



# Lindon City Council Staff Report

Prepared by Lindon City  
Administration

April 1, 2024

# Notice of Meeting of the Lindon City Council



The Lindon City Council will hold a meeting at **5:15 pm on Monday, April 1, 2024** in the Lindon City Center Council Chambers, 100 North State Street, Lindon, Utah. Meetings are typically broadcast live at [www.youtube.com/user/LindonCity](http://www.youtube.com/user/LindonCity). The agenda will consist of the following:

Scan or click here for link to download agenda & staff report materials:



**REGULAR SESSION – 5:15 P.M.** - Conducting: Carolyn Lundberg, Mayor  
Invocation: Van Broderick, Councilmember  
Pledge of Allegiance: By invitation

*(Review times are estimates only)*

- 1. Call to Order / Roll Call** *(2 minutes)*
- 2. Presentations and Announcements:** *(15 minutes)*
  - a) Comments / Announcements from Mayor and Council members.
- 3. Open Session for Public Comment** *(For items not listed on the agenda)* *(10 minutes)*
- 4. Council Reports** *(20 minutes)*
- 5. Administrator’s Report** *(5 minutes)*
- 6. Approval of Minutes** — The minutes of City Council meetings from March 18, 2024 will be reviewed. *(5 minutes)*
- 7. Consent Agenda** — *(Items do not require public comment or discussion and can all be approved by a single motion.* The following consent agenda item was presented for approval. *(5 minutes)*
  - a) Historical Commission appointments
  - b) Resolution 2024-9-R; 2023 Municipal Wastewater Planning Program (MWPP) report
- 8. Discussion Item – URS contributions for Tier 2 employees.** The council will receive information about contribution changes from Utah Retirement Systems (URS) and discuss how these may impact Tier 2 employees and the city budget. *(30 minutes)*

## Adjourn

All or a portion of this meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at [www.lindoncity.org](http://www.lindoncity.org). The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Britni Laidler, City Recorder at 801-785-5043, giving at least 24 hours-notice.

### CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in six public places within the Lindon City limits and on the State (<http://pmn.utah.gov>) and City ([www.lindoncity.org](http://www.lindoncity.org)) websites.

Posted by: /s/ Britni Laidler, Lindon City Recorder

Date: **March 29, 2024; Time: 5:00 p.m.;** Place: Lindon City Center, Lindon Police Dept., Lindon Community Development, Lindon Public Works, Lindon Community Center, Lindon Justice Court

Meetings are typically broadcast live at [www.youtube.com/user/LindonCity](http://www.youtube.com/user/LindonCity)

## **REGULAR SESSION – 5:15 P.M.** - Conducting: Carolyn Lundberg, Mayor

Invocation: Van Broderick, Councilmember

Pledge: By invitation

### **Item 1 – Call to Order / Roll Call**

#### **April 1, 2024 Lindon City Council meeting.**

Carolyn Lundberg  
Van Broderick  
Cole Hooley  
Jake Hoyt  
Lincoln Jacobs  
Steve Stewart

### **Item 2 – Presentations and Announcements**

- a) Comments / Announcements from Mayor and Council members.

### **Item 3 – Open Session for Public Comment** *(For items not on the agenda - 10 minutes)*

## **Item 4 - COUNCIL REPORTS:**

*(20 minutes)*

- A) MAG/MPO, COG, UIA, Utah Lake Commission, ULCT, Youth Council, Public Relations (media)
- B) Public Works/Eng., Irrigation Co. Representative, Cemetery, Facilities/Building
- C) CTC, Healthy Utah, 2024 Centennial Celebration, Historical Commission, Tree Board
- D) Police/Fire/EMS, CERT, Economic Dev., Lindon Days, Utah League of Cities & Towns Alternate
- E) Transfer Station Board, Planning Commission, Community Development/General Plan, Parks & Trails
- F) Youth Council (Lead Advisor), Econ. Dev, PG/Lindon Chamber of Comm., Senior Center, Edu. grants

- Carolyn Lundberg
- Van Broderick
- Cole Hooley
- Jake Hoyt
- Lincoln Jacobs
- Steve Stewart

## **Item 5 - ADMINISTRATOR'S REPORT**

*(10 minutes)*

### **Misc. Updates:**

- Next regular meeting is April 15<sup>th</sup>
- May 2024 newsletter assignment: Heath Bateman
- April 17<sup>th</sup>-19<sup>th</sup>, ULCT Spring Conference
- April 25<sup>th</sup> @ 3:00pm, Joint Orem / Lindon council meeting @ Orem Council chambers
- Planning Commission, planned developments in residential zones?
- Misc. Items.

