

**MINUTES OF LAYTON CITY
COUNCIL BUDGET WORK MEETING**

MARCH 10, 2021; 8:02 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, PAUL APPLONIE, CHAD WILKINSON, TRACY PROBERT, DAVID PRICE, ALLEN SWANSON, KEVIN WARD, AND KIM READ

The meeting was held at Fire Station 51, 530 North 2200 West, Layton, Utah.

Mayor Petro opened the meeting and turned the time over to Staff.

Alex Jensen, City Manager, welcomed Staff and the Council and expressed appreciation to the Council for their attendance. He explained this allowed Staff the opportunity to provide an overview of the City to the Council and recommendations moving forward. He mentioned the City had navigated the pandemic well. He reminded the Council this was the first in a series of meetings regarding the budget and providing information to the Council used to make decisions for the City.

He reported construction on Fire Station #54 was moving forward. He also mentioned dispatch and emergency services with Davis County would also be discussed during today's meeting. He announced a new project to the Council would be a new parks shop proposed near Ellison Park, in addition to a remodel of the current facility located in Constitution Circle. He expressed his opinion these projects could be funded with prudent cooperation with Staff.

He excused Terry Coburn, Public Works Director, and announced Paul Applonie, Assistant Public Works Director, was attending in his stead.

AGENDA:

BUDGET REVIEW – FISCAL YEAR 2021-2022

Tracy Probert, Finance Director, reviewed the budget calendar reflecting proposed work meeting dates during which budget discussions could take place and approving the Tentative Budget in May. He announced Staff would be recommending the City proceed through the Truth in Taxation public hearing process specific to paramedic transition. He pointed out the need for an approved budget, of some type, in order for the City to operate beginning July 1, 2021.

Mr. Probert reviewed the proposed General Fund Budget 2021-2022 with the Council specific to revenue and expenditures pointing out the City would be participating in a salary survey specific to City positions. Mr. Jensen mentioned the importance of this line item. He continued to review expenditures regarding personnel. Mr. Probert also reviewed the following expenditures specific to the General Fund:

- Operations
- Capital equipment replacements and purchases
- Transfers to other funds
- Debt service – UTOPIA

He indicated fund balance would be able to cover the projected expenditures while ending the year with an estimated 14.20% of unassigned fund balance. He informed the Council the legislature made changes

this past session allowing a fund balance maximum of 35%.

He reviewed the General Fund expenditures with the Council pointing out wages for the Enterprise Funds had accounted for their respective personnel costs. He informed the Council the budget had included a proposed 3% increase for employee costs. He also reviewed the General Fund personnel requests. Allen Swanson, Police Chief, mentioned the City hadn't hired officers since the recession and was recommending the hiring of new Police Officers and a discussion followed. Chief Swanson pointed out the City hadn't necessarily recognized an increase in response time or call volume; however, the type of calls and the time required by the officers had significantly increased and explained how that had impacted overtime costs. Mr. Jensen explained the 3% increase in compensation was merit based and spoke to how it and the salary survey for staff positions was completed and how both of those would be implemented. A discussion specific to personnel requests and hiring challenges specific with the Police and Fire Departments took place followed by a discussion regarding other City Staff.

Mr. Probert reviewed the City's health insurance history for the previous ten years and mentioned the cost for claims had leveled off; however, the reserve balance had decreased and reviewed the health plan reserve analysis with the Council. He emphasized Staff monitored this on a regular basis. He continued to review the General Fund Operational Expenses with the Council and discussed the following:

- Air Show
- Election Costs
- Fire Equipment Costs
- Midtown Trolley Costs

The Council took a break at 9:23 a.m.

The meeting resumed at 9:35 a.m.

Mr. Probert reviewed the General Fund Revenues with the Council which included:

- Sales Tax
- Property Tax
- Various other revenues – Municipal Energy Tax and Building Permit Fees

Gary Crane, City Attorney, mentioned bills had been put forth during previous legislative sessions specific to Building Permit Fees and Sales Tax which would have negatively affected the amount of this revenue to the City and a discussion followed. Councilmember Fitzpatrick asked about online Sales Tax and Mr. Probert explained those figures were included in the City's Sale Tax revenue. Mr. Crane continued to explain the formula implemented by the State associated with Amazon and explained how it affected cities' revenue.

