

KAYSVILLE CITY COUNCIL
June 16, 2022

Minutes of a regular Kaysville City Council meeting held on June 16, 2022 at 7:00 p.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 (via phone)

Others Present: City Manager Shayne Scott, Finance Director Dean Storey, City Attorney Nic Mills, Deputy City Recorder Chelsie Fromeyer, Assistant Finance Director Levi Ball, Community Development Director Melinda Greenwood, Information Technology Assistant Jordan Hansen, Public Works Director Josh Belnap, Steve Weir, Leslie Weir, Paul Kingston, Margort Mumfod (illegible), Emma Perkes, Alycon Pace (illegible)

PUBLIC HEARINGS

6:15 P.M. - ANNEXATION REQUEST FOR PARCEL NUMBER 11-041-0026 LOCATED AT APPROXIMATELY 775 EAST OXFORD DRIVE

Community Development Director Melinda Greenwood explained that this public hearing is for the consideration of an annexation request for Parcel Number 11-041-0026, located at approximately 775 East Oxford Drive. The proposal is to annex a 1.14-acre portion of property currently owned by LPM Corporation. The intent of the annexation is to create two to three more single-family dwelling lots at the end of a cul-de-sac street. If the annexation is approved, the applicant will have to go through a subdivision process for approval. The zone for the property will be assigned when the annexation is approved.

Mayor Tran opened the Public Hearing for this item.

Steve Weir, living at 771 East Oxford Drive, said that when this subdivision was built there were covenants put into place and asked if the new homes would be required to adhere to those same covenants.

Leslie Weir said that the parcel which this portion of property is proposed to be annexed from is currently is being used for both agricultural and residential uses. Mrs. Weir stated that she is concerned that the current owners will try to continue to use these new lots for agricultural uses. This is a residential area and it needs to be used and kept as a residential area. Mrs. Weir asked if the new homes would be required to be built within a certain timeframe.

Council Member Adams made a motion to close the Public Hearing for this item at 6:21 p.m., seconded by Council Member Hunt and passed unanimously.

6:30 P.M. – REDEVELOPMENT AGENCY BUDGET HEARING

Finance Director Dean Storey explained that there are a series of Public Hearings being held tonight in regards to the Fiscal Year 2023 budgets. This first budget hearing pertains to the consideration of the Redevelopment Agency’s budget for Fiscal Year 2023. The Redevelopment Agency is a tool the city uses for economic development in the city. The Fiscal Year 2023 budget includes an amount of \$135,000 of tax increment revenue and corresponding expenditures of that same amount.

Mayor Tran opened the Public Hearing for this item.

There were no comments or questions from the public.

Council Member Jackson made a motion to close the Public Hearing for this item at 6:32 p.m., seconded by Council Member Blackham and passed unanimously.

6:35 P.M. – MUNICIPAL BUILDING AUTHORITY BUDGET HEARING

Dean Storey explained that the Municipal Building Authority was created as an entity to assist in municipal building projects. It accounts for the funds related to these projects as well as the debts associated with them. The first item under consideration tonight includes amendments to the Kaysville City Municipal Building Authority Budget for FY 2022. The amendment includes an additional \$45,000 carryover, which is from a portion of the construction costs from the city hall renovation project. The second item under consideration is in regards to the FY 2023 budget for the Municipal Building Authority, which includes lease payments for the principal and debt service towards the police station building as well as the city hall renovation.

Mayor Tran opened the Public Hearing for this item.

There were no comments or questions from the public.

Council Member Adams made a motion to close the Public Hearing for this item at 6:38 p.m., seconded by Council Member Hunt and passed unanimously.

6:40 P.M. – KAYSVILLE CITY COUNCIL BUDGET HEARING FISCAL YEAR 2023 – ENTERPRISE FUNDS INTER-FUND SERVICES AND TRANSFERS

Dean Storey explained that the state requires that a separate budget hearing be held in relation to the city’s enterprise fund activity. This accounts for any activity between the enterprise funds and governmental funds. There are two types of transfers: reciprocal and non-reciprocal transfers.

Mayor Tran opened the Public Hearing for this item.

There were no comments or questions from the public.

Council Member Blackham made a motion to close the Public Hearing for this item at 6:42 p.m., seconded by Council Member Hunt and passed unanimously.

