

KAYSVILLE CITY COUNCIL
ANNUAL RETREAT
January 28, 2022

Minutes of a special strategic planning retreat of the City Council held on January 28, 2022 at 9:00 a.m. in the Council Chambers in Kaysville City Hall at 23 East Center Street, Kaysville, UT.

Council Members present: Mayor Tamara Tran, Council Member John Swan Adams, Council Member Mike Blackham, Council Member Abbigayle Hunt, Council Member Nate Jackson and Council Member Perry Oaks

Others Present: City Manager Shayne Scott, Finance Director Dean Storey, City Recorder Annemarie Plaizier, Police Chief Sol Oberg

CITY COUNCIL RETREAT

Mayor Tran opened the meeting.

City Manager Shayne Scott presented to the Council a year in review of 2021 and some of the select accomplishments that the city had completed during the year.

Finance Director Dean Storey presented a general financial report of the city and reviewed the upcoming schedule for the council's budget review. The council will receive the preliminary budget in April, and the budget retreat has been scheduled for Friday, April 15, 2022 beginning at 9:00 a.m. In May, the council will consider adopting the preliminary budget and that's when it will become available for public review. The council will hold a Public Hearing on June 2, 2022 and could potentially adopt the final budget by mid-June, unless a Truth in Taxation hearing is held. If the council decides to hold Truth in Taxation then it will be held at the beginning of August before the final budget is approved. If the council decides not to hold Truth and Taxation, there will need to be some consideration of where funds will come within our current budget to cover certain city operation costs and the cost of living adjustment for Utah Retirement Systems. Keeping up with the cost of living is a large challenge for the council. There have been many delays already with obtaining materials and vehicles for our departments. Some departments have been told it will be a year before they can get the fleet vehicles needed because of delays caused as a result of the pandemic. It's hard to get the equipment needed for those vehicles as well. There are also capital needs and several building needs of the city to consider as well.

Council Member Blackham suggested using some of the restricted fund balance towards the capital projects.

Dean Storey said that the council should look at other areas of the budget as well.

Council Member Adams commented that he has received comments from residents about selling the city's power company. Council Member Adams asked what the city gets financially by having our own power company. Are there certain elements of Prop 5 that could be turned over so the city could be allowed to borrow money from itself?

Dean Storey responded that we want to make sure we are providing a utility that is reliable and has adequate reserves, among other things. By owning our own company, the city has more ability to make decisions which would benefit our residents, such as setting our own rates. Over the last two years we were able to use some of the power funds that have been collected to install a smart metering system.

Shayne Scott commented that there will be more education about our city resources for our council this year, and he hopes to see that our Power Commission become more active.

Dean Storey reviewed the current debt for the city and explained that the city currently has no general obligation debt or tax support debt. We have a sales tax revenue bond for Pioneer Park, which we cover the debt service payment through park impact fees. We have two lease revenue bonds for the city hall renovation and the police station, as well as a capital lease purchase for a fire truck.

Council Member Jackson arrived at 10:10 a.m.

Shayne Scott said that Chief Oberg was here to speak with the council regarding police salary. The city could find ourselves in a crisis shortly if we don't address the issue now. We need to do something to try to keep the people that we already have. Our city used to have a competitive salary, but we are now feeling the pressure as several surrounding organizations have been able to raise salaries and other benefits for their officers. Chief Oberg has reached out to the consultant we used a couple of years ago for the compensation study and had them create an updated study focused solely on the police department. The study has confirmed that we are behind in this area. Over the last couple months it has become clear that if we don't do something quickly we will lose some of our people.