## **Item 6 – Approval of Minutes**

- Review and approval of City Council minutes: **March 18, 2024**

2 The Lindon City Council regularly scheduled meeting on **Monday, March 18, 2024, at**  
3 **5:15 pm** in the Lindon City Center, City Council Chambers, 100 North State Street,  
4 Lindon, Utah.

6 **REGULAR SESSION – 5:15 P.M.**

8 Conducting: Carolyn Lundberg, Mayor  
9 Invocation: Lincoln Jacobs, Councilmember  
10 Pledge of Allegiance: Lyle Lamoureux

12 **PRESENT** **EXCUSED**

13 Carolyn Lundberg, Mayor  
14 Van Broderick, Councilmember  
15 Jake Hoyt, Councilmember  
16 Steve Stewart, Councilmember  
17 Cole Hooley, Councilmember  
18 Lincoln Jacobs, Councilmember  
19 Adam Cowie, City Administrator  
20 Brian Haws, City Attorney  
21 Mike Florence, Community Dev. Director  
22 Kristin Colson, Financial Director  
23 Britni Laidler, City Recorder

24

25 1. **Call to Order/Roll Call** – The meeting was called to order at 5:15 p.m.

26

27 2. **Presentations and Announcements:**

28

29 a) Comments / Announcements from Mayor and Council members.

30

31 3. **Open Session for Public Comment** – Mayor Lundberg called for any public  
32 comments. Hearing none she moved onto the next item.

32

33 4. **COUNCIL REPORTS:**

34  
35 **Councilmember Hoyt** – Councilmember Hoyt reported on an update from Chief Brower  
36 about counterfeit \$100 bills that were going around, he noted they were able to locate and  
37 arrest the suspects. He then stated that he appreciates our officers who often do acts of  
38 service, even while off duty. He then closed by stating that he has had a lot of business  
39 owners asking about an increase in fees from the Fire Department for fire inspections,  
40 and inquired if the city had any more information on this. Mike Florence gave an update  
41 on the reasoning for the increase to the council.  
42

44

2 **Councilmember Broderick** – Councilmember Broderick reported that on Thursday  
3 March 21<sup>st</sup> there is an EDA Land Planning Consultant meeting for the cemetery  
4 expansion that he won't be able to attend and hoped another councilmember court step in.  
5 Councilmember Jacobs stated he would be able to attend that meeting for him.

6  
7 **Councilmember Stewart** – Councilmember Stewart reported that the Youth Council had  
8 one of their last meetings last Monday and is excited for the new Youth Council terms to  
9 begin. He noted that the deadline for Youth Council applications is April 12<sup>th</sup>.

10  
11 **Councilmember Jacobs** - Councilmember Jacobs reported that the Annual Easter Egg  
12 Hunt for kids 12 and younger will be at Pheasant Brook Park on March 30<sup>th</sup>, and stated  
13 there will also be a city-wide hunt for adults to participate on that same day. He then  
14 noted that there were plans submitted for a new bank in the city. Councilmember Jacobs  
15 then closed with announcing that a new building inspector Hyrum Woodruff was hired  
16 recently.

17  
18 **Councilmember Hooley** – Councilmember Hooley reported that Communities that Care  
19 have their annual key leaders event meeting coming up this week, along with their  
20 regular meeting also. He stated that the historical commission is working on a scavenger  
21 hunt as part of the centennial events. He closed by reminding the council to let Mr.  
22 Bateman at the Parks Department know their input on the location for the centennial  
23 bench and tree.

24  
25 **Mayor Lundberg** – Mayor Lundberg reported that there was an article written in the  
26 Daily Herald about Lindon's centennial celebration on Monday with the Dowdle puzzle  
27 unveiling along with a live band, food, and events. She then closed by stating the city-  
28 wide clean-up is coming up April 6-15<sup>th</sup> and dumpsters will be located at the same  
29 locations they have previously been at.

30  
31 **5. Administrator's Report:** Mr. Cowie reported on the following items.

