

These are draft minutes and are subject to change until approved by the County Council.

Salt Lake County Council

Committee of the Whole

~MINUTES~

Tuesday, May 1, 2018

[3:00 PM](#)

Committee Members

Present:

Jennifer Wilson
Richard Snelgrove
Jim Bradley
Arlyn Bradshaw
Steven DeBry
Max Burdick
Aimee Winder Newton, Chair

Excused:

Michael Jensen

Council Member Newton started the meeting with a moment of silence in honor of Council Member Granato who passed away on Wednesday, April 25, 2018.

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Citizen Public Input

Mr. Steve Van Maren spoke under "Citizen Public Input" regarding the Transportation Funds that Salt Lake City is receiving for its Green Bike program. He asked how Sandy City could get funds to start up a Green Bike program in its city.

Mr. Darrin Casper, Deputy Mayor of Finance and Administration, stated cities request these funds once they identify a project within their cities.

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Review of New Hires

Mr. Brad Kendrick, Budget & Policy Analyst, Council Office, reviewed the following new hires:

Agency

Position

District Attorney's Office

Data & Evidence Specialist 12

Assessor's Office

Commercial Ad Valorem Tax Appraiser 15

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<i>Library Services Division</i>	Senior Librarian 15 Shelver 7
<i>Clark Planetarium</i>	Reservations Coordinator 11
<i>Facilities Services Division</i>	Electrician 13 Project Manager 16
<i>Salt Lake County Health Department</i>	Office Supervisor 13 Environmental Health Scientist 14
<i>Sheriff's Office</i>	Classification Specialist 11 Jail Clerk 10
<i>Justice Courts</i>	Judicial Assistant 11
<i>Parks & Recreation Division</i>	Lead Custodial Maintenance Worker 9



Interim Budget Adjustments

Mr. Brad Kendrick, Budget & Policy Analyst, Council Office, reviewed the following interim budget adjustment requests, which have been placed on the Council agenda for formal consideration:

Parks and Recreation Division

Interim budget adjustment of \$1,000,000 to recognize funds from Draper City, which will be used to design and construct a field house by the new Draper Recreation Center.

Interim budget adjustment of \$49,000 to replace the bouldering activity landing surfaces at the Taylorsville Recreation Center with industry-standard safe impact surfacing.

Interim budget adjustment of \$26,000 to replace wiring and underwater pool lights at the Taylorsville Outdoor Pool.

Interim budget adjustment of \$45,000 to replace bouldering activity landing surfaces at the Dimple Dell Recreation Center with industry-standard safe impact surfacing.

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Flood Control Engineering Division

Interim budget adjustment of \$252,373 to true-up capital projects and add a new capital project along the South Jordan Canal at Kodiak Creek.

Interim budget adjustment of \$6,492 to complete the 900 East 3900 South to 4500 South project.

Public Works & Municipal Services Department

Interim budget adjustment of \$351,900 to make the final payment for the VUE Works project.

Facilities Management Division

Interim budget adjustment of \$70,000 to remodel the offices for the Mayor's Finance Division.

Council Member Bradshaw, seconded by Council Member Burdick, moved to approve the requests and forward them to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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Mayor Ben McAdams submitted a letter requesting the Council's advice and consent to the appointment of **Laynee Jones** as an alternative member of the Mountainous Planning District Planning Commission to fill a partial term. Her term will begin May 1, 2018, and end December 8, 2019.

After a brief introduction about herself, the Council made the following motion:

Council Member Wilson, seconded by Council Member Bradshaw, moved to approve the appointment and forward it to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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Analysis of Options 2 and 3 of Operating Models for the Transfer Station and Option to Extend 2018 Funding for the Landfill Operation

During the November 7, 2017, budget hearing, the Council was apprised that the transfer station operated in the red at \$2.7 million a year, and the Mayor had proposed closing it January 1, 2018. The Council voted to hold off closing the transfer station until July 1, 2018, at a cost of \$1.3 million, and to explore all possible options, including the closure of the transfer station, raising fees to cover the full cost, or the possibility of someone else taking over the transfer station. On February 27, 2018, the Public Works and Municipal Services Department briefly reviewed each option informing the Council additional research was needed relating to the options of hiring a new operator or raising fees to meet costs.

