that built up next to them after they were already established. Since it is within the city owned right of way and there is no HOA, it appears the City is the one responsible to find a solution. The memo provided optional solutions for the Council to consider:

1. Remove the wall. This exposes the rear yard areas to two industrial uses and does not solve the weed problem. Privacy slats could be placed in the remaining chain-link fence but there is no chain-link behind Utah Onions.
2. Repair the wall. This is probably the most cost-effective solution. Weeds and graffiti will still persist.
3. Remove the wall and install a new wall with landscaping. This is the most expensive but also the most aesthetically pleasing option. The wall would be placed on the property line. An example of this is the landscaping on 4500 W for Simpson Springs which includes a park strip, sidewalk, planter area and 6' precast concrete wall. (a picture of this is included in the packet). Sprinkling system water and ongoing maintenance would have to be worked out.

The memo concluded the goal of the discussion tonight is to determine which option should be pursued and how to pay for it.

City Manager Bovero reviewed the staff memo and facilitated discussion among the Council regarding options for addressing the concerns that have been raised about the matter. Councilmember Teague stated he feels the City should have an interest in improving the wall, but he understands that would come at a cost to the City during a very difficult time. Councilmember Maughan stated he would like for the City to conduct due diligence to determine the appropriate improvements to be made to address the concerns regarding safety, liability, and ongoing maintenance of the wall. Councilmember Savage stated he feels the City should approach Sorensen Construction Incorporation (SCI) and Utah Onions about whether they would be willing to accept ownership and responsibility for the wall once it is replaced/improved. Fire Chief Byington stated that he lives in the neighborhood surrounding SCI and Utah Onions and both companies have been very responsive to requests from the neighborhood to address damage or maintenance issues associated with the wall. This led to discussion about damage that has occurred and the cause of the damage.

Mayor Gailey asked Mr. Bovero to confer with the Public Works Department, SCI, and Utah Onions to determine options for the Council to consider for proceeding with addressing the matter.

Discussion regarding proposed rewrite of Syracuse City alcoholic beverage regulations.

A staff memo from the City Attorney explained the City's alcohol code has not been substantially revised since 2011. In December 2019, the Council gave general direction and staff began revising the code. The revisions also took into account the changes to state alcohol code passed during the 2020 Legislative Session. The following items outline the goals of this discussion:

1. Present code for first reading.
2. Discuss specific concerns with the draft based upon preliminary reading of draft
3. Schedule additional work sessions to work through comprehensive concerns or to address those issues raised during this meeting

The draft code has assimilated the Council's comments and is in line with current state code requirements. Duplicative sections that recite state law requirements have been removed. Instead, it defers to state code by adopting it, as it is amended by the state.

Local Consent

- As discussed in our December meeting, one of the heaviest tools that the state alcohol provides to local governments is the ability to entirely prohibit certain categories of licenses from being established in their borders. Utilizing the previous code and the Council's comments from the previous work session, the new code will have an easily referenced table of the current state licenses and permits, and will indicate whether they are permitted. The table also incorporates the caps on the number of certain types of establishments. If the Council does away with caps, then we would eliminate that column.
- An eagle-eyed reviewer may notice that there are two additional categories of licenses in this draft, which were not present for our discussion in December – arena and hospitality amenity. Those were added during the 2020 session. As they are similar to the resort and recreational licenses, I have listed them in the draft as permissible.
- Staff would like the Council to specifically consider whether a ban on liquor warehousing is necessary; the permits do not allow consumption of the liquor, and it represents a potential economic opportunity that is currently foreclosed.
- Caps exist for three types of licenses:
 - Beer Only Restaurants: 1 per 5,000 residents
 - Limited-Service Restaurants: 1 per 4,000 residents
 - Full-Service Restaurants: 1 per 4,000 residents

These caps were derived from existing city code (SMC § 5.20.180(E)). Currently, one brew restaurant is permitted for each 5,000 residents. And on-premises beer retailer/restaurant licenses were limited to one per 2,000 residents.

Application Process

- Those seeking to locate a regulated alcohol business must first apply for a local consent, which consent is valid for 120 days. The consent is issued by the business license official, after receiving input from the building official, fire marshal, planning department and the County Health Department. The official also verifies that the proposed location meets the proximity requirements for the type of license sought, as per state law.
- The applicant is then required to obtain the state license.
- Once licensed with the state, the applicant must return to receive a business license and alcohol license from the City. The City may rely upon a background check (which is done by the DABC when a person seeks a license), so long as it occurred within the previous 90 days.
- If a person wishes to transfer their license, they may do so, so long as the transferee passes the background check and is eligible to possess a license.

Site Requirements

- Requirements related to the site are drawn in order to avoid reasonably anticipated nuisances or dangers associated with the licensee. For instance, the lighting requirement ensures that surveillance by employees or other patrons is possible, and mitigates tripping hazards. Windows for new establishments ensure that the atmosphere is open and will discourage criminal behavior.
- A specific section addresses nuisances that might arise from patrons, such as littering or loitering in the parking lot.
- Any acts of violence occurring on the premises must be reported to police.