Chief Sol Oberg said that while there are areas in their department where they could use more employees, it's become more of a struggle to retain the employees that we already have. If we can't keep the people we have now, it doesn't do any good to ask for more. We have a young police force across the Wasatch Front. Nationally, we have seen a 45% increase in the number of retirements over the last year. The larger agencies have increased their wages, which has attracted talent from smaller departments. Kaysville's department has been pretty immune to that in the past, but as our surrounding cities have increased their wages up to about 30%, we are seeing more officers leaving. The officers we are most at risk of losing are those who are around their ten-year mark, and we can't afford to lose them. If we continue to lose our experienced officers, it could be a recipe for disaster in the next five years. It costs the city between \$50-100,000 when we lose an officer because of the money invested in their training, overtime, equipment, and depending if we had to put them through the police academy. Chief Oberg said that he would like to see the city consider increasing wages so that it will become more difficult for other agencies to try to recruit our officers. There is a significant number of other local agencies that start their officers at the same pay as some of our officer's highest pay grade. We have never been in this situation before. We have a significant shortage of officers in Utah and it has become difficult retaining officers. Some new officers don't realize what they are getting into and so they leave after a short amount of time. We feel that by raising wages it will help to stop retirements temporarily. Chief Oberg said that he reviewed the study done and, if approved, their department would need about \$138,000 for the remainder of the fiscal year to increase salaries immediately. For fiscal year 2023

they will need \$434,000. The current starting wage for their officers is about \$3.50 lower than other competitive cities. If we were to wait until July when the next fiscal budget is approved we likely will have already lost a couple of officers.

Mayor Tran asked about, as part of this salary increase, having officers sign an agreement committing them to continuing to work for the city for a specified amount of time.

Chief Oberg said that they it's something they could consider. They have done something similar with new hires when they are sent through the police academy, and it has worked to some degree. When speaking with the county attorney's office about holding these officers to an agreement, they have informed us that these types of agreements can be hard to enforce and might not be legally defensible.

Mayor Tran asked where the money would come from.

Shayne Scott responded that it would be a general fund expenditure.

Council Member Adams said that this would be a perpetual expenditure. This is an issue that needs to be addressed. Council Member Adams said that he would like to see a breakdown of the study done. Is there something the city could do on a one-time basis that would make it more appealing for officers to want to continue to work for the city?

Council Member Blackham commented that many of the city's departments are struggling trying to recruit employees because there are many jobs out there right now that pay better. Council Member Blackham said that he would like to see what other cities in the county are paying their officers.

Shayne Scott suggested making this discussion a work item at the next City Council meeting.

The City Council took a break at 10:55 a.m. and reconvened at 11:00 a.m.

Shayne Scott discussed truth in taxation and why the city has been holding it for several years now. Holding a truth in taxation hearing does not commit the city to approving a proposed tax rate increase. We will have more information about the city's financial outlook in April when the council begins to review the city budget. The city is currently going through a process to consider a renovation and addition of the city's operations center. It has been suggested that the council take a tour of the operations center so that the council can speak with the superintendents there about what challenges they are facing with the current building.

Dean Storey added that the city has also been holding discussions about building a fire station on the west side of the city. The city will also be facing a decision on what to do with the old library building. There was a feasibility study done to figure out what is needed for operations center and there will need to be renovations done to the current building, site improvements, and an addition. The current estimate for this project is \$32 million. Once completed, the building will house the power department, public works, parks and recreation department, and fleet services. Some of the cost will be paid by enterprise funds, but the majority of it will likely need to be paid for through a revenue bond.

Council Member Adams suggested looking into doing something with the recreation building to help generate some money.

Mayor Tran said that it's possible that construction for the operations center be done in phases.

Council Member Oaks asked which of these projects mentioned would be considered the priority.

Council Member Hunt said that in the 2016 Master Facilities Plan which said that the old library building should be the first priority.

Shayne Scott said that when the 2016 study was done, a second fire station wasn't considered as part of it. Any of these projects could be disputed as to which need is greater.

Council Member Blackham said there has been mentioned recently about the city becoming part of a district. If that were to occur, the second fire station would become part of that district. A decision should be made about becoming part of a district before we make a decision on building a second fire station.

Shayne Scott responded that Fruit Heights city is pushing hard to create a district in this area. We have committed to Fruit Heights and Farmington to discuss a potential fire district. However, if we wait too long to hold a discussion about creating a district there may not be any land left to build that second fire station. Land is disappearing and if there is an opportunity to purchase a property for a potential fire station then we shouldn't wait on it.