Mr. Probert reviewed prior year's Sales Tax figures for each month and compared it with the figures from 2019-2020 Fiscal Year which reflected the City was doing quite well and believed the recently approved federal stimulus for taxpayers would contribute to future success. He continued to explain how the City's diversity of businesses benefitted Layton City.

Mr. Probert shared a comparison of Sales Tax by categories: car dealerships, major retailers, restaurants, mall, grocers, home improvement, utilities, fast food, hotels, etc. He also shared an illustration specific to Property Tax which reflected the increase implemented by the City for Station 54 and also reviewed the property tax rate, pointing out the share specific to Layton City at 13.1%. He shared an illustration which reflected a comparison of Property Tax in relation to the Fire Department budget and pointed out the generated revenue was enough to cover the projected costs for the new station. He continued to review other revenues recognized by the City: Telecommunications Tax, Municipal Energy Tax, Fee-in-lieu and building permits. He shared an illustration regarding road funds and street and engineering expenses and informed the Council the City had appropriated Class C road funds exclusively for maintenance.

Mr. Probert identified Staff's requests specific to Capital Equipment and reviewed both those items eliminated and included in the budget with the Council and a discussion followed. David Price, Parks and

Recreation Director, explained the benefits of the Ellison Pump and the watering system for the park. He also clarified the City's expenditure for the Central Davis gymnasium line items.

Councilmember Morris recalled the Council had postponed/delayed many items from last year's budget process due to the COVID Pandemic and inquired if there were still projects specific to Parks and Recreation which hadn't yet been completed. Mr. Price expressed appreciation for the Council's decisions due to the pandemic and stated the department had weathered the challenge well completing projects as funding allowed. He pointed out only one project hadn't yet been funded to date; the Chapel Street Playground, and indicated it had been included in this year's requests. He reminded the Council the athletic and pool funds had been compromised this past year due to the pandemic and explained the challenges in offering basketball this winter. He mentioned the amphitheater also experienced a good year even without headliner performances and mentioned that had allowed performances by local talent and reported it had recognized the highest number of rentals this past year.

Councilmember Fitzpatrick asked if consideration had been given about expanding the size of the museum and Mr. Price believed it was more important for the exhibits to be rotated as opposed to a larger facility with the same displays. He also indicated the new curator, Annie Bommer, was in the process of implementing interactive displays and a social media aspect to the museum. He mentioned she had also suggested bolder signage on the outside of the building.

Mr. Probert continued to review Special Revenue and Enterprise Funds.

Mr. Probert directed the Council to the Capital Improvement Plan Summary for General and Impact Fee Funds respective to each department. Mr. Jensen explained how costs specific to the dispatch shared server would be funded by other entities and the benefits associated with the equipment. Kevin Ward, Fire Chief, explained the need for the new alerting system and Mr. Jensen also mentioned the benefits in providing efficiency not only to the City, but also the County. A discussion also took place regarding the remodel for Fire Station 52.

Mr. Probert reviewed the projects and funding sources identified for the Public Works Department and the Parks and Recreation Department. Councilmember Day asked about the Eastridge Park PRUD Trailhead and trail extension and Mr. Price distributed a handout reflecting the illustration of the trail connections and reviewed those with the Council. He emphasized Staff had worked closely with the developer to ensure the original intent of the City Council; providing access to the park from Antelope Drive and that the interior development could actively walk and access the park. He also pointed out one of the benefits of working with Mr. Flood was the development of a parking lot for residents desiring to access the trail system in that area. Mayor Petro requested clarification regarding the trail access from Heather Drive and Mr. Price reminded the Council the City had purchased a building lot to provide pedestrian access in that area and Staff was continually monitoring development of the adjacent parcel for a potential parking lot and continued to explain how that trail system would be completed by the developer. Councilmember Day requested clarification whether the appropriated funds would cover costs associated with the parking and Mr. Price explained the identified funding would be used to provide an access road and parking lot and clarified the City would only be completing the section inside the park and the developer would pay his portion. A discussion followed and Mr. Price reminded the Council this project was funded by park impact fees. Councilmember Bloxham asked if there had been any issues with the parking lot for the public to access while homes were still in the process of being constructed and Mr. Price expressed his opinion it was better to complete the trail amenity prior to development and the discussion continued.