Mr. Rick Graham, Deputy Mayor of Operations, reviewed Option #1 – the closure of the transfer station, which would save the County \$2.8 million, but had potential consequences, including the loss of customers and waste stream to the landfill, which would have a financial consequence and affect the landfill's sustainability, and had an impact to communities and cities, employees, and its partner, Salt Lake City. In fact, since Salt Lake County announced its intent to look at its landfill operations, West Valley City has opted to take its waste to a private landfill in Utah County, which will be a loss of about 50,000 tons of waste annually to the County's landfill. Therefore, after review, it was determined the risk of doing Option #1 probably outweighed the rewards.

Option #2 is to raise the transfer station fees to close the gap of revenue to expense. The cost point to break even is \$48 per ton, and the County is currently charging \$32.85 a ton for public partners (the Wasatch Front Waste and Recycling District and Salt Lake City) and \$36.85 for commercial users. So, the thought was to increase the fee in incremental steps to ensure the County maintains an appropriate and reasonable range of profitability, but not discourage users who then take their business elsewhere. There are three other transfer stations in the valley, and they are anxious to take waste, so customers have other options.

The Mayor's Office also discussed the County's dividend from the landfill. Right now, the dividend is on top of the price – collectively, it is \$3.50 per ton (\$1.75 each for Salt Lake County and Salt Lake City). Perhaps that could be done differently, such as doing some kind of profit sharing at the end of the year, rather than taking the dividend off the top. That would have to be a policy discussion. The County will never be able to raise fees to cover all the costs at the transfer station, but by lowering fees at the landfill and increasing fees at the transfer station, it could close the \$2.8 million gap.

Option #3 is to look at an alternative business model, which could result in the County doing a request for proposal (RFP) for a third party to operate its transfer station.

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Council Member Bradley asked if profitability was synonymous with the dividend.

Mr. Graham stated yes. The analysis done showed the County and Salt Lake City could continue to see a profit margin for years.

Council Member Bradley asked if governments should be looking at profit driving the costs of the central services.

Mr. Graham stated some of that profit is used to keep the landfill and the programs of the County up to date and efficient.

Mr. Scott Baird, Director, Public Works & Municipal Services Department, stated the tons that go directly to the landfill are different than the tons that go to the transfer station and then to the landfill. The fees that get paid at the landfill cover things like citizen unloading, and green waste, and other services private landfills do not provide.

Mr. Jared Steffey, Office of Regional Transportation, Housing & Economic Development, explained that right now, the County and the City get their dividend regardless if the landfill loses money or makes money. If the County went to a different system, which Mr. Graham mentioned, the dividend and profitability would be synonymous.

Council Member Newton stated having the policy discussion about the dividend would give the County an opportunity to look at how the landfill is managed and the efficiencies. She asked if West Valley City would come back if the dividend was discontinued, and if the \$48 a ton would continue to subsidize South Salt Lake.

Mr. Graham stated one reason West Valley left was because of the cost of the landfill operation, and it was vexed about paying for a dividend. If that is taken out of the equation, there is a strong possibility it would come back, particularly because it is using a private contractor to pick up its waste. Then, the \$48 a ton included the subsidy for South Salt Lake.

Council Member Wilson stated she wanted to be cognizant of the modernization of this overall system, meaning where the County has efficiencies or waste, and what it wants to focus on moving forward, i.e. managing the system, connections and partnerships, continuing the commitment to recycling, etc. There could be environmental impacts too, such as West Valley City hauling its waste to another county, which impacts air quality and roads. Then, with growth and demand, there may need for expansions. She asked if Public Works needed resources, or if it had the internal capacity to do this quickly. She also asked how the County would fund the transfer station if it kept it open for the remainder of the year. Funding the transfer station is critical to partnerships and would give the County time to do this right. The County cannot waste time either; it needed to make a decision sooner rather than later.