6:45 P.M. – KAYSVILLE CITY COUNCIL BUDGET HEARING – AMENDMENTS TO FY 2022 BUDGETS AND CONSIDERATION OF FY 2023 BUDGETS

Dean Storey explained that this budget hearing pertains to the proposed budget for the city. This includes amendments to the FY 2022 budgets and consideration of the FY 2023 budgets. Staff was very recently notified by Fruit Heights City that they have contracted with Farmington City for fire protection services. We therefore have removed from the FY 2023 budget the charges for services previously expected from Fruit Heights in the amount of \$465,000. Also included in the FY 2023 budget is the additional revenue in our water fund, which is a result of the water rate increase. The budget currently has a deficiency of about \$1.3 million, which will need to be paid for through fund balance or through going through the Truth and Taxation process.

Mayor Tran opened the Public Hearing for this item.

Steve Weir asked if the RAMP Tax is included in this budget and if it shows where the expenditures would be going.

Mayor Tran responded that the money would be collected over the next year and any expenditures will be reviewed by the committee for approval in 2023.

There were no comments or questions from the public.

Council Member Hunt made a motion to close the Public Hearing for this item at 6:50 p.m., seconded by Council Member Adams and passed unanimously.

CITY COUNCIL MEETING – 7:00 P.M.

OPENING

Council Member Jackson opened the meeting with a thought and prayer, and led the audience in the pledge of allegiance.

CALL TO THE PUBLIC

Nothing was brought under this item.

DECLARATION OF ANY CONFLICTS OF INTEREST

No conflicts were disclosed.

CONSENT ITEMS

Council Member Adams made a motion to approve the following consent items:

- a. Approval of Minutes of May 19, 2022.

The motion was seconded by Council Member Jackson.

The vote on the motion was as follows:

Council Member Oaks, yea
Council Member Blackham, yea
Council Member Adams, yea
Council Member Hunt, yea
Council Member Jackson, yea

The motion passed unanimously.

B. APPROVAL OF A CHANGE ORDER FOR MUTTON HOLLOW ROAD PROJECT

Josh Belnap explained that as part of the Mutton Hollow road project, plans originally called for excavating out all of the wet and clay-like materials, as well as old and compromised road base from the roadway between Main Street and Fairfield. These design depths were based off approximately ten core samples that were taken from Mutton Hollow prior to the completion of design. As construction has progressed, the subsurface conditions appear to be even worse than anticipated. Staff is concerned that not addressing the issue properly will lead to future damages to the road surface and underground utilities. We have discussed this closely with the contractor, vendors and a geotechnical firm, and it is recommended to add a geo-grid material down on the subgrade, then place the granular and road base materials on top of the grid before paving. This is a common practice in the industry, but the grid does increase the cost. The price increase was to be \$130,000, but Staff again worked closely on this and was able to identify a type of geo-grid that would reduce the amount of dirt needing to be excavated. This would reduce the cost from \$130,000 to \$29,627.25. Staff is recommending approval of this change order to better stabilize and prolong the projected lifespan of this roadway.

Council Member Blackham made a motion to approve a Change Order for the Mutton Hollow Road Project, seconded by Council Member Adams.

The vote on the motion was as follows:

Council Member Blackham, yea
Council Member Adams, yea
Council Member Hunt, yea
Council Member Jackson, yea
Council Member Oaks, yea

The motion passed unanimously.

ACTION ITEMS

Council Member Adams made a motion to move Action Item “F” to be considered before Action Item “A”, seconded by Council Member Jackson and passed unanimously.

ANNEXATION PETITION FROM LPM CORPORATION FOR PARCEL NUMBER 11-041-0026 LOCATED AT APPROXIMATELY 775 EAST OXFORD DRIVE

Melinda Greenwood explained that a public hearing was held earlier tonight in regards to this item, which is required by state code. John Gufaston of LPM Corporation submitted an application to the city in March to annex a 1.14-acre portion of Parcel ID #11-041-0026. The proposed annexation is located at approximately 775 East Oxford Drive, at the end of the Oxford Drive cul-de-sac. Though the entire parcel is 25.375 acres, LPM Corporation is only asking to annex a small area on the northeast corner of their parcel. The intent for the annexation is to create two or three additional buildable single-family lots. The annexation process requires that the city assign a zoning district when the annexation ordinance is approved. The surrounding area is zoned R-1-8, and Staff is recommending that the same be assigned for the requested annexation area. If approved for annexation, the applicant will need to go through a subdivision process to subdivide the property into buildable lots.

