

**MINUTES OF LAYTON CITY
COUNCIL SPECIAL MEETING**

JANUARY 23, 2020; 7:38 A.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR JOY PETRO, ZACH BLOXHAM, TOM
DAY, DAWN FITZPATRICK, CLINT MORRIS,
AND DAVE THOMAS**

STAFF PRESENT:

**ALEX JENSEN, GARY CRANE, STEVE GARSIDE,
ABBY BRINKERHOFF, CHAD WILKINSON, LON
CROWELL, TRACY PROBERT, TERRY COBURN,
STEPHEN JACKSON, DAVID PRICE, ALLEN
SWANSON, SCOTT ADAMS, AND KIM READ**

LEGISLATORS PRESENT:

**SENATOR STUART ADAMS, SENATOR JERRY
STEVENSON, REPRESENTATIVE STEWART
BARLOW, REPRESENTATIVE KELLY MILES,
AND REPRESENTATIVE KARIANNE LISONBEE**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Petro opened the meeting and turned the time over to Staff. Gary Crane, City Attorney, introduced Abby Brinkerhoff, City Prosecutor, and announced she would be assisting him at the Legislature. Mayor Petro requested Staff introduce themselves to the Council and Legislature. Senator Stevenson requested the new Councilmembers also introduce themselves.

DISCUSSION ON MATTERS OF INTEREST TO LAYTON CITY

2020 Legislative Session

Mr. Crane stated many good things were happening in Layton as a result of decisions implemented by the House and Senate and turned the time over to Senator Adams to explain how the Legislature will respond to the possible referendum specific to the new tax law.

Senator Adams addressed the Council and announced three different experts had expressed their respective opinions that the State of Utah was the best managed state for the previous 12 years. He also shared some statistics from economists which substantiated those opinions and he expressed his opinion the Legislature had done a good job with the tax reform. He reported the General Fund revenues, at the State level, were flattening, which resulted in the need for the proposed tax changes. He explained the reason for proposing the Sales Tax increase on food and identified several other tax credits associated with its implementation of the new tax law which he believed would result in a better benefit than the previous Sales Tax on food. He believed the proposed new law was misunderstood by Utah residents and suggested the Legislature would repeal it the first week of the Legislative session.

Mr. Crane mentioned cities were concerned that the possible repeal of the new State Sales Tax on food may adversely affect the City's Sales Tax on food. Currently, the Legislature's proposed tax reform doesn't adversely affect municipalities' tax structure. He suggested when the State Sales Tax on food was eliminated 12 years ago, everyone thought it would be a good idea; however, it's proven opposite in that it caused a structural imbalance. Whatever the Legislature determined to do, cities did not want it to adversely affect its tax structure.

Senator Adams believed the Legislature had made some good decisions regarding the tax increase and expressed his frustration that the tax cuts which had been part of the tax reform bill were never mentioned in any propaganda during signature gathering for the referenda and believed there was a lot of misinformation out in the public.

Mr. Crane explained the adverse effects to Layton City, and many smaller cities, if the new tax law was repealed and how the Legislature would have to go back to the drawing board. Mayor Petro expressed her opinion the public needed to be better educated. Senator Adams explained how the Legislature had also looked at demographics when considering the tax increase on food. He reported the earned income credits was intended to benefit families.

Senator Stevenson stated tax reform wasn't new to the state of Utah and he expressed his opinion the state would come out better and believed there were a lot of different ways to solve the tax situation. He spoke to the gap created by growth within the state, high wages and the push to fund education and explained what could be expected if a recession took place. He explained, in the past funds had been transferred from the General Fund as needed, and it was healthy enough to accommodate the transfer. He expressed agreement with Senator Adams that legislation by referendum wasn't good policy and shared a personal example regarding signature gathering for the referendum. Senator Adams explained the need for the State to repeal the new tax law and move forward in resolving the issue with new legislation.

Mr. Crane pointed out once the referendum was filed, government's hands were tied in putting forth a message or correct information. He expressed concern if this appeared on the ballot in November and stated the City was concerned with how it would affect municipalities. Senator Adams stated the dates associated with implementation were so sensitive that delaying it until November wasn't effective, therefore, the Legislature would most likely repeal the legislation. Mr. Crane mentioned if it did go to election it could potentially compromise transportation funds relative to bonding for the Highway 89 and West Davis Corridor projects.

Senator Adams expressed concern with how mental health funding would be impacted by repealing the tax reform.

Representatives Karianne Lisonbee and Kelly Miles arrived at 8:07.

Alex Jensen, City Manager, explained what the ramifications experienced by the elected officials when the City Council approved its first property tax increase last summer during the budget process. He pointed out Property Tax does not increase to benefit the City, and if a City Council did its job properly to provide for the future, by increasing its Certified Tax Rate, a heavy price would be paid by the elected body. He summarized that only left municipalities with Sales Tax as guaranteed revenue. He explained the challenges he experienced during the budget process due to restrictions associated with B&C Road Funds and Prop 1 Funds. He expressed his desire for the legislative contingency to understand that Cities were in the same boat as the Legislature and it had already experienced what Senator Adams described. He suggested City issues associated with taxes was identical to the State's issues and a discussion took place.

