



HIGHLAND CITY

HIGHLAND CITY COUNCIL WORK SESSION MINUTES

Monday, June 6, 2022

Approved July 19, 2022

Highland City Council Chambers, 5400 West Civic Center Drive, Highland Utah 84003

VIRTUAL PARTICIPATION

 YouTube Live: <http://bit.ly/HC-youtube>

 Email comments prior to meeting: council@highlandcity.org

7:00 PM WORK SESSION

Call to Order – Mayor Kurt Ostler

The meeting was called to order by Mayor Kurt Ostler as a work session at 7:08 pm. The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting.

PRESIDING: Mayor Kurt Ostler

COUNCIL MEMBERS

PRESENT: Timothy A. Ball, Brittney P. Bills, Sarah D. Petersen (via phone), Kim Rodela, Scott L. Smith

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, City Engineer Andy Spencer, City Attorney Rob Patterson, City Recorder Stephannie Cottle, Finance Director Tyler Bahr, Assistant Public Works Director Jeff Murdoch

OTHERS PRESENT: Jon Hart, Blake Leonelli, Brain Braithwaite, Juanita Jones, Helena Pockrus, Boyd Draper, Christian Mills, Don Rusika

1. DISCUSSION: BUDGET WORK SESSION

The City Council will discuss the FY 2023 Budget. This item is being presented for discussion only. No formal action will be taken.

Mayor Ostler stated the purpose of this meeting is for the Council to discuss the proposed budget for the 2023 Fiscal Year (FY) and give staff some guidance in advance of the June 21 business meeting during which action should be taken on the budget. There is a great deal of uncertainty across the nation due to inflation in costs, wage growth, and employment rates impacting all individuals.

Assistant City Administrator Wells provided an introduction to the discussion regarding garbage rates in the City; Administration has recommended adjustments to the City's contract for waste hauling services. These adjustments include a 3.6 percent increase based upon the consumer price index (CPI), no annual recycling adjustment, and extraordinary adjustments of 7.5 percent, for a total of 11.1 percent. She provided an overview of the reasoning behind the extraordinary increase:

- Labor costs/ shortages
 - 80,000 CDL drivers have left the profession
 - 70,000 new CDL job openings
 - 40% less CDL training opportunities with 20% of CDL schools closed
- Fuel increases – 60% in diesel and CNG
- Maintenance year over year increase – 29%
 - Rubber for tires – 44% increase
 - Base oils for lubricants – 50% increase
 - Resin for toter carts – over 50% since 2020
 - Steel pricing increase for vehicles and dumpsters – 200%

Ms. Wells then reviewed current garbage rates charged to residents and noted that if the City Council only wanted to break-even and cover actual costs of providing the service, a \$2.79 monthly increase per household would be needed.

Council Member Smith stated that the Council had discussed a greater increase above the 'break-even' amount, and he asked why that was not included in Ms. Wells' presentation. Ms. Wells stated that was discussed, but Administration understood the direction from the Council was to consider the 'break-even' point because it will be necessary to raise other utility rates and the public safety fee. However, she presented two other options for increasing rates that would provide a net revenue buffer that could sustain the City for a few years. Mayor Ostler attempted to poll the Council to determine which rate increase level they are comfortable with. The Council engaged in discussion with Blake Leonelli, Waste Management, regarding supply chain shortages, inflation, and staffing issues that are impacting his business.

Council Member Smith stated he supports the 'break-even' option. All Council Members agreed with Council Member Smith. Ms. Wells stated she will include that recommendation in the budget document.

A resident then asked for permission to address the Council. Mayor Ostler allowed it.

Helena Pockrus asked if all residents will have their garbage rates increased by \$2.79. Ms. Wells stated that increase will be for households with a first and second garbage can as well as a recycling can. If a resident only has one garbage can, their increase will be \$1.14 per month and the cost for recycling cans will increase by \$.91.

Boyd Draper asked if the rate increase is caused by growth or because of actual costs. Mayor Ostler stated that it is because of the increase in the number of cans collected in the City. Mr. Draper suggested that impact fees be charged to cover these increased costs. He then asked if Waste Management's contract has a provision for increasing rates to cover increased costs. Mayor Ostler answered yes. Mr. Draper suggested those requested increases be compared to the garbage hauling industry to determine if they are being competitive.

Ms. Wells noted that the reason for the increases is not completely due to growth; rather, it is due to increased costs. The City is being charged more per can than what it is charging each household, and if a rate increase is not approved, the City will be subsidizing the hauling services. Mr. Draper stated he understands that, but the increased population, which results in an increase in the number of cans the hauler is collecting, must have an impact on the cost of providing the service because more trucks, drivers, and fuel is needed. Mr. Leonelli argued the exact opposite is true; the more the cans, the lower the actual cost is to the City because the process

can be scaled and performed more efficiently. He stated that Waste Management is the largest service provider and provides a great level of customer service.

Mayor Ostler asked if other providers are also increasing their rates. Mr. Leonelli stated he cannot speak to the exact increases being sought by other service providers, but it is his understanding that all providers are experiencing increased cost of doing business across the board. Council Member Smith stated that tipping fees have been increased, which impacts all haulers. Ms. Wells added that the agreement the City had with its previous hauler also had an inflationary component; this is not atypical to Waste Management.