Mayor Tran opened the public comment period for this item.

Steve Weir said that on the annexation plat there is a small triangular piece of land that is recorded as being owned by “PPMC” and asked how the property could be annexed when there is a third party ownership involved.

There were no further comments or questions from the public. Mayor Tran closed the public comment period for this item.

Council Member Adams said that the homes on this street were built into a subdivision with covenants in place and asked if those same covenants would apply to these new lots.

Melinda Greenwood said that these subject parcels were not part of the King Clarion Subdivision and therefore would not be subject to their subdivision covenants. The aforementioned triangular piece, as well as the piece that surrounds it, already exist inside Kaysville City boundaries and are not being considered with this annexation.

Attorney Nic Mills added that it is his understanding that “PPMC” is a subsidiary, or has a common ownership, with LPM Corporation.

Melinda Greenwood said that when the owner applies for subdivision application, they could choose to apply with their own subdivision, separate from the King Clarion Subdivision, or could choose to submit a subdivision amendment to the King Clarion Subdivision. Should they choose to submit an amended subdivision plat, they would then be subject to the same subdivision covenants as the King Clarion Subdivision. The proposed R-1-8 zoning is consistent with the surrounding zoning in this area. Staff has received two inquiries from neighboring residents regarding the annexation. Both expressed concerns and objections to Oxford Drive becoming a through road.

Paul Kingston, the applicant, said that there is currently a utility easement on this property and asked if the city anticipates needing that easement.

Melinda Greenwood responded that if there is a utility easement on the property, it is unlikely that the city would be willing to give that up. However, city staff would not be able to consider the removal of a city easement until Staff reviews the subdivision plat. There are utilities already in place in this area and therefore it would be unlikely that the utility easement could be moved either.

Council Member Adams asked about the timeframe to build these homes.

Paul Kingston said they hope to build the homes quickly.

Council Member Jackson asked about using the land for agricultural purposes.

Paul Kingston said that these parcels would only be for residential use. Any agricultural use would remain on their land to the West.

Council Member Blackham made a motion to approve the annexation petition from LPM Corporation for Parcel Number 11-041-0026 located at approximately 775 East Oxford Drive, with the R-1-8 zoning designation. The motion was seconded by Council Member Adams.

The vote on the motion was as follows:

Council Member Adams, yea
Council Member Hunt, yea
Council Member Jackson, yea
Council Member Oaks, yea
Council Member Blackham, yea

The motion passed unanimously.

A RESOLUTION AMENDING THE KAYSVILLE CITY BUDGETS FOR FISCAL YEAR 2022

Dean Storey said that a public hearing was held for this item earlier tonight, and no comments were received. The proposed resolution approves the amendment of the Kaysville City Budgets for Fiscal Year 2022.

Mayor Tran opened the public comment period for this item.

There were no comments or questions from the public.

Council Member Adams made a motion to approve a Resolution amending the Kaysville City Budgets for Fiscal Year 2022, seconded by Council Member Hunt.

The vote on the motion was as follows:

Council Member Hunt, yea
Council Member Jackson, yea
Council Member Oaks, yea
Council Member Blackham, yea
Council Member Adams, yea

The motion passed unanimously.

A RESOLUTION ADOPTING FY 2023 COUNCIL APPROVED POSITIONS,
COMPENSATION SCHEDULES FOR CITY OFFICIALS AND EMPLOYEES, AND A
COMPENSATION PROGRESSION PLAN

Dean Storey explained that as part of the Fiscal Year 2023 budget, there is included a human resource schedule, a compensation plan and a pay progression plan.

Mayor Tran opened the public comment period for this item.

There were no comments or questions from the public.

Council Member Jackson asked about the compensation plan.

Dean Storey responded that the compensation plan includes the proposed 4.75% market adjustment. Money has been allocated in the budget to include the proposed market adjustment, along with merit and discretionary funds.

Council Member Jackson suggested in an effort to try to be conservative with our budget, that the council consider removing the discretionary pay for the FY 2023 budget.

Dean Storey said that the discretionary pay is outlined in the Progression Plan. It states that on an annual basis, the percentages are determined by market salary conditions and budget availability.

Council Member Jackson asked about how much the city would be saving in the budget if this portion of the Progression Plan were to be removed for the upcoming year.

