

**BLUFFDALE CITY COUNCIL, PLANNING COMMISSION,
LOCAL BUILDING AUTHORITY,
AND REDEVELOPMENT AGENCY BOARD
COMBINED MEETING MINUTES
Wednesday, January 25, 2023**

Present:

City Council:

**Mayor Natalie Hall
Wendy Aston
Traci Crockett
Jeff Gaston
Mark Hales
Dave Kallas**

Planning Commission:

**Debbie Cragun, Chair
Kory Luker
Erik Swanson
Michael Kraupp**

Staff:

**Mark Reid, City Manager
Bruce Kartchner, Administrative Services Director
James Dunkelberger, City Attorney
Grant Crowell, City Planner/Economic Development Director
Jennifer Robison, Senior City Planner
Ellen Oakman, Associate City Planner
Matt Evans, Fire Chief
Shane Paddock, Public Works Director
Amanda Luker, AV Tech
Courtney Peterson, Communications Specialist
Wendy Deppe, City Recorder**

Others: Japeth McGee (Zions Public Finance)

BLUFFDALE CITY COUNCIL WORK SESSION

1. Call to Order.

Mayor Hall called the meeting order at 6:00 p.m.

All members of the City Council were present.

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2. Discussion/Presentation Items:

2.1 Discussion Regarding Potential Retail Plant Nursery Development, Located at 1858 West 14805 South. (Presenter Daryl Fielding).

It was noted that the presenter, Daryl Fielding, was not present. As a result, the discussion regarding a potential plant nursery development did not take place.

2.2 Possible Discussion Regarding a Special District for Police and/or Fire. (Staff Presenters Bruce Kartchner and James Dunkelberger).

Administrative Services Director, Bruce Kartchner, and City Attorney, James Dunkelberger shared information about a possible Special District for Police and Fire. Mr. Kartchner explained that there were previous discussions with the City Council about a Special Service District. Additional information had since been gathered. Both he and Mr. Dunkelberger met with Japeth McGee, who works for Zions Public Finance. Mr. McGee prepared a slideshow that would provide additional information about how a service area could work as well as the pros and cons from a financing standpoint. Mr. Kartchner reported that there had also been discussions with attorneys who have implemented Special Service Districts. He hoped that at the next City Council Meeting, it would be possible to share some of the pertinent legal information.

Mr. Kartchner noted that several questions were posed by the Council Members previously, specifically about the financials. He reported that service areas are largely funded by property taxes. Most are 100% funded by property taxes but Riverton has some from the General Fund. The fact that service areas and Special Service Districts are primarily funded by property taxes meant that all of the revenue was received during two months of the year. For the most part, all of the revenue is aggregated into one particular timeframe. The Special Service District needs to function from the first day of the fiscal year.

To deal with that particular issue, there were different funding requirements for the Unappropriated Fund Balance. It is possible to have up to 100% of the budget plus 100% of the property taxes expected to collect. Mr. Kartchner noted that it is impractical to reach the point where there is that much available but that was a limitation the State had put in place. The other minimum limitation was the 5% minimum balance that is supposed to be in the fund. Since the Special Service District is its own entity, it is also able to issue debt. It would be possible to bond for different things if desired. Additionally, lease revenue debt could be put into place. There could be leases of various kinds working with respect to the district. Due to the nature of how it is financed, it is important to create an even cash outflow. Rather than purchasing large assets, it would generally be preferable to have leases where a cash flow is locked in. That is ideal from a funding mechanism standpoint because it creates more evenness.

As discussed previously, a Special Service District has its own financials and levies its own taxes. Most of the Special Service Districts are on a calendar year but some entities are switching to a fiscal

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year to match the City's schedule. Mr. Kartchner explained that the calendar year makes it easier to obtain operating loans to fund the entity while it waits to collect revenue through property taxes at the end of the year. Generally, Special Service Districts are fairly stable because they receive their income from property taxes, which is a stable revenue source.

Mr. Kartchner reviewed some of the limitations. If a loan is taken out after the tax levy due date, it is possible to borrow up to 90% of the anticipated tax levy. If the loan is taken on before the tax levy due date, it would be reduced to 75% of the taxes and other revenues that were expected from the preceding year. That was primarily to ensure that there is no over-borrowing taking place. Due to the various requirements, there are challenges with borrowing money and rolling it through the year. That was the reason a lot of cities chose to follow the calendar year instead. The districts operate on the debt throughout the year and then pay it off at the end of the year. If the fiscal year is selected instead, it would not be possible to borrow the full amount for the year. That means cash needs to be available to pre-fund the district.

Mr. McGee reported that State Statute prohibits a city from carrying over the notes past a fiscal year. That creates the difficulty described by Mr. Kartchner. The City needs to either have the money to cover the first half of the fiscal year or issue a note that has some sort of rollover or grace period. That was the reason most of the entities that have a Special Service District follow a calendar year. This ensures that there is coordination between the property tax payments and the payback of the notes. The note would not be outstanding at the beginning of the next fiscal year. Mr. Kartchner shared slides to further illustrate that information.

There had been a lot of discussions about a possible Special Service District. Mr. Kartchner explained that there are challenges from a financial standpoint that would need to be addressed if the process moves forward. For instance, how much of the funding would be done through property tax versus another source. He asked the Council Members to think about what they wanted to see happen. Mr. Kartchner believed it made sense to have two separate funds with one for fire and one for police. By bifurcating them, it would be possible to handle some of the nuances. He recently heard back from an attorney about the tax levy. It actually shows separately in a fund inside of the General Fund but is not considered a separate service area. It would be interesting to see how that works out and if it would meet some of the Council's preferences.