Mr. Steffey stated funding the transfer station for the rest of the year would cost between \$1.5 and \$1.6 million.

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Mr. Darrin Casper, Deputy Mayor of Finance & Administration, stated the money would come from the Enterprise Fund balance. The County would not be appropriating tax dollars.

Council Member Wilson asked if the Mayor's Office would have a recommendation by June. There is a movement on the part of WFWRD and cities to figure out other alternatives, so it would be helpful to send the word out today.

Mr. Graham stated he could have a recommendation in a month on Option #2, but Option #3 is to look at parameters of an RFP, and the Mayor's Office could not get responses to an RFP back in a month. If the Council wants the Mayor's Office to put out an RFP so that information is available in the decision-making process, it can do that, but will need an additional month or six weeks, so would not have that until July or August. There are other things to look at too, such as making up the grades and improvements at the landfill.

Council Member Wilson stated closing the transfer station would be delayed until the end of the year.

Mr. Graham stated the Mayor's Office's recommendation is to fund it for the entire year.

Council Member Wilson stated this is an opportunity to look at this globally, so she would not want to make a decision without all the information.

Council Member Snelgrove stated he wanted to make sure all options were vetted, including Option #3. With regard to the price increase, the new price point would lead to a diminish in returns. He asked what price point might start to cause that.

Mr. Graham stated he would provide a recommendation to the Council later. The County operates the landfill at a very active and competitive market and runs it like a business. Talking about the pricing structure in an open meeting could compromise the County's ability to be successful.

Council Member Snelgrove asked if the County needed some professional help with Option #3, since what it would be doing is spinning off to a private entity. He suggested using investment bankers to look at numbers and shop to see if there was a market. An RFP would have to be shopped as well to get the best return on investment. Also, the County may want to engage the services of a business broker to shop this in addition to having an RFP.

Council Member Bradley stated the County is not a big business with a commodity to sell on the open market. This is not typical enterprise fund like the fund that the golf courses are funded from. When golf courses are not making money, the County considers raising fees. Here, there are a lot more dynamics. First, the County has competition, and its

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competitors are not bound by the same restrictions. The County's market is bound by its jurisdiction; it cannot expand into another county, but waste companies in the private sector can. Additionally, government's responsibility is to provide services to the public, oftentimes, services that no one else wants to provide, i.e. public health, landfills, waste collection. They are necessary evils, but important to any community. The County should continue providing the services it has provided for years, such as recycling electronics and hazardous materials, and breaking down mattresses. Those are amenities not offered by private sector landfills, and if they are taken away, the community may end up being a community no one wants. The County must also decide how to pay for the services and if they are worth it, and it may be that providing them is not profitable. Then, the County does need to decide if the dividend is fair and appropriate.

Mr. Baird stated the County had to be competitive. If it was not competitive, then it would lose customers and could not provide those services.

Mr. Graham suggested sharing information with the Council's staff, and then letting the Council take the lead.

Council Member Wilson stated if the Council's staff can provide help, that would be great, and if outside professional help is needed, she wanted to look at that. She wanted to ensure the County looked at future growth, efficiencies, and being competitive for paying partners.



CONSENT AGENDA

Board Appointments

Mayor Ben McAdams submitted a letter requesting the Council's advice and consent to the reappointment of **Kele Griffone** as a member of the Behavioral Health Services Advisory Council to serve a three-year term. Her term began April 1, 2018, and will end March 31, 2021.

Mayor Ben McAdams submitted a letter requesting the Council's advice and consent to the reappointment of **Gordon Wolf** as a member of the Cultural Facilities Support Program Advisory Board to serve a three-year term. His term will begin May 1, 2018, and end April 30, 2021.

Mayor Ben McAdams submitted letters requesting the Council's advice and consent to the appointments of **Victoria Bourns** and **Ryan Benson** as members of the Cultural

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Facilities Support Program Advisory Board to serve three-year terms. Their terms will begin May 1, 2018, and end April 30, 2021.