Don Rusika inquired as to the cost per residences that have a first and second can, but no recycling can. Ms. Wells stated it will be less than \$2 per month. Mr. Rusika stated that he is interested in any other fees that may be increasing this year. Mayor Ostler stated those will be discussed throughout tonight's meeting individually. Mr. Rusika stated he reviewed the meeting materials for tonight; it seems there will be many fee increases, but he did not see any information about efforts to reduce costs. Residents are being asked to 'tighten their belts', but the City is not doing the same. He asked if all increased fees are based upon inflation. Mayor Ostler stated those issues will be considered throughout the discussion tonight. Ms. Wells added that the City Administration, Mayor, and Council have been working to develop a tentative budget for the past few months, so the version of the document that is before the Council and public this evening has been changed several times based upon efforts to reduce costs. Mr. Rusika stated it would be nice to know what decreases have been implemented by the Council. Mayor Ostler provided a review of the work that has been done since March to develop a balanced budget; he noted that on May 17, the city reviewed utility studies to determine what rate increases may be necessary. He added that the largest expense the City incurs is to provide public safety, and it has become necessary to increase the public safety fee this year to cover increased costs of providing that service.

Council Member Bills noted that the City has not increased property taxes since 2008; the City's buying power has decreased by 42 percent since that time, so the City has essentially been operating with lower resources year after year.

Mr. Rusika stated he is happy to hear that the City is prioritizing public safety. He is concerned about other costs in the budget and will be in attendance to hear the final presentation on the budget and any fee increase.

There was then brief discussion among the Council and Mr. Rusika about a large residential project being constructed in the City; the Mayor stressed that the project is permitted and legal.

Finance Director Bahr then used the aid of a PowerPoint presentation to summarize building permit revenues; building expense and revenue are at their peak in Fiscal Year (FY) 2023 and even with a smaller building volume, admin, engineering and building support is still needed. Living on building permit revenue hurt the City in the mid-2000's when development slowed, and staff were forced to choose which bills to pay on time. High level discussion among the Mayor, Council, and staff centered on the budget projections for building permit revenue; these projections (\$700,000 in plan review fee and \$200,000 in related building fees) are based on anticipated construction in the City for the coming FY. The Council discussed some slowing in residential construction due to mortgage rate increases and other causes and Mayor Ostler stated that he wants to be conservative with revenue projections since building revenue is such a volatile source.

Mr. Bahr then discussed the open space fee; if the fee is eliminated, the City needs to replace \$300,000 in annual revenue from the fee. This would equate to a monthly household fee of \$5.25. He presented a chart that summarized data from the resident survey regarding the level of support for replacing the open space fee with a property tax increase. Ms. Wells stated that 74 percent of respondents did not support a property tax increase to replace the open space fee. Responses vary when considering replacing the open space fee with a City-wide parks fee; 61 percent of all residents were not supportive, while 75 percent of non-open space residents were not supportive. Open space residents did support a City-wide parks fee.

Council Member Smith stated that he has been an advocate for elimination of the open-space fee; due to growth in the next few years, the City will experience an increase in property tax revenue. He feels that the elimination of the open-space fee can be absorbed based upon the understanding that property tax revenues will increase. He expressed concern that some residents in high-density projects are not paying an open-space fee, but they are using open spaces and parks that are paid for by residents who do pay the open-space fee. There is no justification for maintaining a fee that is only paid by 26 percent of the population; all parks are public spaces and everyone in the City can use them. He noted that last year the City absorbed \$900,000 into its budget without a fee or tax increase, and he feels the City can absorb \$300,000 this year. Mayor Ostler facilitated discussion and debate among the Council regarding what to do about the open-space fee; Council Member Bills stated she largely agrees with Council Member Smith's argument for eliminating the fee, but she is not prepared to make a decision on the fee in the middle of the process to consider an annual budget. She noted there are other matters to be decided. Council Member Smith stated the Council is constantly discussing this matter and they hear from residents on a regular basis; now is the time to eliminate the fee because the City has sufficient funding to absorb the impact in the budget. He noted that at a minimum he would propose cutting the fee in half; it is not fair that only a portion of residents pay the fee while all residents benefit from the open space in the City. Council Member Rodela stated that people move to Highland for the trails, parks, and open space; everyone is receiving the benefit no matter what neighborhood they live in. She stated she supports elimination of the fee to address the inequality of the fee. Council Member Bills stated that if the fee is eliminated, there is a possibility that parks will be rentable. Council Member Rodela stated that is not necessarily the case; she would like to review practices of other cities and how they handle access to and rentability of open spaces. Council Member Peterson stated she does not want all parks to be reservable, but she agrees that either the City should maintain the open space or eliminate the fee entirely. Council Member Ball stated that he agrees with Council Member Rodela; he would support renaming the fee to a parks fee and charge each household \$5 or \$10 per month. This would provide sufficient revenue to cover maintenance of parks and open space in the City. Council Member Bills emphasized that she is concerned about making a decision about this fee tonight; she agrees that the fee is not equitable, but she feels more time is needed to consider a decision that will not only impact the budget this year but will impact the City's budget for years to come. Mr. Bahr stated that the Council should consider the general fund's capacity to absorb the elimination of the fee. Mayor Ostler agreed and stated that it may be more appropriate to come back to this discussion after the review of the General Fund budget this evening. He noted, however, that he would like to make a decision on the matter in advance of the community meeting scheduled for next week as the intent of that meeting is to communicate budget intentions for the coming FY.