32 **Misc. Updates:**

- 33 • Next regular meeting is April 1st (Alpine SD spring break; will we have a  
34 quorum?)
- 35 • April 2024 newsletter assignment: Kristen Aaron
- 36 • Thursday, March 21st @ 6:30pm @ City Center, Center Street project open house
- 37 • Monday, March 25th @6:30pm @ Community Center; Centennial / Dowdle  
38 painting unveiling.
- 39 • March 30th @ 9:00am, Easter Egg hunt @ Pheasant Brook Park
- 40 • April 6th-15th, Spring clean-up (dumpsters at various locations around Lindon) •
- 41 April 17th-19th ULCT Spring Conference
- 42 • April 25th @ 3:00pm @ Orem Council chambers; Joint Orem / Lindon council  
43 meeting
- 44



2 • Misc. Items.

4 6. **Approval of Minutes** – The minutes of the regular City Council meeting of  
6 March 4, 2024 were reviewed.

8 COUNCILMEMBER JACOBS MOVED TO APPROVE THE MINUTES OF  
10 THE REGULAR CITY COUNCIL MEETING OF MARCH 4, 2024 AS PRESENTED.  
12 COUNCILMEMBER STEWART SECONDED THE MOTION. THE VOTE WAS  
14 RECORDED AS FOLLOWS:

16 COUNCILMEMBER BRODERICK AYE  
18 COUNCILMEMBER HOYT AYE  
20 COUNCILMEMBER STEWART AYE  
22 COUNCILMEMBER HOOLEY AYE  
24 COUNCILMEMBER JACOBS AYE  
26 THE MOTION CARRIED UNANIMOUSLY.

28 7. **Consent Agenda Items**

30 a) Proclamation declaring March 25, 2024 as “Lindon Day” in commemoration  
32 of its 100th year of incorporation as a city in the State of Utah.

34 COUNCILMEMBER STEWART MOVED TO APPROVE THE CONSENT  
36 AGENDA ITEM AS PRESENTED. COUNCILMEMBER HOYT SECONDED THE  
38 MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

40 COUNCILMEMBER BRODERICK AYE  
42 COUNCILMEMBER HOYT AYE  
44 COUNCILMEMBER STEWART AYE  
COUNCILMEMBER HOOLEY AYE  
COUNCILMEMBER JACOBS AYE  
THE MOTION CARRIED UNANIMOUSLY.

32 **CURRENT BUSINESS**

34 8. **Presentation & Discussion Item: Business License Fee study.** Representatives  
36 from LRB will present findings from the Business License Fee study for Council  
38 review. Recommendations for business license fee updates will be presented,  
discussed and brought back to the Council in a future public hearing for  
consideration.

40 Mike Florence, Community Development Director presented this item. He noted  
42 that Marci Alphin, Community Development Clerk was present to answer any questions  
44 Lindon specific that may come up. Mr. Florence stated that in 2023, Lindon City hired  
LRB Public Finance Advisors to complete a business license fee study. The purpose of  
the feel study is to identify the appropriate distribution of costs to cover necessary

2 services provided by the city and for businesses that require a disproportionate level of  
4 police service. He stated from this discussion Lindon City staff will then take the  
6 recommendations and update the Lindon City Fee Schedule and appropriate documents  
for adoption. He then turned the time over to Fred Fillpot from LRB. Mr. Fillpot then  
continued to present the findings of the Business License Fee study to the council.

8 Following the presentation and general discussion Councilmember Hoyt stated  
10 that he would like Lindon to stay business friendly and keep fees closer to those  
12 neighboring cities. Ms. Alphin stated that some of the current rates do seem  
14 disproportionate, where she has found big box stores are paying a smaller business  
license fee than some smaller businesses, and that is one of the things that guided this fee  
study. The council then gave feedback on wanting to see the potential fees closer to those  
of Orem, who also recently had a fee study done.

16 Mayor Lundberg called for any further discussion or comments from the Council.  
18 Hearing none she proceeded to the next agenda item.

20 **9. Public Hearing: Resolution #2024-7-R; FY2023-24 Budget and Fee Schedule  
22 update.** The Council will review and consider Resolution #2024-7-R adopting  
updates to the FY2023-2024 budget and fee schedule as presented.

24 COUNCILMEMBER HOYT MOVED TO OPEN THE PUBLIC HEARING.  
26 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT  
VOTED IN FAVOR. THE MOTION CARRIED.