Councilmember Morris asked if sponsorship opportunities had been explored for the Ellison Park pickleball complex to help offset costs and Mr. Price responded Staff had simply moved forward with the project as directed by the Council in order to complete the project as soon as possible. Mr. Jensen asked if this was something the Council would like the City to explore and a discussion followed regarding previous sponsorships at the park. Mr. Price emphasized anything funded by RAMP funds needs to be acknowledged to that fact; followed by a discussion regarding construction of the recently approved

pickleball courts. He also informed the Council, Staff reflects completed projects acknowledging the RAMP funding source on the electronic billboards. A discussion also took place regarding 8' tall basketball hoops for younger players instead of the normal 10'.

Mr. Jensen mentioned the Ellison and Commons Park Shop facility Phase I project and explained the need for a larger, updated facility. He reminded the Council, the City had transferred property currently used by the Parks Department to the RDA, and also mentioned the one time funding sources which could be used for this purpose and indicated this topic would be discussed later in the meeting. Councilmember Bloxham asked about the long range plans for a new Public Safety building and Mr. Jensen identified the City's plan to accommodate future needs for a dispatch center and the Police Department. He also explained how he believed the City could fund the new Parks building without going into debt. Mr. Price mentioned a presentation would be shared this afternoon regarding this project and pointed out the number of parks completed in the past few years and complimented Staff for identifying places of storage for maintenance equipment. A discussion took place regarding these projects.

Councilmember Day requested clarification regarding Fire Station 53, located on Fort Lane, and its possible relocation near the IHC (Intermountain HealthCare) Layton hospital. Kevin Ward, Fire Chief, explained Fire Station 53 couldn't be relocated until #54 was completed in order to provide appropriate response times. Mr. Jensen also mentioned he was proposing this project be pushed back in order to take advantage of opportunities to complete other projects.

Mr. Probert directed the Council to the Enterprise Funds Capital Improvement Plan Summary and reviewed the following:

- Projects identified for the Street Lighting Fund.
- A new utility billing system replacement. Mr. Probert reviewed the need for a new system and indicated this line item would be identified in each of the different applicable Enterprise Funds. He emphasized the utility bills created with the current system were accurate. Councilmember Day expressed his opinion the format of the utility bill could be improved and a discussion followed. Councilmember Day also inquired about the number of residents participating in autopay. Mr. Probert believed approximately 40% of all accounts participated in the autopay program and explained the challenges with those residents experiencing high bills during the summer months. He also mentioned the City would like to offer an equal pay option but explained the challenges associated with that type of system based on the City's rate structure and the discussion continued specific to utility accounts, bills, and the reading of meters. Mr. Probert pointed out the benefits to having in-house Information Technology Staff with programming skills capable of obtaining specific reports pertinent to the current billing system and complimented them.
- Councilmember Day inquired about the costs specific to auxiliary power upgrades and Paul Applonie, Assistant Public Works Director, responded that project would provide backup, generator power to Sandridge and Church Street well sites. Mr. Probert responded the City had received a grant to help fund the project and clarified it also included the Shop well. He believed the reflected cost was the full amount and would be less upon receiving grant funding.

Councilmember Fitzpatrick requested Mr. Probert identify the formula used to identify the amount of funds assessed to each separate Enterprise fund for the replacement of the utility billing system and he explained his process pointing out it was mostly based on complexity of the utility.

The meeting adjourned for a lunch break at 11:39 a.m.

The meeting resumed at 1:18 p.m.