Philosophical discussion and debate among the Mayor and Council continued with a focus on the appropriate timing of making a decision regarding the open space fee, after which Mayor Ostler permitted public input on the matter.

Boyd Draper stated that it is important for the Mayor and Council to listen to the residents; the City conducted a citizen survey and 75 percent of residents communicate non-support for the fee. They also indicated they do not support a property tax increase to replace the open space fee. He noted that Highland's property taxes are the highest in the County. Council Member Smith clarified that the City's property taxes are actually low; residents pay higher taxes to the school district, but not to the City. Mr. Draper stated that many other fees are being increased and this could cost residents \$600 per year; this is very problematic for those on a fixed income.

Brian Braithwaite stated that he does not live in an area that is charged the open-space fee; the fee was developed based upon the assumption that property taxes for those living next to a park would be different than other residents in the City. However, he does not believe that assumption is entirely accurate. If the City now allows reservations of community parks, those spaces will be used more than anticipated and that will impact residents who live near a park. He agrees that an adjustment is needed, and he would suggest considering the value of the parks that are open for reservation and deducting that value from the open space fee revenue

projection. He feels this would be fair and can be communicated to residents. He noted that residents support fees that are transparent, such as the road fee or public safety fee; it may be hard to accept a fee, but harder to argue it because it is transparent and necessary. There are likely other fees that could be adjusted and charged to the entire City. He stated that the Council should find the money in the budget to cover the loss of revenue if the open-space fee is eliminated, but that should be done before the fee is eliminated.

Council Member Smith stated that when some residents pay \$240 per year for open space, they have an expectation that the park space will be maintained to a certain standard and that the space will be for neighborhood use and not available for rent by any group or resident in the City. Mr. Braithwaite stated he understands that and feels that issue can be addressed.

Mayor Ostler thanked Mr. Braithwaite for his point on transparency; if the Council feels that a fee can be adjusted in a manner that will ensure transparency, he will support the decision. Council Member Smith stated that he feels that eliminating the fee and absorbing the lost revenue in the budget is transparent. He does not want to consider a City-wide fee to replace the open-space fee that is only charged to a portion of the City. Ms. Wells suggested that the Council circle-back to this issue after review of the rest of the budget information Administration has prepared for discussion tonight.

Mayor Ostler recessed the meeting at 8:52 p.m.; the meeting reconvened at 9:07 p.m.

Mr. Bahr then discussed the long-term sustainability of the City's public safety fee; the fee has not been increased since its inception and property tax and sales tax revenues have been used to cover gaps in the revenue generated by the fee. He presented a graph illustrating public safety costs as a percentage of the City's ongoing General Fund revenue, noting that in 2022, public safety costs equaled 66 percent of the General Fund. He offered a comparison of Highland's property tax rates, public safety costs, and arrests per capita for cities surrounding Highland.

There was general discussion among the Council and Mr. Bahr regarding all funding sources included in the General Fund; Mr. Bahr noted the City's total revenue is \$7.4 million and public safety costs are \$4.9 million, leaving \$2.5 million to cover the rest of City operations. Council Member Smith stated that all revenues are actually near \$13 million. Mr. Bahr stated that is correct, but many sources are not ongoing revenue sources or are a passthrough of revenue to another service entity, such as garbage collection. He stated that his \$7.4 revenue estimate is for ongoing revenue sources. The Mayor, Council, and staff engaged in discussion regarding historical actions taken by the City relative to the public safety fee and other revenue sources used to fund public safety service, after which Mayor Ostler invited public input on the matter.

Brian Braithwaite discussed the City's access to SAFER grant funds in the early 2000's; this grant program was implemented after the September 11, 2001 terrorist attacks to allow communities to increase their public safety resources. However, the amount of grant funding decreased each year until it was entirely eliminated; the intent was for each City to adjust its revenue sources to compensate for the reduction in the grant support. However, Highland City never augmented its revenue and when the SAFER grant went away, the City had to entirely fund public safety costs. Then in 2008, the great recession hit, and the City struggled to maintain levels of service. This was a painful time for the City, and he hopes that the Council makes decisions aimed at avoiding a similar situation in the future.

Council Member Bills asked if the SAFER grant program is still in existence. Mayor Ostler answered yes, but it is still set up in a similar format.

Council Member Smith asked for an analysis of debt service and impact fee revenue that is used to cover bond payments. City Administrator/Community Development Director Crane explained that impact fees are tied

directly to specific projects and once projects are completed, which can include debt service for specific projects, the impact fee should be reduced accordingly.