28 Kristen Aaron, Financial Director presented this item. She began with presenting  
the noted changes along with the summary of expenses as follows:

- 30 1. GL# 10-38-511 PW Admin Dept cost share-Water -\$32,880  
32 GL# 10-38-521 PW Admin Dept cost share-Sewer -\$32,880  
34 GL# 10-38-541 PW Admin Dept cost share-Storm -\$32,880  
36 GL# 10-62-310 Professional & Tech Services +\$30,000  
38 GL# 51-40-911 PW Admin Costs to Gen Fund -\$32,880  
40 GL# 52-40-911 PW Admin Costs to Gen Fund -\$32,880  
GL# 54-40-911 PW Admin Costs to Gen Fund -\$32,880  
*Adjusting the cost sharing from the Water, Sewer, and Storm Water Funds to the  
General Fund for the PW Administrative Department. This distribution was not  
adjusted with the last budget amendment when the dump truck was taken out of  
the budget. There is a budget increase of \$30,000 for updating GIS mapping.*
- 42 2. GL# 10-64-180 Telephone \$2,000  
44 *Increasing to add data service for the new cameras in the parks.*
3. 3 GL# 10-64-310 Professional & Tech Services +\$66,000

- 2            *Adding \$66,000 for engineering the railroad crossing for the Heritage Trail.*
- 4            4. GL# 10-67-310 Professional & Tech Services +\$10,000  
               *Increase to pay for new police officer's tuition for UVU's law enforcement*  
 6                *academy.*
- 8            5. GL# 10-67-675 Purchase of Equipment +\$775  
               *Increase to purchase a trailer for the cemetery.*
- 10           6. GL# 10-68-310 Professional & Tech Services +\$7,500  
 12           GL# 55-42-310 Professional & Tech Services +\$7,500  
               *Adding \$15,000 (split between Community Development and Recreation) for*  
 14                *Placer.ai software.*
- 16           7. GL# 10-75-911 Trfr to Debt Serv – CDA 2023 +\$67,775  
               GL# 33-30-735 Trfr from Gen Fd – CDA 2023 +\$67,775  
 18           GL# 33-40-235 2023 700N CDA Bond Interest +\$67,775  
               *Add the current fiscal year's debt service payment for new bond for property*  
 20                *purchase on 700 N, along with corresponding transfers.*
- 22           8. GL# 11-40-735 Class C Capital Improvements +\$125,000  
               *Add a joint project with Pleasant Grove City to edge mill and overlay 1000 South.*
- 24           9. GL# 22-30-475 Bond Proceeds -\$284,000  
 26           GL# 22-84-310 Professional & Tech Services -\$6,405  
               GL# 22-84-760 Property Purchase -\$275,115  
 28                *Update budgeted amounts for the 700 N property purchase.*
- 30           10. GL# 24-41-310 Professional & Tech Services +\$14,000  
               *Increase for Aquatics Center concessions electrical work*
- 32           11. GL# 51-40-740 Purchase of Capital Asset +\$9,500  
 34                *Increase to purchase a light tower for afterhours work.*
- 36           12. GL# 51-40-755 Culinary Water Projects +\$878,225  
               GL# 52-40-755 Special Projects +\$114,890  
 38           GL# 54-40-750 Special Projects +\$184,310  
               *Increase for water, sewer, and storm drainage pipe projects before roadwork is*  
 40                *done on 200 S, 835 E, Center St, 630 N and 725 N.*
- 42           13. Multiple GL's Use of Fund Balance \$1,519,955  
               *The changes in revenues and expenses are balanced and offset by changes in the*  
 44                *use of fund balances.*

2 Ms. Aaron asked if there were any questions from the council regarding the  
amendment. Councilmember Hoyt asked about item #12 and whether those amendments  
4 had anything to do with the recent water breaks. Ms. Arron stated that those changes are  
not from the recent breaks and gave a breakdown of what those costs are associated with.

6  
8 Following some general discussion Mayor Lundberg called for a motion to close  
the public hearing.

10 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.  
12 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT  
VOTED IN FAVOR. THE MOTION CARRIED.

14 Mayor Lundberg called for any further discussion or comments from the Council.  
Hearing none she called for a motion.

16  
18 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2024-7-R  
AS PRESENTED. COUNCILMEMBER BRODERICK SECONDED THE MOTION.  
THE VOTE WAS RECORDED AS FOLLOWS:

20 COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

22 COUNCILMEMBER STEWART AYE

COUNCILMEMBER HOOLEY AYE

24 COUNCILMEMBER JACOBS AYE

THE MOTION CARRIED UNANIMOUSLY.