Enforcement

- The business license official is the primary enforcer of regulations, with support from the police department during the investigation phase.
- The draft proposes a graduated approach to discipline, with suspension occurring for first offenses, and revocation occurring for repeat offenders or serious violations. The ordinance does not call out the period of time for each suspension; the decision on the severity of the sanction will vary from case to case, and it is recommended to leave that power in the discretion of the business license official.
- Appeals from enforcement actions are heard by the City Council. This would be a full-blown evidentiary hearing with presentation of evidence and cross-examination of evidence.
- If suspension is not sought, then civil citations may be issued for minor violations.

- Criminal penalties may also be sought, with the penalty being a minimum fine of \$500, and up to \$1,000. Violations are class B misdemeanors. We anticipate that this would be reserved for repeat offenders or very serious violations that resulted in harm to an individual or the community.

This is a first reading, so there will not be sufficient time to vet all concerns. However, we will have ample time to identify concerning or problem areas of the code, or to identify policy discussions that you would like to have. Then the Council and staff will have an opportunity to conduct research, draft language, and think about the issues. As was mentioned in December, as this is not being driven by a particular applicant, we are not in a particular rush to get something passed; rather, we can focus on getting it right.

Mr. Roberts reviewed his staff memo. Councilmember Maughan asked why the City's Code cannot refer to State Code for alcoholic beverage regulations. Mr. Roberts stated that is an option, but that would mean that the City would follow all State regulations, which allows for other types of uses that the City has prohibited or more heavily regulated. The Council then participated in brief high-level discussion of the proposed ordinance amendments; they provided feedback regarding some adjustments or additions to be made, including the addition of distilleries as an allowed use. They ultimately concluded to move to a second reading of the document in the next work session meeting.

Continued discussion of potential amendments to the Syracuse City Recruitment and Retention Policy.

A staff memo from the City Manager explained the City's Recruitment and Retention Policy was adopted in December of 2016. The policy's aims are to attract and retain the best talent possible in order to ensure quality services to our residents, and to optimize efficiency of operations by eliminating excessive turnover. Based on discussion at a previous Council work session, the following edits are proposed to the City's Recruitment and Retention Policy:

- Pages 2-3: Remove 'New' text from document.
- Page 6: Edit Advancement policy so Advancement and Merit increase can occur in same year.
- Page 7: Edit Biennial Review policy to include Council examination of wage scales that have moved more than 5% from their designated market percentile.
- Page 8: Edit Market Adjustment policy so wage adjustments due to market changes will occur for employees hired within previous 12 months, rather than 24 months. Also clarifies that employees will not be paid below the minimum of the wage scale.

The memo concluded the following outlines the goals of this discussion:

1. Review proposed edits to the City's Recruitment and Retention Policy and determine whether these changes should be placed on the consent agenda for approval in July.

Mr. Bovero reviewed his staff memo. The Council offered their support for scheduling a vote on the proposed amendments during the July 14 business meeting, consent calendar.

Discussion regarding proposed amendments to the Personnel Policies and Procedures Manual.

A staff memo from the Administrative Services Director explained City staff has reviewed various sections of the Personnel Policies and Procedures manual and would like to recommend changes as noted in the red line edits on the attached PDF document. Below is a summary of significant changes:

- 5.050 – Amended merit increase policy for employees with less than one year of service.
- 7.080 (c) – Removed Finance Director and added Administrative Services Director to the possible exemptions from URS.
- 8.070 (e) & 26.020 – Added to the sick leave policy and termination policy that when an employee resigns, they cannot use sick leave within final 2 weeks unless they have a doctor's note.
- 9.060 – Added to Employee Ethics policy that employees will need to fill out and sign the ethics pledge annually.
- Chapter 10 – Added a Cash Receipting & Deposit Policy
- Chapter 11- Added a Reporting Fraud & Abuse Policy
- 15.010 (g) – Removed Senior Fire Fighter and added Fire Marshal to the annual background check list
- 19.030 – Changed the emergency cash out from \$250 to \$200.
- Chapter 20 – Added a telecommuting policy.
- Appendix L – Ethics Pledge Form

Mr. Marshall reviewed his staff memo and facilitated review of the proposed adjustments; there was a brief focus on tightening the security requirements relating to employees that are teleworking and Mr. Marshall indicated he will adjust the document according to feedback provided. Mayor Gailey asked staff to include an action item on the July 14 business meeting agenda to allow for the Council to enact the proposed amendments.

Discussion regarding lease advertisement for vacant space at City Hall.

A staff memo from the City Manager explained in late March, the City received notice from the previous tenant, Accucolor, of their intent to vacate the leasable space located on the east side of City Hall. The lease in effect at the time contained the following general terms related to timeframe and price:

- Lease Term: 3 years with an optional 2-yr lease extension.
- Lease Payment:
 - Year 1: \$36,167 or \$3,013.92 per month
 - Year 2: \$37,252 or \$3,104.33 per month
 - Year 3: \$38,370 or \$3,197.50 per month
 - Year 4 & 5: Option to renew at market rate

Accucolor vacated the premise at the end of April. Administration has conducted an analysis of the need for this space in the next 5 years for City operations and has determined that it would be more advantageous to lease the space again than to occupy it with City operational functions.