Mr. Bahr presented three scenarios for Council consideration:

1. No increase; this commits all tax revenue increase to public safety, including future years.
2. Increase the fee by \$3.75 to \$15.25 per month; tax revenue and public safety fee increase covers all but \$100,000 of public safety cost increase.
3. Increase the fee by \$11.50 to \$23 per month; this provides sufficient revenue to cover the increase cost of providing public safety service.

Mayor Ostler facilitated discussion among the Council regarding the scenario they support; Council Member Smith stated that he would support a compromise between scenarios two and three, which would result in a fee of \$17 or \$18. There was discussion about the fees charged in other cities, with Mayor Ostler noting that he feels it is more important to consider the actual costs in Highland rather than basing decisions upon what is done in other cities. Council Member Peterson stated that it is important to leave enough money in the General Fund to take care of other needs in the City; she supports a public safety fee increase sufficient to cover service provision.

Ms. Wells presented a graph summarizing resident support for raising property taxes for certain reasons; 39 percent support an increase for a recreation center, 52 percent support an increase to keep pace with inflation, 45 percent support increase for trails, 66 percent support an increase for public safety, and 36 percent support an increase for open space. Mr. Bahr stated the Council needs to provide Administration with direction about the level of funding from the General Fund that should be dedicated to public safety.

Council Member Smith stated that his most recent City utility bill was \$108, and he asked if that is the average amount charged to all households; if the Council is talking about adding \$23 to \$25 per month in public safety, his bill will increase to \$135 per month. Ms. Wells stated that she will prepare an analysis of the average utility bill in the City and compare it with bills in surrounding communities in preparation for the upcoming community meeting.

Mayor Ostler stated that Administration needs direction on the public safety fee. Council Member Smith stated that he feels there is support in the community for increasing the public safety fee to cover the cost associated with recruiting and retaining quality Police Officers. He stated that he does not support an increase to \$23, but he can support a \$17 fee; with growth, the City will see increased revenue as new residents will be charged the public safety fee. Mayor Ostler stated that considering the increase in sales and property tax revenues, he can also support a \$17 fee. Council Members Bills, Rodella, Peterson, and Ball agreed. Council Member Ball stated he wants to make sure there is an accommodation for those on fixed income to apply for relief. This is something similar to what the County offers for property taxes. Council Member Smith stated he would support a relief program. Mr. Bahr stated he is aware of programs used in other cities to provide a 10 percent discount on City fees if certain conditions are present. Council Member Bills stated she would want to be sure that such a program is not too difficult to administer. Mr. Bahr stated he feels staff can handle administration of a relief program, with Mayor Ostler noting Administration can begin working on a program and will present proposed criteria for Council consideration.

Mr. Bahr then moved to a review of City utility rates; the City has experienced increased project costs across all utilities: culinary, pressurized irrigation, sewer, and storm sewer. There is an impact of postponing individual projects, and staff is reviewing grant opportunities that could aid in funding certain projects. Staff needs direction from the Mayor and Council regarding the timing of individual projects responsive to increased costs.

Public Works Director/City Engineer Spencer provided a brief overview of the scope and importance of projects including the culinary well projects, a pressurized irrigation source project, a sewer lift station

replacement and purchase of a vacuum truck, and various storm sewer projects. He added that he has applied for grants for a few of the projects and is awaiting award notification.

Mayor Ostler inquired as to the proposed increase in the culinary water rate. Mr. Bahr stated that the base rate is increasing from \$15.91 to \$23.07, or a \$7.16 increase.

The Council engaged in high level discussion regarding the projects discussed by Mr. Spencer; they also reviewed the proposed rate increases for all utilities. Mr. Bahr noted that the PI base fee is increasing from \$20.12 to \$24.14; the Sewer Fee is increasing from \$5.11 to \$7.15; and the Storm Sewer fee is increasing from \$6.99 to \$9.66. The Council discussed the justification for each of the fee adjustments and agreed to support all increases. Council Member Smith stated this will equate to a \$24.22 utility bill increase per month, or \$290.64 per year. He asked if these increases would make it possible for the City to increase its reserve funding for utilities. Mr. Bahr stated the increases are intended to increase the City's amount of operating days of cash on hand according to the utility rate study.

Council Member Bills asked Administration to look into charging residents a credit card fee to cover the costs incurred by the City for accepting payments via credit card. Mr. Bahr stated that he is working on that and will recommend an amendment to the consolidated fee schedule in the future.

Mr. Bahr then presented a chart including additional items for consideration in the budget; he accepted input from the Council regarding prioritization of the items and funding adjustments and noted he will edit the chart using that feedback and include the directives in the budget document that will be presented to the Council and public next week.

The Council then refocused on the open space fee; Council Member Rodela stated she is not comfortable making a decision to eliminate the fee right now. She would like to have additional time to discuss the matter with residents and consider the implications of the fee elimination. Council Member Smith stated he has been advocating for elimination for the fee for several years; however, he does not live in an area that is charged the fee and he is not sure why he is so adamantly advocating for elimination of a fee that does not impact him. Council Member Ball agreed with all points of view that have been raised but stated he would also like additional time to discuss the issue before taking action. Council Members Bills and Peterson also supported waiting to discuss the fee and they determined to revisit the matter in the fall of this year.