26  
28 **10. Public Hearing: FY2024-25 Tentative Budget Adoption; Resolution #2024-8-**

**R.** The City Council will review and consider Resolution #2024-8-R adopting the  
FY2024-25 Tentative Budget for Lindon City. Lindon City Finance Director,  
30 Kristen Colson Aaron, will present the Tentative Budget for consideration. The  
City will hold additional public meetings to review the budget on April 15, 2024.  
32 The City will hold a public hearing to adopt the FY2025 Proposed Budget on May  
6, 2024 and a public hearing to amend the FY2024 budget and adopt the FY2025  
34 Final Budget on June 3, 2024.

36  
38 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC  
HEARING. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL  
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

40  
42 Kristen Aaron presented this item. She presented the first draft of the tentative  
FY2025 budget. She noted that there will be meetings next week with department heads  
to get each department budget. She stated that they have a work session also coming up  
44 to get input from the council on April 15<sup>th</sup> and would love to be able to answer any

2 questions they may have before that date to get it worked out before the actual budget  
4 meeting.

6 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC  
8 HEARING. COUNCILMEMBER JACOBS SECONDED THE MOTION. ALL  
10 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

12 Mayor Lundberg called for any further discussion or comments from the Council.  
14 Hearing none she called for a motion.

16 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2024-8-  
18 R AS PRESENTED. COUNCILMEMBER STEWART SECONDED THE MOTION.

20 THE VOTE WAS RECORDED AS FOLLOWS:

22 COUNCILMEMBER BRODERICK AYE

24 COUNCILMEMBER HOYT AYE

26 COUNCILMEMBER STEWART AYE

28 COUNCILMEMBER HOOLEY AYE

30 COUNCILMEMBER JACOBS AYE

32 THE MOTION CARRIED UNANIMOUSLY.

34 **11. Recess to Lindon City Redevelopment Agency Meeting (RDA).**

36 COUNCILMEMBER HOYT MOVED TO RECESS THE LINDON CITY  
38 COUNCIL MEETING AND CONVENE AS THE LINDON CITY RDA.  
40 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS  
42 RECORDED AS FOLLOWS:

44 COUNCILMEMBER BRODERICK AYE

46 COUNCILMEMBER HOYT AYE

48 COUNCILMEMBER STEWART AYE

50 COUNCILMEMBER HOOLEY AYE

52 COUNCILMEMBER JACOBS AYE

54 THE MOTION CARRIED UNANIMOUSLY.

56 COUNCILMEMBER BRODERICK MOVED TO RECESS THE RDA  
58 MEETING AND RECONVENE THE LINDON CITY COUNCIL MEETING.  
60 COUNCILMEMBER BRODERICK STEWART SECONDED THE MOTION. THE  
62 VOTE WAS RECORDED AS FOLLOWS:

64 COUNCILMEMBER BRODERICK AYE

66 COUNCILMEMBER HOYT AYE

68 COUNCILMEMBER STEWART AYE

70 COUNCILMEMBER HOOLEY AYE

72 COUNCILMEMBER JACOBS AYE

74 THE MOTION CARRIED UNANIMOUSLY



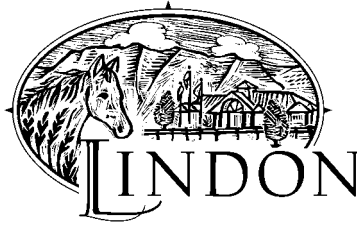
**Item 7 – Consent Agenda** – Consent agenda may contain items which have been discussed beforehand and/or do not require significant discussion, or are administrative in nature, or do not require public comment. The Council may approve all Consent Agenda items in one motion, or may discuss individual items as needed and act on them separately.