Mayor Ben McAdams submitted a letter requesting the Council's advice and consent to the reappointment of **Tanja Kari** as a member of the Parks and Recreation Advisory Board to serve a three-year term. Her term began April 24, 2018, and will end April 23, 2021.

Mayor Ben McAdams submitted letters requesting the Council's advice and consent to the reappointments of **Scott Brown**, **William Cosgrove**, and **Dorothea Verbrugge** as members of the Salt Lake County Board of Health to serve three-year terms. Their terms will begin July 1, 2018, and end June 30, 2021.

Mayor Ben McAdams submitted letters requesting the Council's advice and consent to the appointments of **Lynette Wendel** and **Darrell Robinson** as members of the Parks and Recreation Advisory Board to serve three-year terms. Their terms will begin May 1, 2018, and end April 30, 2021.

Mayor Ben McAdams submitted a letter requesting the Council's advice and consent that **Brett Tolman** serve as the representative of an affiliated industry as a voting member on the Equestrian Park Advisory Board. His term will remain unchanged from April 12, 2017, through April 11, 2020.

Mayor Ben McAdams submitted a letter requesting the Council's advice and consent that **Steven McIntyre** serve as the representative of the equestrian community as a at Large voting member on the Equestrian Park Advisory Board. His term will remain unchanged from April 12, 2017, to April 11, 2020.

Council Member Bradshaw, seconded by Council Member Burdick, moved to approve the appointments and forward them to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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Gift to Salt Lake County

The Council reviewed the following gift to Salt Lake County. The Declaration of Gift form has been placed on the Council agenda for ratification.

Animal Services Division

Utah FACES has offered to donate \$11,400 to be used for sterilization and injured animal surgeries.

Council Member Bradshaw, seconded by Council Member Burdick, moved to accept the gift and forward the Declaration of Gift form to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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Resolutions

The Council reviewed the following resolutions and agreements. The resolutions authorizing execution of the agreements have been placed on the Council agenda for final approval and execution:

Resolution and Interlocal Agreements

Salt Lake City Bike Share d/b/a Green Bike regarding the contribution of County Transportation Funds. Salt Lake County will transfer up to \$2,300,000 of its Transportation Funds to Salt Lake City Bike Share d/b/a Green Bike for reimbursement of certain capital and operating costs incurred to complete and operate the Green Bike Transportation project.

Draper City regarding the Draper Recreation Center Field House. Draper City will waive all building and impact fees and contribute \$1 million to the County for the design and construction of the field house. Salt Lake County will design and construct the field house, grant Draper City the right to have priority for programming, and waive rental fees for Draper City to use the field house for the first ten years.

Resolution and Purchase and Sale Agreement and Joint Escrow Instructions

Salt Lake County will purchase property located at 13300 S. Grandville Ave., South Jordan (Parcel No. 26-24-176-001) from **VP Daybreak Investments, LLC** for \$293,367.

Salt Lake County will purchase property located at 9786 South Prosperity Rd., West Jordan (Parcel No. 26-11-151-005) from **Wadsworth Bingham, LLC** for \$5,600,000.

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Resolution, Purchase and Sale Agreement, Special Warranty Deed

Salt Lake County will convey property located at 5361 South 4220 West, and 4175 West 5345 South, Kearns (Parcel Nos. 21-07-477-002,-003,-015,and -016) to **Salt Lake Community Action Program** for the purchase price of \$670,000.

Council Member Bradshaw, seconded by Council Member Burdick, moved to approve the resolutions and forward them to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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Tax Matters

The Council reviewed the tax matters, which have been placed on the Council agenda for ratification.

Council Member Bradshaw, seconded by Council Member Burdick, moved to approve the tax matters and forward them to the 4:00 p.m. Council meeting for ratification. The motion passed unanimously.

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The meeting was adjourned.

Chair, Committee of the Whole

Deputy Clerk

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