ADJOURNMENT

Council Member Scott L. Smith MOVED to adjourn the work session and Council Member Brittney P. Bills SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 11:15 pm.

I, Stephannie Cottle, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on June 6, 2022. This document constitutes the official minutes for the Highland City Council Meeting.



Stephannie Cottle
City Recorder

Welcome to the Highland
City Council Meeting

June 6, 2022



1



7:00 PM WORK SESSION

BUDGET WORK SESSION

Call to Order – Mayor Kurt Ostler

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Overview

- Garbage collection
- Building permit revenue
- Open space fee
- Public safety fee
- Utility capital improvement projects (CIP)
- Items for consideration

3



GARBAGE RATES
DISCUSSION

Presented by – Erin Wells, Assistant City Administrator & Blake Leonelli, Waste Management

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Contractual Adjustments

- Annual CPI Increase – 3.6%
- Annual Recycling Adjustment – None
- Extraordinary Adjustments – 7.5%
– Audit option
- Total – 11.1%

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Extraordinary Increase Reasoning Highlights

- Labor costs/ shortages
 - 80,000 CDL drivers have left the profession
 - 70,000 new CDL job openings
 - 40% less CDL training opportunities with 20% of CDL schools closed
- Fuel increases – 60% in diesel and CNG
- Maintenance year over year increase – 29%
 - Rubber for tires – 44% increase
 - Base oils for lubricants – 50% increase
 - Resin for toter carts – over 50% since 2020
 - Steel pricing increase for vehicles and dumpsters – 200%

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Monthly Resident Impact

	Current Rates	Proposed Rates (Breakeven)
First Garbage	\$9.61	\$10.75
Second Garbage	\$6.76	\$7.49
Recycling	\$6.27	\$7.18
Difference	\$--	\$2.79

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Other Companies Proposals

- Republic Services – contract
 - Annual 2% increase
- Republic Services – 2020 RFP
 - 3% +/- recycling tipping fee adjuster OR
 - Garbage and Trash CPI

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Garbage Department Overview

- Revenue
 - Can fees
- Expenses
 - Garbage Tipping Fees (Northpointe)
 - Hauling Fees (Waste Management)
 - Other costs (salaries and benefits, billing charges, credit card fees, etc.)
- Can Count
 - First Garbage – 4,663
 - Second Garbage – 2,838
 - Recycling – 3,272

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Historical Budget Impact

	FY21	FY22 Budgeted	FY22 Projected
Total Revenue	\$1,022,850	\$990,000	\$1,002,538
Total Expense	\$958,262	\$997,038	\$1,003,308
Net Revenue	\$64,588	(\$7,038)	(\$770)

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FY23 Budget Changes

- 7.2% - Annual household growth
- \$1 per ton increase for Northpointe
- 11.1% increase for Waste Management

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FY23 Can Cost Impacts

	Total Can Cost to City	Current Rate	Deficit
First Garbage	\$10.75	\$9.61	(\$1.14)
Second Garbage	\$7.49	\$6.76	(\$0.73)
Recycling	\$7.18	\$6.27	(\$0.91)

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FY23 Budget Impact

	No Rate Change Scenario	Breakeven Scenario	Net Revenue Buffer Scenario
Total Revenue	\$1,050,461	\$1,179,589	\$1,229,589
Total Expense	\$1,179,589	\$1,179,589	\$1,179,589
Net Revenue	(\$129,128)	\$--	\$50,000

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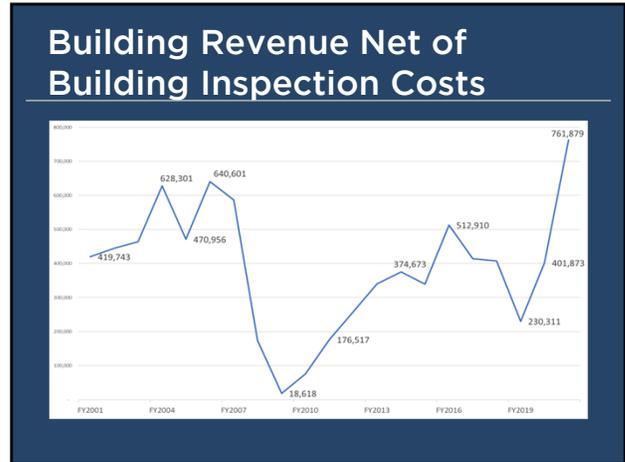
Monthly Resident Impact

	No Rate Change Scenario	Breakeven Scenario	Net Revenue Buffer Scenario
First Garbage	\$9.61	\$10.75	\$11.13
Second Garbage	\$6.76	\$7.49	\$7.87
Recycling	\$6.27	\$7.18	\$7.55
Difference	\$--	\$2.79	\$3.91

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- ### Reassessing Permit Revenue
- What expenses justify building permit fees?
- Building inspection
 - Planning & zoning
 - Engineering (large portion)
 - Overhead allocation
 - Administration
 - Recorder
 - City Council
 - Planning Commission
 - Other considerations
 - Sub applications
 - PW inspection/review
 - Fire Marshall
 - Legal entitlements
 - Addressing