Senator Adams stated municipalities were expected to provide essential services such as roads and water and stated politically it was almost impossible to do so. Representative Lisonbee asked Mr. Jensen to expound on a solution. Mr. Jensen suggested an ongoing exploration of additional sources of revenue with latitude which cities could take advantage of, possibly based on inflation or the CPI. He indicated the Truth In Taxation process currently in place was difficult, even for a city to maintain its current tax rate.

Representative Lisonbee stated she was aware of City Councils that held its Certified Tax Rate nearly every year and didn't receive objection from constituents. She announced she was a proponent of the Truth In Taxation process and believed it was a good conversation for cities to have. She believed the Legislature's experience was relative to communication and didn't believe it was the Legislature's job to

save City Councils from political ramifications; rather it was the City Council's job to sell the citizens their tax funds were needed to provide services. She indicated she was a fan of "consumption" taxes compared to "productivity" (Income Tax) and a discussion followed.

Mr. Jensen pointed out the challenges associated with cities required to continue providing the same services when the economy takes a downturn and there is less revenue, based on this philosophy. He clarified he didn't expect the legislature to solve cities problems but suggested it should provide reasonable tools to allow continued service to residents. The discussion continued and Mr. Jensen expressed appreciation to the legislators for their service.

Mr. Crane mentioned another concern had to do with the implementation of fees as sources of revenue and informed the Council and Legislators about a lawsuit with Pleasant Grove due to road fees.

Mr. Crane expressed a desire to discuss JRI (Justice Reinvestment Initiative) and shared an example of a recent situation at Dick's Sporting Goods at the Layton Hills Mall in which it was discovered the perpetrator had 14 active warrants and a discussion followed. He spoke to the county's receiving center, which was funded by the Legislature last year, and explained the benefits it provided and suggested if something like this had been in place in years past, it might have prevented what occurred at Dick's. A discussion followed and Representative Lisonbee stated she was seeking input and feedback regarding legislation. Steve Garside, Assistant City Attorney, cautioned the Council to be mindful that many judges were no longer imposing fees and surcharges and expressed his opinion criminals were no longer paying for the criminal justice system; rather, it was victims and law abiding citizens. He reported the majority of the system was funded by traffic citations and the discussion continued regarding possible options. Senator Adams suggested Senator Weiler should be involved with these discussions and believed treatment needed to be available.

Senator Adams informed the Council of issues experienced in Davis County schools specific to vaping and expressed his opinion tax increases on tobacco products had contributed to the increased use of marijuana and explained the challenges associated with enforcement.

Mr. Crane believed the City had done a great job in providing different housing. He pointed out the City Council, Planning Commission and others had been instrumental in drafting a General Plan to encourage different types of housing. He stated the City was solving the issue of providing homes for people, but might not be providing affordable housing.

Senator Adams expressed a desire to discuss permanent funding for UFRA (Utah Fire and Rescue Academy) and inquired what that was. Scott Adams, Assistant Fire Chief, explained this was required statewide fire training and certification programs that fire departments throughout the State depended on. Senator Adams indicated he wasn't sure of that particular funding source. Mr. Adams pointed out training challenges for rural departments which didn't have access to training facilities.

Senator Adams reported water would be a large issue and mentioned the Legislature was closely watching the Lake Powell pipeline and the Bear River water project and stated in order to build these much needed projects, conservation was a large part of it.

- Conservation Goals – in order to meet conservation goals, supply and demand. He believed the goals being pushed by environmentalists, the Governor's Office was moving to that direction. He believed policy should be implemented, such as no grass in the front yard, might be a better solution. Senator Stevenson believed money would naturally take care of these issues.

Mr. Crane asked if the Council had any questions for the Legislators.

Mayor Petro expressed concern with the mandate percentage relative to multiple family housing and suggested it inhibited the City from planning appropriately. Senator Stevenson asked what the City's Master Plan recommended for multi-family housing. Chad Wilkinson, Community and Economic

Development Director, responded it didn't designate a percentage, rather the City had intentionally focused on this type of housing near town centers, transit corridors, etc. Mr. Jensen mentioned the City's philosophy had been a 75% single family with 25% multi-family housing component at buildout and suggested this was a reasonable mix. Mr. Wilkinson suggested those projections were based on the General Plan. Senator Stevenson responded this was an issue which was also dictated by the economy. Senator Adams reported Farmington City's building permits for multi-family housing was the majority right now. He stated change was always hard, however, multi-family housing projects provided homes tenfold and believed any City would be better off for land preservation and the transportation system. He expressed his opinion Layton had always planned its City appropriately and led the State in good management practices.

Mayor Petro expressed her opinion mass transit had to contribute to the success of the multi-family housing concept and used Syracuse City as an example as it only had two bus routes and a discussion followed.

Mayor Petro expressed appreciation to the elected officials for their the time to visit with the Council regarding the issues discussed this past hour. She was hopeful the correct information would be provided to the residents of Utah when the Legislature considers new tax legislation.

She announced Layton City was celebrating its Centennial this year and the City desired to share its excitement in the celebration. David Price, Parks and Recreation Director, distributed "I Love Layton" t-shirts to the legislative contingency.

Mayor Petro took a photo with the Legislators and their t-shirts.

MAYORS REPORT:

No Mayor's report was presented or shared.

The meeting adjourned at 8:55 a.m.

Kimberly S Read, City Recorder