Dean Storey responded that the city would save no more than \$150,000.

Council Member Jackson made a motion to approve a Resolution adopting the FY 2023 Council Approved Positions, Compensation Schedules for City Officials and employees, and a Compensation Progression Plan, but to pause the discretionary funding of 1.5%, and adjust the merit to a flat 2% increase for the 2023 Fiscal Year budget. The motion was seconded by Council Member Oaks.

Council Member Blackham asked about the department discretionary pay.

Dean Storey responded that a couple years ago, the city implemented a department discretionary pay in addition to merit increases. Most employees, if they meet all expectations, would receive merit pay. If an employee were between the beginning and middle of their salary range, they would receive 3%. If they are between the middle and top of their salary range, they could receive up to 2.5%. In addition to that, if some employees display an overall performance that is above standard, we allow departments to have discretionary money to reward outstanding employees. However, these instances do not occur often and department heads are not obligated to reward discretionary pay.

Council Member Blackham asked about the incentive allowance.

Dean Storey responded that the incentive allowance is separate from the Progression Plan. Incentive allowance allocates \$600 per employee, which could be rewarded by a department head to an employee, or group of employees that demonstrate exceptional effort beyond what is normally expected for the job for a unique event or over a sustained period of time. Instead of limiting both the discretionary and merit increase, Staff would recommend that the council pause the discretionary pay for a year, and rather allow department heads to approve merit increases on a sliding scale from 0% to 3.5%, based off their own discretion.

Council Member Blackham proposed that the motion be amended to include Staff's recommendation.

Council Member Jackson amended his motion to approve a Resolution adopting the FY 2023 Council Approved Positions, Compensation Schedules for City Officials and employees, and a Compensation Progression Plan, but to pause the discretionary funding, and to have the merit increase on a 0% - 3% sliding scale based on the discretion of the department head. The amended motion was seconded by Council Member Oaks.

The vote on the motion was as follows:

Council Member Jackson, yea
Council Member Oaks, yea
Council Member Blackham, yea
Council Member Adams, yea
Council Member Hunt, yea

The motion passed unanimously.

A RESOLUTION ADOPTING THE CONSOLIDATED FEE SCHEDULE FOR FISCAL YEAR 2023

Dean Storey explained that a summary of proposed changes to the Consolidated Fee Schedule has been provided to the council for review. Those changes include adjustments to cemetery fees, parks and recreation fees, land use amendment fees, as well as a water rate increase. Staff is recommending that Staff approve the changes to the fee schedule as proposed.

Mayor Tran opened the public comment period for this item.

There were no comments or questions from the public.

Council Member Jackson asked about the water rate increase.

Dean Storey responded that the city has completed some necessary infrastructure improvements, and those improvements have had to be funded through the city's reserve funds. Staff feels that it has become necessary to increase water rates in order to cover the cost of some of these improvement projects. The proposed water rate increase will not cover the entire cost of the improvements; the city will still be using retained earnings of about \$1.4 million dollars. This water rate increase is projected to generate about \$300,000.

Council Member Adams made a motion to approve a Resolution adopting the Consolidated Fee Schedule for Fiscal Year 2023, seconded by Council Member Jackson.

The vote on the motion was as follows:

Council Member Oaks, yea
Council Member Blackham, yea
Council Member Adams, yea
Council Member Hunt, yea
Council Member Jackson, yea

The motion passed unanimously.

A RESOLUTION ADOPTING MODIFIED TENTATIVE BUDGETS FOR FISCAL YEAR 2023

ADOPTION OF THE 2022 CERTIFIED TAX RATE FOR KAYSVILLE CITY AND THE FISCAL YEAR 2023 BUDGETS

Dean Storey explained that these two action items are being considered together because in recent budget discussions there has been some debate as to whether the city should fill the budget deficit through a tax increase or by using fund balance. The Council will need to decide if the city is going to move forward with the Truth in Taxation process. There has been two separate resolutions prepared for each scenario.

Mayor Tran opened the public comment period for this item.

There were no comments or questions from the public.

Council Member Hunt asked about the cost for holding Truth in Taxation.

Shayne Scott responded that holding a Truth in Taxation does not cost the city anything. The county is responsible for sending out notices for Truth in Taxation.