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- ### Building Permit Considerations
- Building expenses & revenue at a peak in FY2023
 - Even with smaller volume, still need these functions (including admin, engineering, etc.)
 - Living on building permit revenue hurt the City in the mid-2000s when development slowed & staff were forced to choose which bills to pay on time

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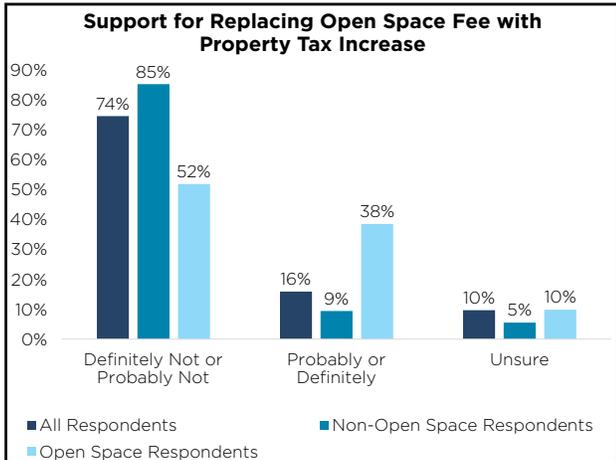
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Open Space Fee

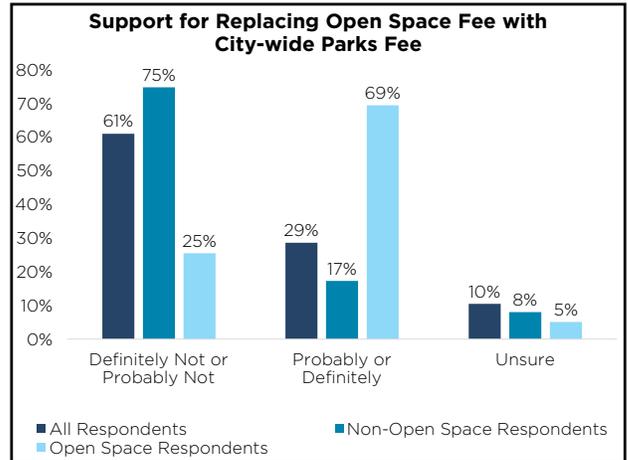
If eliminated, replace **\$300K** ongoing revenue

\$5.25
Per month, every household... somewhere

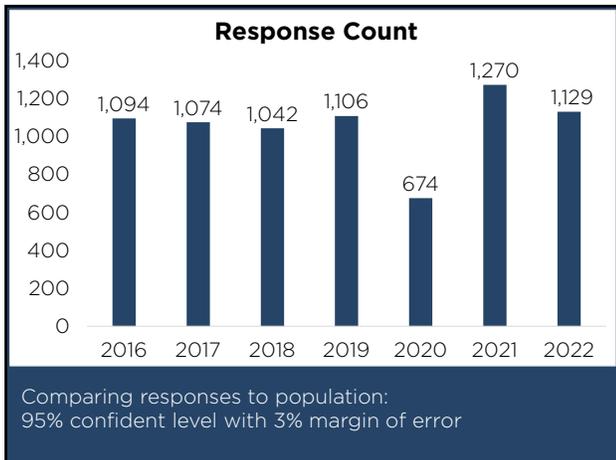
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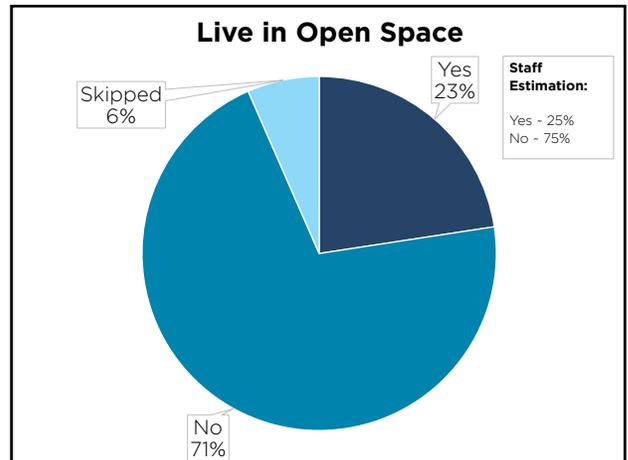
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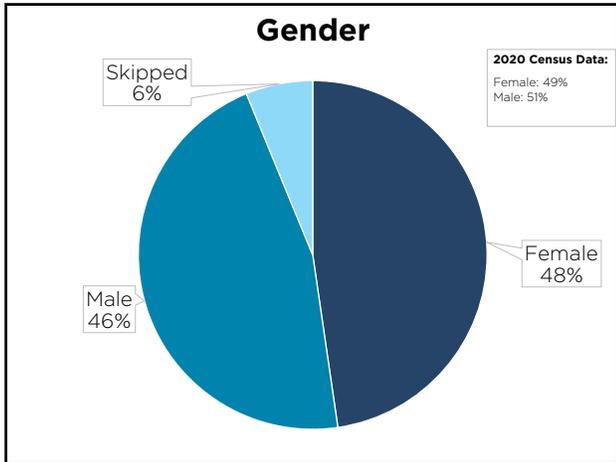
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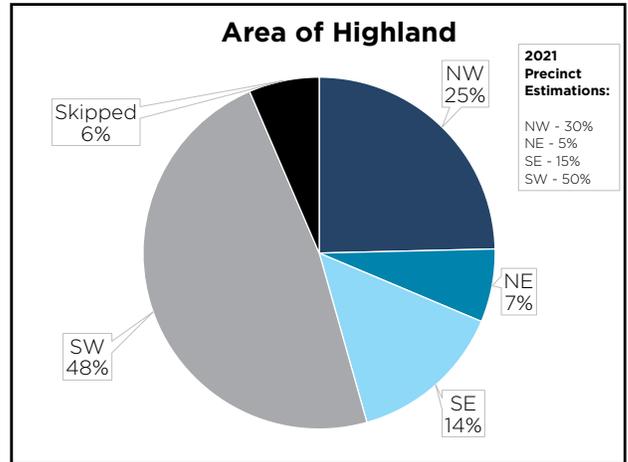
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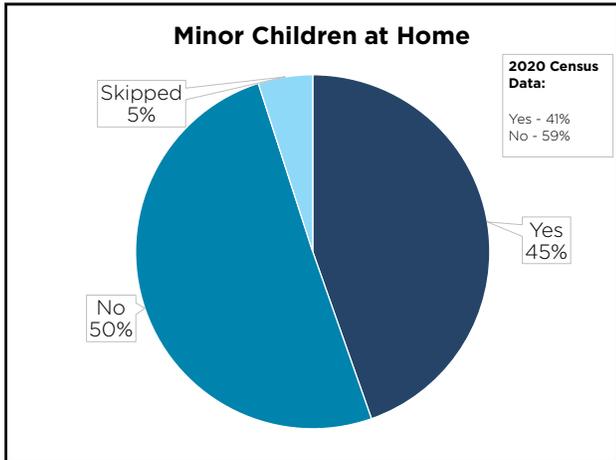
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Public Safety Fee