*The following consent agenda item was presented for approval.*

- a) Historical Commission appointments (see attached letters): *Mike & Rhonda Vanchiere, Mike & Jill Jorgensen, Jerry & Rebecca Hinckley.*
- b) Resolution 2024-9-R; 2023 Municipal Wastewater Planning Program (MWPP) report. *This is an annual acknowledgement by the Council of having reviewed this report required by the State. No changes to the city's system or process is part of this action.*

**Sample Motion:** I move to (*approve, reject*) the consent agenda item (*as presented or amended*).

Lindon City  
100 North State Street  
Lindon, UT 84042



TEL 801-785-7687  
[www.lindoncity.org](http://www.lindoncity.org)

April 2, 2024

Mike and Rhonda Vanchiere:

On April 1, 2024, the Lindon City Council unanimously approved my recommendation to appoint you as a member of the Lindon City Historic Preservation Commission. It is anticipated that you will serve a two-year term on the commission that will expire on the last day of April 2026, or until a successor is appointed to replace you in the position.

I would like to add my personal expression of appreciation for the service you will provide on the Historic Preservation Commission. The success of this group lies primarily with your enthusiasm and love for this great city and with your efforts to preserve its history and character. We appreciate your willingness to serve the great City of Lindon and we look forward to working with you.

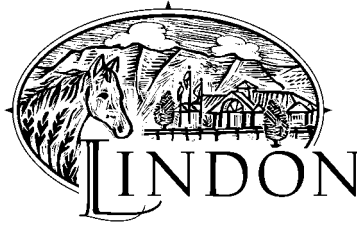
Michael Florence, our Community Development Director, will be contacting you regarding the next scheduled meeting. If you have any questions regarding your responsibilities as a member of the Historic Preservation Commission, please feel free to contact Michael at 801-785-7687 or via email at [mflorence@lindon.gov](mailto:mflorence@lindon.gov).

Sincerely,

Carolyn O. Lundberg  
Mayor



Lindon City  
100 North State Street  
Lindon, UT 84042



TEL 801-785-7687  
[www.lindoncity.org](http://www.lindoncity.org)

April 2, 2024

Mike and Jill Jorgensen:

On April 1, 2024, the Lindon City Council unanimously approved my recommendation to appoint you as a member of the Lindon City Historic Preservation Commission. It is anticipated that you will serve a two-year term on the commission that will expire on the last day of April 2026, or until a successor is appointed to replace you in the position.

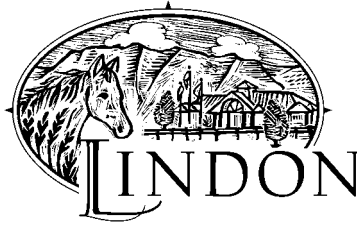
I would like to add my personal expression of appreciation for the service you will provide on the Historic Preservation Commission. The success of this group lies primarily with your enthusiasm and love for this great city and with your efforts to preserve its history and character. We appreciate your willingness to serve the great City of Lindon and we look forward to working with you.

Michael Florence, our Community Development Director, will be contacting you regarding the next scheduled meeting. If you have any questions regarding your responsibilities as a member of the Historic Preservation Commission, please feel free to contact Michael at 801-785-7687 or via email at [mflorence@lindon.gov](mailto:mflorence@lindon.gov).

Sincerely,

Carolyn O. Lundberg  
Mayor

Lindon City  
100 North State Street  
Lindon, UT 84042



TEL 801-785-7687  
[www.lindoncity.org](http://www.lindoncity.org)

April 2, 2024

Jerry and Rebecca Hinckley:

On April 1, 2024, the Lindon City Council unanimously approved my recommendation to appoint you as a member of the Lindon City Historic Preservation Commission. It is anticipated that you will serve a two-year term on the commission that will expire on the last day of April 2026, or until a successor is appointed to replace you in the position.

I would like to add my personal expression of appreciation for the service you will provide on the Historic Preservation Commission. The success of this group lies primarily with your enthusiasm and love for this great city and with your efforts to preserve its history and character. We appreciate your willingness to serve the great City of Lindon and we look forward to working with you.

Michael Florence, our Community Development Director, will be contacting you regarding the next scheduled meeting. If you have any questions regarding your responsibilities as a member of the Historic Preservation Commission, please feel free to contact Michael at 801-785-7687 or via email at [mflorence@lindon.gov](mailto:mflorence@lindon.gov).

Sincerely,

Carolyn O. Lundberg  
Mayor

**RESOLUTION NO. 2024-9-R**

**RESOLUTION APPROVING THE LINDON CITY  
MUNICIPAL WASTEWATER PLANNING PROGRAM (MWPP) ANNUAL  
REPORT FOR 2023**

**WHEREAS**, Lindon City has reviewed the attached Municipal Wastewater Planning Program (MWPP) Annual Report for 2023; and

**WHEREAS**, Lindon City has taken all appropriate actions necessary to maintain safe and effective collection of its wastewater and plan for future improvements to its wastewater collection system; and

**WHEREAS**, Lindon City Council has been presented with the MWPP in a public meeting held on April 1, 2024 and finds the Report to accurately reflect the City's efforts in planning effectively for its wastewater collection program.