Council Member Blackham said that the city needs to protect our people and our assets. Going to a district might not be a huge advantage to Kaysville.

Mayor Tran said that she would like to see a RAMP committee created separate from the Parks and Recreation Advisory Board. The RAMP committee would also be advisory to the council and would consider where RAMP funds would be appropriated.

Council Member Hunt said that she would like to see all aspects of RAMP be represented within the committee.

Council Member Adams suggested that there be a liaison from each area represented and at least one of them be from the parks and recreation board, and one from the museum committee. When applications are taken have each applicant state which area they are representing.

Mayor Tran said that we could also have each committee submit a couple of names for the council to consider and to hold interviews of all applicants. Mayor Tran said she would also like to see one of the council members attend the RAMP meetings.

The City Council reviewed council member assignments for the year.

Shayne Scott discussed council meetings and trainings for the year with the council. Mr. Scott added that he would also like to see the council more involved with UAMPS this year.

Mayor Tran said that she will be reviewing what to do with the city newsletter. Mayor Tran added

that the council used to hold a Q and A session every Saturday but because of the lack of participation by residents, she feels it best to only continue with the Q and A session held before each council meeting.

The City Council discussed the number of council members allowed to be gathered a public setting before it legally has to be properly noticed.

Council Member Blackham added that if members of the public wish to meet with council members they should consider having a staff member present to help ensure information given is accurate.

The Council Members took a lunch break at 11:55 a.m.

The City Council discussed potential city events to be held during the upcoming year, as well as considering city rebranding.

Council Member Oaks commented that it will cost a lot to go through a rebranding and we have a lot of projects already being considered which will cost the city a significant amount of money. This might be something we will need to put off for the year.

Shayne Scott said that there will soon be a customer utility app launched where residents will be able to pay their bill and see the real-time usage of their power. We hope the council will help to encourage our residents use the app.

Council Member Jackson suggested there be a better way to notify residents of power outages.

Council Member Blackham commented that he feels that the city has had to ask a lot of our residents over the last few years and it might be time to give them a break. Instead of spending more for new job positions, the city should focus on retaining the employees that we currently have. Our employees are our biggest asset and we need to continue to take care of them. Council Member Blackham said he feels the city's focus should be on the operations center, but we need to figure out exactly where those funds will come from. Council Member Blackham added that he doesn't want to hold a truth in taxation hearing this year or increase taxes, but we also shouldn't need to take money from the city's rainy day funds. There are other revenues coming in that the city could use.

Shayne Scott responded that because the city has so many upcoming needs, it is likely some form of tax increase will be needed. Otherwise there will be some tough decisions to have to make.

Mayor Tran commented that the city can hold a truth in taxation hearing without changing our tax rate. For several years the city didn't raise taxes at all and then had to raise taxes one-hundred percent in order to cover costs. If we don't raise taxes we will likely need to cut budgets. Mayor Tran said she feels that the city should continue to hold truth and taxation hearings so that we continue to be transparent, and so that we aren't setting a precedence that we won't be raising taxes in the future. At some point we will need to raise taxes to keep up with rising costs. We don't want to misrepresent our intentions. We will need to find a way to come up with the money to cover our costs if we don't raise taxes.

Council Member Blackham said that he doesn't think that we should need to ask departments to cut budgets and we need to ensure that we keep our employees on track with their salaries.

Mayor Tran said that we need to be proactive with our economic development.

Council Member Jackson said that he would like to see more data about what funds are needed for the upcoming year and the projects that have been discussed.

Council Member Blackham said that he would like to see the police station bond paid off because there is a lot of revenue going into that bond every year. That money could help go to other areas needed in the city. That bond needs to be paid off before we create another bond for the operations center renovation.

Mayor Tran suggested holding a quarterly or monthly meeting as a council before council meeting to discuss some of these items.

Council Member Adams made a motion to adjourn the meeting at 1:05 p.m., seconded by Council Member Hunt and passed unanimously.