Mr. Probert suggested the Council review the other funds reflected in the Capital Improvement Summary and identify those which needed further clarification. He directed the Council to the RAMP Fund and reviewed the following projects:

- Ellison Park pickleball project
- Chapel Street Playground replacement project and a discussion followed. Mr. Jensen reminded

the Council this project had been postponed from last year with most of the proposed funding appropriated from the General Fund. Staff was proposing RAMP funds be the funding source for the entire project since it was an appropriate project. Mr. Price informed the Council of the RAMP Commission's perspective and opinion that the requested amount didn't proceed through the application process regarding the request, and it being the sole funding source; although the Commission expressed its continued support for the project. The discussion continued regarding matching funds and Mr. Jensen pointed out the fund had been designated for this type of a project as opposed to the use of General Fund monies. Mayor Petro believed the Council had the final say regarding appropriation of RAMP funding. Councilmember Day emphasized the Commission's concern wasn't whether the project was worthy for the funding; rather, its concern was with the procedure in which funding for the entire project was now being requested, without it being vetted by the Commission. The discussion continued. Mr. Price believed the Council had the flexibility to appropriate funding throughout the year as opportunities were presented such as the Tour of Utah and the discussion specific to this funding request continued. Members of the Council each emphasized confidence in the Commission and appreciated its efficiency, thoroughness, commitment, perspective, and expertise demonstrated in its recommendations. Mr. Jensen added the Chair would be attending a future Council meeting to review its recommendations and a discussion could take place at that time. Mr. Crane clarified the role of the RAMP Commission as an advisory body.

Mayor Petro asked the Council if there were any questions from the presentation or anything which needed further clarification. Councilmember Fitzpatrick requested clarification if projects identified on the Capital Equipment was included in the Capital Projects list and Mr. Probert responded those were two separate lists. Councilmember Fitzpatrick referred to the RAMP Funds Capital Improvement Summary and mentioned she was pleased to see the historical markers line item and a discussion followed. Councilmember Bloxham inquired about specific road projects and their prioritization and Mr. Jensen responded this was the appropriate venue for these questions and members of the Council continued to identify locations for sidewalk and street improvements with Staff. Mr. Jensen also explained how the City prioritized these projects to ensure funds were appropriately expended.

Councilmember Fitzpatrick requested some clarification regarding the North Davis Corridor and Mr. Jensen provided an update. He explained City connections would need to be completed prior to the corridor and explained how construction of the corridor was anticipated to take place and a discussion followed.

Councilmember Bloxham asked about the street lighting fund increase and clarified the amount identified as a line item for miscellaneous residential install was designated for specific projects as directed by the Council when it approved the rate increase. Mr. Probert responded in the affirmative. Mr. Jensen informed the Council he would provide a list of projects to the Council.

Kevin Ward, Fire Chief, shared an update specific for the new fire station, Station 54, to be constructed at 1325 North Valley View which would contribute to more efficient response times within the City. He reminded the Council of the land exchange between the City and UDOT and shared a visual illustration of both the exterior and interior of the proposed building. He reviewed the timeline associated with the project and announced it would be out for bid this week and expressed his desire to receive competitive bids. He asked if there any questions and there were none.

Mr. Price recommended the Fourth of July celebration would take place on Monday, July 5, 2021. He clarified the celebration would be contingent upon COVID restrictions being lifted by the state and the allowance of mass gatherings by Davis County. He also recommended the Centennial Celebration be designated for a date in either August or September, taking a (wait and see approach) related to the pandemic. A discussion took place whether there was even a need for a large celebration acknowledging the City's Centennial because of the lengthy delay and Mr. Price shared some options for a scaled back event. Councilmember Thomas suggested a three-day event combining both the Fourth of July and Centennial Celebration and the discussion continued. Mr. Jensen suggested Staff present some different

scenarios and options for the Council's consideration. The Council directed Chief Ward to secure the contract with Fireworks West for Monday, July 5, 2021.

JoEllen Grandy, Parks Planner, shared a presentation regarding the proposed parks shop expansion and informed the Council of the Parks Department's milestones experienced over the past 45 years. She reported the Park's shop was constructed in 1975 and concluded the City had outgrown the current facility. She also mentioned the maintenance facility located at the corner of Gentile/Cross Streets, would also need to be relocated as the property had been deeded to the RDA for development in the near future. She informed the Council of the items stored at the maintenance facility and how it benefitted the City.