**NOW THEREFORE, BE IT RESOLVED BY THE LINDON CITY COUNCIL**, that Lindon City informs the Utah State Division of Water Quality that Lindon City has reviewed the attached Municipal Wastewater Planning Program (MWPP) Annual Report for 2023 and Lindon City has taken all appropriate actions necessary to maintain safe and effective collection of its wastewater in conformance with State and local requirements.

This Resolution shall take effect immediately upon its passage by the Lindon City Council.

Passed by the Lindon City Council this 1<sup>st</sup> day of April, 2024.

---

Carolyn O. Lundberg, Mayor

Attest:

---

Britni Laidler, City Recorder

## 2024 MWPP Survey Questions

This document is provided to assist in gathering the appropriate responses for the survey.

The following questions are populated into a spreadsheet. Each question is numbered by the letter of the column that it falls in. If it so happens that you need to change a response to a question after submitting the form call Harry Campbell at 385-501-9583, identify your facility, report the question label (B, C, D, etc. in front of the question), and provide the correct response.

B. Email [lgarrido@lindoncity.org](mailto:lgarrido@lindoncity.org) (email of facility contact)

### **Section 1. General Information**

C. Name of Facility? [Lindon City](#)

D. What is the name of the person responsible for this organization? [Juan Garrido](#)

E. What is the title of the person responsible for this organization? [Public Works Director](#)

F. What is the email Address for the person responsible for this organization? [lgarrido@lindon.gov](mailto:lgarrido@lindon.gov)

G. What is the phone number for the person responsible for this organization? [801-796-7954](#)

H. Facility Location? Please provide either Longitude and Latitude, address, or a written description of the location (with area or point). [946 W Center Street, Lindon UT 84042](#)

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### **Federal Facility Section**

I. Are you a federal facility? A federal facility is a military base, a national park, a facility associated with the forest service, etc. Yes  No

“If Yes” you will go to the Collection Section

“If No” you will go to the Financial Section

---

### **Financial Evaluation Section**

J. This form is completed by [name]? [Juan Garrido](#)

*Part I General Questions - Please answer the following questions regarding GENERAL QUESTIONS.*

K. Are sewer revenues maintained in a dedicated purpose enterprise/district account?  Yes No

L. Are you collecting 95% or more of your anticipated sewer revenue?  Yes No

M. Are Debt Service Reserve Fund requirements being met?  Yes No

N. Where are sewer revenues maintained? General Fund  Combined Utilities Fund Other

O. What was the average annual User Charge for 2023? If there is more than one rate divide the total municipal yearly User Charge collected, by the total number of connections. [\\$49.20](#)

P. Do you have a water and/or sewer customer assistance program (CAP)?  Yes No

*Part II: OPERATING REVENUES AND RESERVES - Please answer the following questions regarding OPERATING REVENUES AND RESERVES.*

- Q. Are property taxes or other assessments applied to the sewer systems? Yes  No
- R. Revenue from these taxes =  N/A
- S. Are sewer revenues sufficient to cover operations & maintenance costs, and repair & replacement costs (OM&R) at this time?  Yes No
- T. Are projected sewer revenues sufficient to cover operation, maintenance, and repair (OM&R) costs for the next five years?  Yes No
- U. Does the sewer system have sufficient staff to provide proper OM&R?  Yes No
- V. Has a repair and replacement sinking fund been established for the sewer system?  Yes No
- W. Is the repair & replacement sinking fund sufficient to meet anticipated needs?  Yes No

*Part III: Capital Improvements, Revenues and Reserves. - Please answer the following questions regarding Capital Improvements, Revenues and Reserves.*

- X. Are sewer revenues sufficient to cover all costs of current capital improvements projects?  Yes No
- Y. Has a Capital Improvements Reserve Fund been established to provide for anticipated capital improvement projects?  Yes No
- Z. Are projected Capital Improvements Reserve Funds sufficient for the next five years?  Yes No
- AA. Are projected Capital Improvements Reserve Funds sufficient for the next ten years?  Yes No
- AB. Are projected Capital Improvements Reserve Funds sufficient for the next twenty years?  Yes No