What should it be?

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- ## Long-term Sustainability
- Budgeting philosophy = bare bones
 - General Fund absorbed FY11-12 increase -\$600K
 - Public Safety fee not increased since inception
 - Property & sales tax trends since 2010
 - With no PS fee increase, future revenue growth (sales/property tax) likely go to public safety
 - We are currently in an outlier with regard to revenue increases; if the last two years are a blip, we need to plan accordingly
 - Building permit revenue is also a significant outlier
 - Fed response to inflation in raising interest rates is intended to slow things down
 - Recessionary adjustments: CIP vs. O&M

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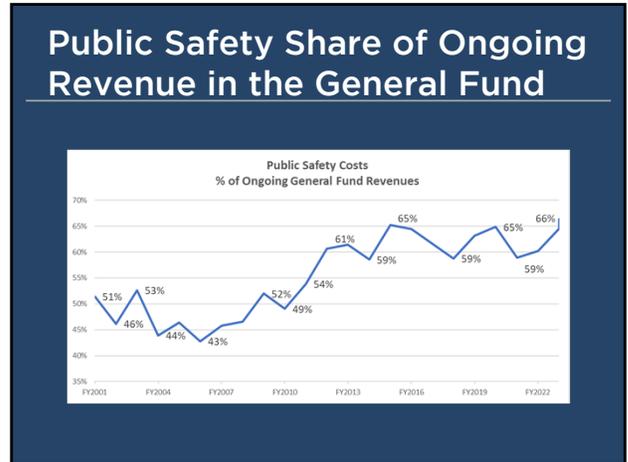
Public Safety Share of Ongoing Revenue in the General Fund

Sources include:

- Property tax
- Sales tax
- Fee in-lieu of personal property tax
- Utility tax
- Phone tax
- Public safety fee

FY2023 projection of revenue above <i>*Without public safety fee increase</i>	\$7,447,600
Less public safety costs	(\$4,939,654)
Net ongoing revenue - General Fund	\$2,507,946

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Public Safety Share of Ongoing Revenue in the General Fund

47%

FY2001 to
FY2008
Average

66%

FY2023
Projected
**With no public safety
fee increase*

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Revenue Net of Public Safety

	Net Revenue After PS	Net Revenue to Population	Arrests per Capita
Draper	\$17,014,600	\$344.94	0.0098
Lehi	\$17,115,248	\$249.14	0.0169
American Fork	\$8,404,283	\$244.15	0.0071
Alpine	\$2,471,542	\$238.59	0.0079
Pleasant Grove	\$7,582,811	\$199.82	0.0171
Cedar Hills	\$1,608,078	\$160.42	0.0071
Saratoga Springs	\$4,846,944	\$109.75	0.0166
Highland <i>*No PS fee increase</i>	\$2,507,946	\$127.88	0.0079
Highland <i>*PS fee increase \$3.75</i>	\$2,719,946	\$138.69	0.0079