Lease Advertising

Commercial Broker Method:

The City can utilize the services of a commercial broker to assist in the marketing, showing, and negotiation of a new lease for a new tenant. There are pros and cons to this method, including:

Pros

- Brokers have already built a network of potential tenants looking for space and can better match up the space with the right tenant.
- Brokers already know the most effective marketing avenues for advertising the space.
- Brokers have developed skills of showing the space to interested tenants and anticipating the important questions to be addressed.
- Broker services will reduce the workload draw on administrative staff, allowing them to optimize productivity on City services.
- Broker services can give the City a higher chance of leasing the space sooner, thereby allowing the City to earn revenue sooner.

Cons

- Broker services cost money and can reduce the net revenue produced for the City, especially if they don't achieve a tenant sooner than the in-house method. According to most sources online, commission fees for brokers are between 4% to 8% of the total lease value.

In-House Method:

The City can utilize internal staff resources to advertise, communicate with and show the property to potential tenants, and negotiate lease terms.

Pros

- In terms of cash, in-house method can be cheaper than broker services.
- If market for tenants is strong, little effort would be needed from administration, thereby minimizing disruption to City services.

Cons

- In-house methods will likely be less sophisticated, which may delay the beginning of lease revenue generation.
- In-house methods draw on staffing resources which can interfere with the provision of City services.
- In-house staff is likely less knowledgeable about marketing avenues and industry practices for marketing leasable space.

The memo concluded the following items outline the goals of this discussion:

1. Discuss merits of using brokerage services or in-house resources to obtain a new tenant in the leasable space at City Hall.

2. Give direction to Administration on efforts and methods to lease the space to a new tenant.

Mr. Bovero reviewed his staff memo and facilitated discussion with the Council regarding the best way to proceed with advertising the availability of space at City Hall. The Council discussed the fiscal impact of leaving the space empty for an extended period of time, ultimately concluding to proceed with the in-house method of advertising the vacancy until August before pursuing a listing via a broker; Councilmember Maughan suggested the Council receive an update during the August 11 meeting to determine whether to proceed with hiring a broker. The Council advised staff to advertise the vacancy using all social media outlets, the City magazine, City website, and other means available.

Report from Councilmember Maughan regarding North Davis Sewer District (NDS) matters.

Councilmember Maughan used the aid of a PowerPoint presentation to provide the Council with information regarding matters at the North Davis Sewer District (NDS) that could have a fiscal impact for the City or its residents. The State of Utah has decided to enforce old Environmental Protection Agency (EPA) regulations, which impacts the District's discharge regulations. He discussed current discharge practices and indicated the District is planning to change its outfall point (Outfall 001) to move it to the other side of the causeway. He stated that to make this change, the District needed to perform an 18-month study, but the amendment suggested by the District was not accepted by the State of Utah. For that reason, the District moved to a plan to construct something that carries discharge to Outfall 001. This changed to the system cannot be gravity fed; rather, a 63-inch pipe will be installed and a pump will run part time to get discharge to that pipe. The cost of the improvements will need to be funded via a tax increase through the District; however, that tax increase will not occur this year. Decisions on taxation will be made once the State has accepted and approved the District's outfall plans, but Councilmember Maughan wanted to keep the Council informed so they are not surprised by increased fees or taxes in the future.

Councilmember Bingham expressed frustration about a State mandate that will create a financial burden for residents. Councilmember Savage agreed and suggested that the District consider selling or leasing some of the property it owns to generate revenue to reduce the burden that will be shifted to residents.

Public Works Director Whiteley asked that Councilmember Maughan keep him apprised of any adjustments that will impact current storm water drainage routes.

City Manager Bovero asked if the District has indicated the portion of the cost that will be funded by fees versus taxes. Councilmember Maughan stated that has not been discussed. Mayor Gailey stated that his only suggestion would be to consider a mechanism for lowering fees or taxes once the infrastructure improvements are paid for.

Discussion regarding proposed Davis County Council of Governments (COG) resolution regarding water conservancy.

Mayor Gailey added an item to the agenda to discuss with the Council a proposed Council of Governments (COG) resolution aimed at County-wide water conservation efforts. The proposed resolution is attached.

Mayor Gailey noted this resolution was proposed by Fruit Heights; he has indicated that Syracuse City is the only municipality in the County that operates its own secondary water system and it would be difficult to mandate watering restrictions that are proposed in the resolution. The Council agreed it would be inappropriate to support a resolution that cannot be implemented in Syracuse City.

Discussion of future agenda items/Council announcements.

Report on Memorial Day virtual event: Councilmember Bolduc reported on public participation in the virtual Memorial Day event; many residents have expressed their gratitude for making the event available electronically and she suggested that future Memorial Day events be streamed even when public attendance is allowed.

The Council then briefly discussed their desire for future agenda items. There was also general discussion regarding current operations and needed adjustments to community events and programs in response to the COVID-19 pandemic.

The meeting adjourned at 9:44 p.m.

City Council Work Session
June 23, 2020

Mike Gailey
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: August 11, 2020