She shared the proposal for Phase I of the park's warehouse to be constructed at Ellison Park and reviewed Phase II of the project. She pointed out both of the facilities would work in concert with one another. She also shared an outline of the proposal which identified how the expansion of the current facility and the new facility could be completed in three separate phases. A discussion took place during which Ms. Grandy clarified all aspects of the proposals. Councilmember Fitzpatrick asked if bonding had been considered in order for the entire project at once since rates were historically low. Mr. Jensen pointed out the City had the revenue to complete the project within a three to four year time span and suggested it wouldn't be beneficial to go into debt for approximately 25 years as long as the project could be funded within the shorter time frame. He continued to identify the different revenue sources which could be appropriated for the project.

Councilmember Fitzpatrick asked where the small soccer fields used at Ellison Park would be re-located and Mr. Price responded this age group could play almost anywhere and Ms. Grandy indicated Sandridge and Vae View Park had been designated for this age group. The discussion continued regarding the two different sites and proposals and Mr. Price pointed out the benefits in the City establishing a footprint in Ellison prior to the adjacent homes being completed in The Park development. Councilmember Morris suggested the fence and landscaping be aesthetically pleasing to allow the facility to be hidden from the public and Councilmember Day also suggested the greenhouse and storage facility should also be larger. A discussion took place regarding structures associated with the project and location of the fuel tank. Mr. Price responded those suggestions would be considered. He complimented Ms. Grandy on her work and informed the Council the next step would be to hire a consultant. Mr. Jensen explained the purpose in locating the fuel tank in Commons Park.

Mr. Probert reviewed the ambulance levy assessed by Davis County which illustrated how the City would accept the current rate, which wouldn't affect the residents' property tax rate, resulting in the City receiving the revenue specific to the paramedic fund. He emphasized as long as no other changes were proposed by any other entities, and all things being equal, the resident would pay the same property tax, although there would be an increase for the City tax and identified the amount of revenue that would generate for the City. He clarified the City would need to proceed through the Truth-in-Taxation process and public hearings for this action. He recommended an educational component take place with City residents to help them understand the concept. Mr. Probert reviewed the paramedic budget, should the proposed action take place, which reflected no additional tax increase would be needed for the paramedic budget. He shared an example of the proposed Truth-in-Taxation notice pointing out the language didn't allow the City to provide any explanation and again recommended an educational component for residents. Mr. Jensen stated this was an issue countywide and pointed out similar notices would be taking place with other municipalities and continued to explain specifics associated with the levy and discussions with other entities and a discussion followed.

Councilmember Bloxham inquired whether Staff was recommending any other property tax rate increase, other than the proposal for the paramedic fund just explained, in which Truth-in-Taxation process would be required, and suggested the education would be difficult to explain to the public. Mr. Jensen expressed agreement and announced because of that exact issue, Staff wasn't recommending a tax rate increase at this time; he clarified Staff wanted direction from the Council whether there was interest from the Council in maintaining the tax rate. He recommended not doing that this year to eliminate any confusion from the public. Councilmember Fitzpatrick inquired if the City adopted a rate equivalent to the county paramedic

rate, that amount would become part of the general property tax and asked how residents would be assured those funds would be designated to the paramedic fund. Mr. Probert responded the City had appropriated a transfer of that amount of funds to the paramedic fund and would need to calculate the amount and complete the transfer every year thereafter. Mr. Jensen pointed out this transfer alone wouldn't wholly fund paramedic services within the City and believed future funding needs would need to be considered in the longer term and a discussion followed regarding the paramedic fund.

Councilmember Morris asked if the City Council would have the opportunity to vote on accepting the responsibility for paramedic services within the City and absolving Davis County of providing those services. He expressed concern whether this would benefit Layton City residents. Mr. Jensen responded this action would allow the City to improve its services and pointed out independent of this action, Staff would be requesting a third unit, driven by internal demands, for the City. He added there were other cities which wanted to do the same as the City had done years ago and provide these services independent from the county. He emphasized none of the funds raised by Layton citizens would be directed to support another city's services and clarified the funds which had previously gone to the county would now come to the City to help fund its respective paramedic services. He pointed out the contract identified the level of service and each entity would be responsible to operate its own paramedic program. He emphasized the City's paramedic service was the best in the county, and assured the Council the level of service wouldn't be compromised by this action, and continued to explain how that benefitted residents of the entire county.