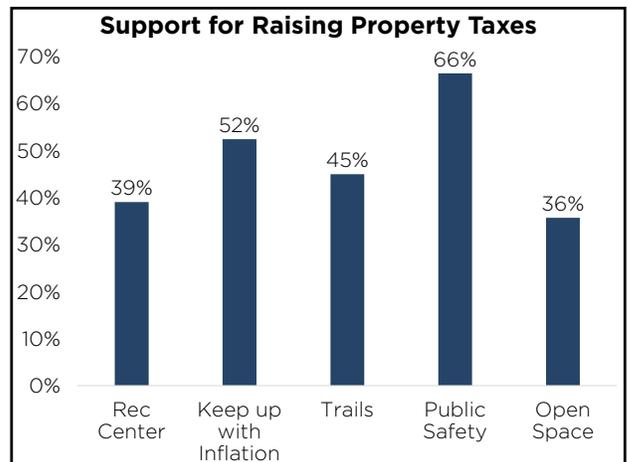
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Public Safety (PS) Fee

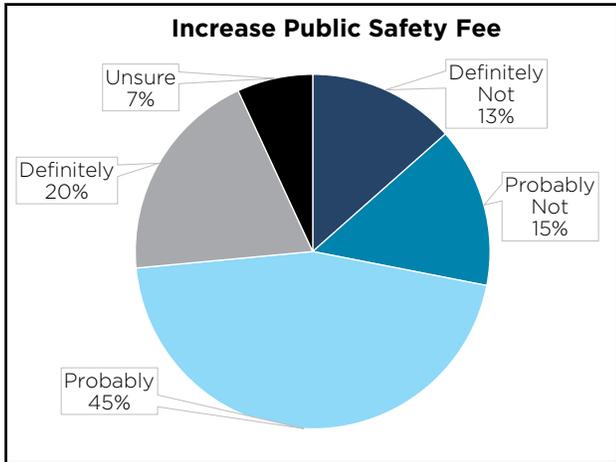
Scenarios

1. No increase
 - Commits all tax revenue increase to public safety, including future years
2. Increase \$3.75 to \$15.25/month
 - Tax revenue & PS fee increases cover all but \$100K of PS cost increase
3. Increase \$11.50 to \$23/month
 - PS fee covers cost increase

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Public Safety Fee

What should it be?

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Utility Rate Drivers

Cost & Timing

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- Project Cost Increases**
- Culinary
 - Well & Well House #4 Replacement - \$1.1MM increase (FY2022-2023)
 - Well House #5 Replacement - \$518K increase
 - Pressurized Irrigation
 - MP #14 Source - \$200K increase (FY2023)
 - Sewer
 - AF River Lift Station Replacement - \$664K increase (FY2023)
 - Vac Truck - \$395K increase (FY2029)
 - Storm Sewer
 - Various projects - \$719K increase (FY2023-2027)

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- Project Scheduling**
- Impact of postponing individual projects
 - Grant opportunities

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Items for Consideration



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Items for Consideration

Determine what to take out or change

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Items for Consideration

General Fund

Account Number	One-time or Ongoing?	Account Title	Amount	Notes
10-43-75	One-time	Capital Outlay-Special Proj	100,000	Council Chambers AV
10-60-74	One-time	Capital Outlay-Equipment	77,000	Skid steer (Cemetery)
10-43-75	Ongoing	Capital Outlay-Special Proj	50,000	Tree replacement
10-60-48	One-time	Streets, Traffic, & Warn Signs	20,000	2nd variable message sign
10-43-74	One-time	Capital Outlay-Equipment	6,500	Fire station exhaust system
10-60-34	One-time	Prof and Tech Services	15,000	Traffic Control Toolbox Study
10-60-48	Ongoing	Streets, Traffic, & Warn Signs	14,000	Radar Speed & RRFB Sign
10-72-63	Ongoing	Community Enrichment	7,800	Christmas lights
10-41-62	Ongoing	Council Appropriations	18,000	\$3K per Mayor & Council Member
10-52-25	One-time	Special Projects	78,400	General Plan update \$75K Alt Trans Plan Match \$3.4K
10-70-31	Ongoing	Park Maintenance Contract	3,500	Gardening beds - City Hall, LP
10-43-40	Ongoing	Mass Notification System	5,000	Texting system

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Items for Consideration

General Fund - Building Permits

Account Number	One-time or Ongoing?	Account Title	Amount	Notes
10-58-74	One-time	Capital Outlay-Equipment	51,230	Vehicle for inspector

Other Funds

Account Number	Fund	One-time or Ongoing?	Account Title	Amount	Notes
42-40-67	CAP IMP BUILDING	One-time	New Parks Maintenance Bldg.	900,000	Parks Maint Bldg
40-40-75	CAPITAL IMP PARKS	Ongoing	Park Equipment	41,000	Garbage cans in parks
21-43-74	Cemetery	One-time	Capital Outlay	75,000	Grave excavation equip
21-43-12	Cemetery	Ongoing	Overtime	2,000	Weekend burials
20-43-74	Open Space	Ongoing	Capital Outlay	150,000	Playground @ Mitchell Hollow
TBD	Parks Tax	Ongoing	Playground Maintenance & Rep.	150,000	Playground @ Heritage Park

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Items for Consideration

Determine what to take out or change

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Questions?

Thank you & Good Night!

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