Council Member Hunt said that it seems that we are facing an economic downturn and as a city council, we are responsible in making sure that we go over our budgets very carefully. There is a

deficiency in our budget and we have made efforts in trying to find the funds to fill that gap.

Council Member Hunt made a motion to approve a Resolution adopting modified tentative budgets for Fiscal Year 2023, and to wait to adopt the final budget until a Truth in Taxation is held, with the stipulation that the council continue to review the budget to try to find places where we might be able to lessen the deficit. Council Member Jackson seconded the motion.

Council Member Blackham said that he feels that the city shouldn't be taking money out our residents' pockets right now, and feels that the city has the money needed to cover the deficit without putting the city in a bad position financially. There are many unknowns right now and we shouldn't be taking more money from our residents with current inflation costs. The city will have to do a tax increase next year regardless, but by then we might have reasoning that is more specific and a more exact amount of what that increase will need to be. Council Member Blackham says that he feels that there is more money that could still be saved in the city budget, and feels that there is no reason to go through a Truth in Taxation process this year.

Council Member Jackson said that he is disappointed with Fruit Heights' decision to withdraw Kaysville City fire protection services. Both cities have worked together on different things for many years, and we have had an established agreement with Fruit Heights for fire protection services since the 1950s. We have worked hard to develop that relationship and make sure that we are very responsive as a city. It is disappointing that Fruit Heights waited until the last possible moment to inform us that they would be removing our agreement. That is their choice, but we have been asking them for several months what their plans were. What their decision means for Kaysville is that it adds \$465,000 to our deficit amount. If the economy continues to trend, we will be worse off financially next year. It would not be smart for the city to continue to spend our reserves. Council Member Jackson said that he would rather like to see the city use reserve money in the future should we need it to keep our employees and ensure we are covering operational costs for our basic necessities. Council Member Jackson said that he would like to have more time to review the budget and continue this discussion, especially now that we have even more of deficiency since Fruit Heights has severed our fire services agreement.

Council Member Hunt said earlier this year the council approved a salary increase for our police officers and we are now taking on that additional expense. Our employees are valuable to the city and many are taking on additional jobs to try to help cover costs. Considering the budget is not something the council takes lightly and we will continue to look for ways to save in the budget. If the economy continues on the path it is on, raising taxes next year will be even more of a burden because we are going to have to raise taxes even higher next year to cover costs from the deficiency from this year.

Council Member Oaks said that he feels that inflation costs will continue to rise over the next year. We are already in a recession and things will just get worse. However, raising taxes at any time is a hard thing to do.

Mayor Tran said that she doesn't agree that now is the time to be spending our reserves because things will likely worsen in the upcoming months. The economy will continue to worsen and next year it will be even more difficult to consider the need to raise taxes. We are trying to be conservative, but also be responsible. Holding a Truth in Taxation hearing helps to give us more options. It could allow us to take some of the money from our savings towards our deficit, but still

capturing a small tax increase. It could also allow us to look at our tax rate and consider not accepting a new tax rate. It would help to show our residents that we are doing everything we can to avoid further and higher tax increases.

Council Member Blackham said that there is about \$5.5 million in reserves and after using it towards the fiscal year 2023 deficiency in the budget, it would be at about \$4.4 million.

Dean Storey said that the city has also had to use fund balances towards the fiscal year 2022 budget, which reduces that balance.

The vote on the motion was as follows:

Council Member Blackham, nay
Council Member Adams, nay
Council Member Hunt, yea
Council Member Jackson, yea
Council Member Oaks, nay

The motion failed with a vote of three to two.

Council Member Blackham made a motion to adopt the 2022 Certified Tax Rate for Kaysville City and the Fiscal Year 2023 Budgets, seconded by Council Member Adams.

The vote on the motion was as follows:

Council Member Adams, yea
Council Member Hunt, yea
Council Member Jackson, yea
Council Member Oaks, yea
Council Member Blackham, yea

The motion passed unanimously.

COUNCIL MEMBER REPORTS

Mayor Tran commented that former Mayor Steve Hiatt has helped to plan the 4th of July Patriotic Devotional, which will be held on July 3, 2022 at 7:00 p.m. at the Davis High School Auditorium. The special guest speakers will be Utah Governor Spencer Cox and Colonel Craig Andrlle.

ADJOURNMENT

Council Member Oaks made a motion to adjourn the City Council meeting at 8:21 p.m., seconded by Council Member Blackham and passed unanimously.