Councilmember Day inquired if the county was committed to drop the paramedic levy at this time. Mr. Jensen responded not at this time. He explained the City operated on a fiscal calendar and the county operated on a calendar year and explained why the timing of the Truth in Taxation was so important in order for the county to drop the levy in December. He concluded Layton City would need to appropriate funds for an additional unit whether this took place or not. The discussion continued and Chief Ward reviewed the history with the levy and the paramedic units serving Davis County and explained how the proposal would benefit the City by having access to more units.

Councilmember Day expressed concern whether one or two cities could delay moving forward with the proposal and Mr. Jensen reviewed the history associated with the discussions and indicated that wouldn't happen; rather those one or two cities would need to identify and negotiate with a separate entity to provide these services if neither one were willing to provide them.

Councilmember Fitzpatrick requested clarification whether the Layton City resident would pay double for the services via City's property tax and the county levy. Mr. Jensen explained the process which would be used and Mr. Jensen added Curtis Koch, Davis County Auditor, would ensure a smooth transition respective to the tax would take place. Mr. Probert added this would need to be included with the tentative budget the Council would adopt in May and pointed out the public hearings specific to the Truth in Taxation would be announced.

Councilmember Thomas inquired how the county would accommodate for the lost tax revenue and Mr. Jensen responded the county was aware its general fund had heavily subsidized paramedic services and also indicated the county would need to identify how it would accommodate for that lost revenue.

Councilmember Bloxham stated he had similar concerns as was expressed by Councilmember Morris; however, as long as the financial burden of Layton City residents wasn't subsidizing or would be lowering the standards within the City, he could support the action as it had been described.

Mr. Jensen believed this could be the precursor for consolidation of services long term. Mayor Petro asked if this would impact the transfers completed by the City's ambulance services and Chief Ward responded some impact could be experienced; however, as the City's Paramedic Staff increased, he believed the Paramedic Staff could accommodate the demand and the discussion continued.

Councilmember Morris asked about the possibility of Layton City could be solicited by another entity to

provide services to its residents. Mr. Jensen responded Layton City would never subsidize another city or take anything away from its residents in order to provide services to another entity. He shared a brief history of funding scenarios proposed by other entities which had been determined unfeasible. Mr. Jensen understood the issue was very complex and suggested the Council identify the information needed in order for an understanding to occur and believed a public relations component would be helpful with the residents and the discussion continued.

Councilmember Fitzpatrick asked if the county was still considering a line item specific to animal control and if so would it be required to proceed through Truth in Taxation process. Mr. Jensen responded the City had expressed its support for the county to provide those services and informed the Council of what was being considered.

Mr. Jensen asked if it would be helpful to have further input from Sheriff Sparks, Mr. Koch, or County Commissioners to discuss the issue during a future work meeting. Mayor Petro and the Council believed those opinions would be helpful during the Truth in Taxation process for residents.

Councilmember Fitzpatrick asked if the UTOPIA take rate was sufficient enough to decrease the bond debt and Mr. Probert responded the City received dividends from UTOPIA for the past few years which the City appropriated to the debt service fund. Mr. Jensen continued to explain specifics with the bond and mentioned the revenue recognized by the City and reported the debt would eventually begin to decrease. He mentioned as other entities come on board to provide UTOPIA, that revenue would go directly toward the debt. Mr. Probert continued to share specifics regarding the take rate needed to cover the debt payment. He added he could provide specifics and tracking associated with the new bond and a discussion took place regarding the take rate and availability of UTOPIA. Mr. Jensen continued to explain how the City would benefit from additional connections made in the future.

MAYOR'S REPORT

Mayor Petro requested participation from the different departments in the City in submitting items for the Centennial time capsule and shared suggestions.

She announced the Weyland Corporation sponsored a water conservation challenge scheduled for April and shared a brief explanation. She suggested the City promote and publicize participation in the challenge and announced the benefits of participation.

The meeting adjourned at 4:45 p.m.

Kimberly S Read, City Recorder