Council Member Aston wondered if it was possible to set up the fund, collect the taxes, and after there is enough of a balance, start to use it. Mr. Kartchner believed the question was whether it was possible to pre-fund the Special Service District with taxes from the previous year. It would be possible for the service area to collect without having expenses. After speaking to attorneys who have worked on these types of districts in Herriman and Riverton, the challenge was balancing when it is created and when it starts collecting versus when collecting in the General Fund stops. The timing needs to work properly if the desire is to shift property taxes from one fund to another. It would depend on how the City chose to structure it.

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Council Member Kallas asked for additional information about service areas. For instance, if it needs to be voted on during a general election. Mr. Dunkelberger clarified that **service areas and Special Service Districts are both passed through resolution or ordinance.** There are some procedures for objecting, with notice periods. An adequate protest could block that process from moving forward. Once the notice period is over, there would be a final action or final resolution. That is when it is adopted. **There are not a lot of attorneys who have gone through this process, but the City has been working with an experienced attorney who provided some additional insight. One option was to hire a consultant to assist with the timing. Once the Title 10 special fund information is gathered and pieced together with service areas and Special Service Districts, the intention was to come back to the Council with a clear pros and cons list.**

Council Member Kallas wondered when the service area or Special Service District would become a taxing authority. Mr. Dunkelberger explained that there are a few different ways that could occur. If it is a Special Service District, the Council would need to delegate authority to a Board. It would be necessary to follow the State Statute. That was the reason City Staff continued to look for additional information. The intention was to have a solid understanding of the timelines and the different options that are available to the City. Council Member Aston wondered if Staff had been able to speak to a municipality that recently went through this process. Mr. Dunkelberger explained that South Salt Lake recently went through it with its public safety funding. There would be additional discussions with them as the research moves forward.

3. Closed Meeting, if needed.

Mayor Hall informed those present that there would not be a Closed Meeting. City Manager, Mark Reid reported that there had been brief meetings but the information was not ready to be formally brought to the City Council for discussion.

4. Council Discussion.

Mayor Hall reported that at the next Work Session, there will be a discussion related to Detached Accessory Dwelling Units ("DADU"). City Planner/Economic Development Director, Grant Crowell prepared some questions that would be distributed to Council Members following the City Council Meeting. She asked that the Council Members review the questions and come to the next meeting prepared to discuss their answers. It was noted that the February 8, 2023 Work Session would be two hours long to allow for robust discussion.

Mayor Hall asked if the plan was for Council Members to work through the DADU information and send it to the Planning Commission. Council Member Aston thought that process made sense. A two-hour Work Session would likely be needed to cover all of the material. Council Member Kallas wondered whether DADUs need to be discussed during a future meeting as well or if the information could be reviewed during tonight's Work Session and then sent straight to the Planning Commission for consideration. Mr. Crowell explained that the Council could tell City Staff when they are ready to initiate the formal Code process. Mayor Hall determined that DADU information would be

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forwarded to the Planning Commission following the Work Session on February 8, 2023. She reported that the Work Session would begin at 5:00 p.m.

Mayor Hall asked if there was any other Council Discussion that could take place during the remaining portion of the Work Session. Mr. Dunkelberger pointed out that the Utah Open and Public Meetings Act Training could be completed. He noted that a motion needed to be made.

Council Member Kallas moved that Item 8.5 from the Regular Business Meeting Agenda be discussed during the Work Session. It would also impact the LBA and RDA discussion items. Council Member Hales seconded the motion. The motion passed unanimously.

Mr. Dunkelberger shared a slideshow presentation that focused on the Utah Open and Public Meetings Act. The key takeaway was shared as ~~“Do the people’s business in an open and transparent manner.”~~ If all public officials live by that takeaway, they would comply with the Open and Public Meetings Act. He reported that the Open and Public Meetings Act is modeled after the Federal Sunshine Act of 1976. The Legislative intent of the Sunshine Law was that “Government is and should be the servant of the people, and it should be fully accountable to them for the actions which it supposedly takes on their behalf.” The Utah Open and Public Meetings Act, states that “Utah’s political subdivision exists to aid in the conduct of the people’s business. As such, they shall take their actions openly and conduct their deliberations openly.” He suggested that the Council Members read Utah Code 52-4-102.

The next portion of the training involved related scenarios. Mr. Dunkelberger read the following:

- Three members of the City Council inadvertently meet at a local restaurant following a City event. They sit down together and discuss the upcoming Board Meeting. Serious discussion occurred between the members regarding a land transaction decision to be made in the next meeting. What are the concerns? What should be done?

Mayor Hall noted that it is appropriate to inadvertently meet at a local restaurant but there cannot be a discussion related to City business. Mr. Dunkelberger confirmed this. He reminded those present that all meetings should be open. Meeting-related discussions cannot take place privately. However, there was a section related to chance or social meetings. Utah Code 54-2-208 states that the requirement of an open meeting and notice for a meeting does not apply to any chance meeting or social meeting. It also noted that a chance meeting or social meeting may not be used to circumvent the provisions of the chapter. It is appropriate for Council Members to greet one another socially and discuss personal matters. It is not appropriate to discuss City business or intentionally circumvent the provisions.

Mr. Dunkelberg shared another scenario with those present as follows: