

Date: April 16, 2020

THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA BOARD MET ON THURSDAY, APRIL 16, 2020 AT THE HOUR OF 10:00 A.M. AS PROVIDED IN AN EXECUTIVE ORDER ISSUED BY GOVERNOR HERBERT ON MARCH 18, 2020. THE MEETING WAS AN ELECTRONIC MEETING WITHOUT AN ANCHOR LOCATION AND SPACE AND FACILITIES WHERE THE PUBLIC MAY PHYSICALLY ATTEND AND MONITOR THE OPEN PORTIONS OF THE MEETING. THE PUBLIC COULD LISTEN TO ALL PORTIONS OF THE MEETING BY CALLING A PHONE NUMBER AND PROVIDING AN ACCESS CODE AS INDICATED IN THE NOTICE OF THE MEETING PUBLISHED ON THE UTAH PUBLIC NOTICE WEBSITE. BOARD MEMBERS AND THOSE MAKING PRESENTATIONS PARTICIPATED IN THE MEETING VIA WEBEX OR BY TELEPHONE COMMUNICATION. BOARD MEMBERS, THOSE MAKING PRESENTATIONS AND PERSONS WHO JOINED THE MEETING BY PHONE WERE ABLE TO HEAR ALL DISCUSSIONS.

<u>Present:</u>	<u>Excused:</u>	<u>Attended Via Phone:</u>
	TRUSTEE MAX BURDICK, SALT LAKE COUNTY	TRUSTEE JIM BRADLEY, SALT LAKE COUNTY TRUSTEE APOLLO PAZELL, COPPERTON TRUSTEE ALAN PETERSON, KEARNS TRUSTEE STEVE PROKOPIS, MAGNA TRUSTEE CAROLYN KEIGLEY, BRIGHTON TRUSTEE SHIREEN GHORBANI, SALT LAKE COUNTY TRUSTEE PAULINA FLINT, WHITE CITY TRUSTEE DAVID BREMS, EMIGRATION CANYON

ALSO PRESENT ELECTRONICALLY:

SHERIFF ROSIE RIVERA, SALT LAKE COUNTY SHERIFF AND SLVLESA CHIEF EXECUTIVE OFFICER

FRANK NAKAMURA, SLVLESA DISTRICT ADMINISTRATOR/SLVLESA LEGAL COUNSEL

LISA DUDLEY, SLVLESA CHIEF FINANCIAL OFFICER

RICHARD MOON, SLVLESA TREASURER

CHIEF BRIAN LOHRKE, KEARNS PRECINCT CHIEF

MARCIE KAY, SLVLESA CLERK

Item #1-Call to Order.

Jim Bradley called the meeting to order.

Item #2-Disclosure of Conflicts of Interest

Action Requested: Identify Conflicts, if any

Discussion: Trustee Bradley asked if there were any conflicts of interest. None were identified.

Item #3-Public Comment:

Trustee Bradley asked if anyone was present who wished to give public comment to the Board. There were none. Public comment was closed.

Item #4- Present First Quarter Report, monthly expenditures, audit update, Tax and Revenue Anticipation Notes update and other financial information.

Action Requested: None

Discussion: Richard Moon addressed the Board and referenced the first quarter report and check register documents included in the SLVLESA packet.

Lisa Dudley said that the TRANS closed on April 9th for the purchase price of \$8 million. The TRANS were issued at par. She said these bonds were not rated because they were purchased in whole by the Bank of Utah, as tax-exempt bonds and the interest rate is 1.35%, which is a very good rate. She said in terms of the audit, all the documents that the auditors need have been sent to them electronically. The field work will be done next week, and the auditors would like to present the audit to the Board at the May 21st meeting. She referenced the flow chart that was sent to the Board members that deals with the property taxes that SLVLESA collects for Brighton. She said SLVLESA levies property taxes for the metro townships and unincorporated county, which Brighton is part of. That property tax is then collected by Salt Lake County which is then distributed to SLVLESA through our distribution process. When SLVLESA receives that property tax, it does two things: it forwards to UPD its law enforcement member assessment, which is given for the metro townships and the unincorporated areas of the Southeast islands and southwest area of Salt Lake County. However, the property tax which is collected by Brighton is not forwarded to UPD, it is retained in SLVLESA's general fund. The Salt Lake County general

fund is used to provide law enforcement services for the obligations of the Sheriff and that is what we have built into the UPD budget in fund 72. Salt Lake County then sends that money from its general fund over to UPD to cover those statutory and county wide functions, one of the functions included statutorily is canyon patrol and Brighton is part of the canyon patrol, so the revenue that is collected by Brighton is sitting in SLVLESA's fund balance while the County's general fund is paying for the expenditure to cover that law enforcement.

Trustee Bradley asked if to remedy this situation you would take the money which is now being retained in SLVLESA's fund balance and sent it to Salt Lake County. In effect, SLVLESA would lose \$825,000 from its fund balance, is that correct?

Lisa Dudley said that is correct. The money would shift over to UPD but to fund 72, which is where the county-wide function services are performed.

Trustee Bradley asked what that does to the fund balance.

Lisa Dudley said she calculated the percentage of fund balance as of the 2018 audit and determined that SLVLESA's fund balance was \$4.1 million which equated to a 22.6% fund balance. The statutory minimum is 5% and the maximum is 25%. The \$825,000 equates to about a 4.5% of that allowable fund balance. It would drop that fund balance down to about 18%. She said she would like to bring to the Board a budget amendment in May to make that transfer because this money is now included in the Sheriff's proposed UPD budget for fiscal year 2021.

Item #5- Discuss options for the lease or purchase of the Kearns Precinct Building.

Action Requested: None

Discussion: Frank Nakamura said they have been trying to solve the problem of the cramped space in the current Kearns precinct building for over a year. They did a study to determine whether they could buy property and build a building, but that price tag was high. At this time, we cannot buy property and construct a new building. Chief Lohrke talked to the owners of the current precinct building. The owners expressed an interest to enter a lease with more square footage than what we have but he also wants to talk to the Board about a purchase. We had an independent appraisal done by the Cook Group. What we are asking the Board to do is to give some direction on whether to pursue a purchase or a lease.

Chief Lohrke said he spoke to the building's owners. He said they are very supportive of getting us more space. The owners gave a proposal which would double the amount of space and it would double the rent as well. Right now, they have approximately 6,000 sq. ft. in their precinct. They are out of space right now. They added a detective in January, and they have no desk space for them. They must share a desk with another detective. The proposal would give them 12,298 sq. ft. with a rent price of \$10,646 a month. Right now, they are paying \$5,320 a month. He discussed it with Frank Nakamura, and they decided to have an appraisal done of the building. The total value of the entire building is \$1.335 million. The appraisal came back as market rent of \$11,614 a month.

He said another issue they have is that they are currently month to month in their lease. He said they are looking for some direction from the Board. He said he and Frank Nakamura have discussed a 5-year lease.

Frank Nakamura asked if there was anyone on the Board who wanted them to pursue a purchase. A purchase would be approximately \$1.335 million.

Trustee Bradley asked who would purchase the building, UPD or SLVLESA?

Frank Nakamura said it would be SLVLESA purchasing the building.

Trustee Flint said it is a low price to purchase that much square feet. She said if you only need 10,000 sq. ft. that leaves you with 6,000 sq. ft. that SLVLESA could lease to someone else, so you could have some extra revenue coming in.

Frank Nakamura said that is true and just because they decide to not purchase right now, he proposes that they try and negotiate an option to purchase in the future.

Trustee Pazell said he had a question for Chief Lohrke. He said Chief Lohrke was not a fan of this building and did not believe it to be ideal, correct?

Chief Lohrke said yes, it was not their first choice.

Trustee Pazell said he does not think they should purchase a building which was not their first choice. He does think that when they have a clearer picture on what the economic impact of Covid-19 will be and what reduced taxes and other factors are, it would be appropriate to look at when they would be able to purchase a building. He also does not want to saddle the Kearns precinct with a building they do not like and will not serve their needs in the future. He said he does not think they should pursue a purchase of this building at all.

Trustee Flint said during the discussions back in January, the reason this was not suitable was because you could not get the square footage you needed, because they were already leasing out to other people but it sounds like they have opened up some more square footage, so is that the only reason you did not like it, because it did not have enough square footage?

Chief Lohrke said they have done some renovations on the building. One of the issues they would still have with this building is lack of secured parking, which they would have to work out but as far as office space goes, it does suit their needs and still gives them space to grow into.

Trustee Pazell asked Chief Lohrke if purchasing is preferable or does he think we should extend the lease and then leave the option of purchasing open?

Chief Lohrke said he would prefer a lease at this point. It would put them into a lease, so they are more protected and give them more space and give them some time to see what the economy does.

Trustee Peterson said he prefers to lease with an option to buy later.

Chief Lohrke said they are proposing a five-year lease, but they could adjust that accordingly. They do need to watch the economy.

Trustee Bradley asked if the Board would be opposed to going ahead with the lease and waiting on purchasing until they know what the economy is going to look like.

No one was opposed.

Lisa Dudley said that Chief Lohrke did include the amount for increased rent in the Kearns precinct budget.

Item #6- Report by Sheriff Rosie Rivera, SLVLESA Chief Executive Officer.

Action Requested: None

Discussion: Sheriff Rivera said she wanted to give an update on the Covid-19 situation. She said currently they do not have any sick officers and are doing very well in that regard. She said they have provided them with PPE and given them instruction on how to respond to calls. They have not shut down operations, they are continuing to do their day to day duties.

Item #7- Approve Minutes for the March 19, 2020 meeting.

Action Requested: Motion and Vote

Discussion: Trustee Keigley motioned to approve.

Trustee Ghorbani seconded that motion.

All voted in favor; none opposed. Motion passed.

Item #8-Adjourn

Trustee Bradley adjourned the meeting.