*Part IV: FISCAL SUSTAINABILITY REVIEW - Please answer the following questions regarding FISCAL SUSTAINABILITY REVIEW.*

- AC. Have you completed a rate study within the last five years?  Yes No
- AD. Do you charge Impact fees?  Yes No
- AE. Impact Fee (if not a flat fee, use average of all collected fees) =  \$1,426.00
- AF. Have you completed an impact fee study in accordance with UCA 11-36a-3 within the last five years?  Yes No
- AG. Do you maintain a Plan of Operations?  Yes No
- AH. Have you updated your Capital Facility Plan within the last five years?  Yes No
- AI. In what year was the Capital Facility Plan last updated?  2023
- AJ. Do you use an Asset Management system for your sewer systems?  Yes No
- AK. Do you know the total replacement cost of your sewer system capital assets? Yes  No

AL. Replacement Cost = **N/A**

AM. Do you fund sewer system capital improvements annually with sewer revenues at 2% or more of the total replacement cost? Yes **No**

AN. What is the sewer/treatment system annual asset renewal cost as a percentage of its total replacement cost? **N/A**

AO. Describe the Asset Management System. Check all that apply

- Spreadsheet
- GIS
- Accounting Software
- Specialized Software

AP. Please answer the following: - 2023 Capital Assets Cumulative Depreciation? **\$664,964.00**

AQ. Please answer the following: - 2023 Capital Assets Book Value? Book Value = total cost - accumulated depreciation **N/A**

*Part V: PROJECTED CAPITAL INVESTMENT COSTS - Please answer the following questions regarding PROJECTED CAPITAL INVESTMENT COSTS.*

AR. Cost of projected capital improvements - Please enter a valid numerical value. - 2023? **\$180,533.40**

AS. Cost of projected capital improvements - Please enter a valid numerical value. - 2024 through 2028? **\$9,140,500.00**

AT. Cost of projected capital improvements - Please enter a valid numerical value. - 2029 through 2033? **\$7,427,500.00**

AU. Cost of projected capital improvements - Please enter a valid numerical value. - 2034 through 2038? **\$10,363,355.00**

AV. Cost of projected capital improvements - Please enter a valid numerical value. - 2039 through 2043? **\$8,775,500.00**

AW. Purpose of Capital Improvements - 2023? Check all that apply.

- Replace/Restore
- New Technology
- Increased Capacity

AX. Purpose of projected Capital Improvements - 2024 through 2028? - Check all that apply.

- Replace/Restore
- New Technology
- Increased Capacity

AY. Purpose of projected Capital Improvements - 2029 through 2033 Check all that apply.?

- Replace/Restore

- New Technology
- Increased Capacity

AZ. Purpose of projected Capital Improvements - 2034 through 2038? - Check all that apply.

- Replace/Restore
- New Technology
- Increased Capacity

BA. Purpose of projected Capital Improvements from 2039 through 2043? - Check all that apply.

- Replace/Restore
- New Technology
- Increased Capacity

BB. To the best of my knowledge, the Financial Evaluation section is completed and accurate.  True  
 False

Note: This questionnaire has been compiled for your benefit to assist you in evaluating the technical and financial needs of your wastewater systems. If you received financial assistance from the Water Quality Board, annual submittal of this report is a condition of the assistance. Please answer questions as accurately as possible to give you the best evaluation of your facility. If you need assistance please send an email to wqinfodata@utah.gov and we will contact you as soon as possible. You may also visit our Frequently Asked Questions page.

BC. Do you have a collection system?

The answer to this question is obvious in most cases, but for clarification, some wastewater systems consist of only wastewater collections (answer Yes). Some wastewater systems do not have a collection system but receive wastewater from separate collection system jurisdictions (answer No). Some wastewater systems have treatment and collections and consider their entire system as one entity (answer Yes). Some wastewater systems have treatment and collections, but consider their collections a separate entity from treatment (answer No). If you have treatment but have an independent collection system and you answered "No," you must enter your collection system separately as an independent response to the survey.  Yes  No

---

"If Yes" you will go to the Collection Section

"If No" you will go to a choice of which Treatment section

---

**Collection System** - The collection of wastewater in a system of pipes and possibly pump stations that deliver wastewater to a treatment system that may or may not be independent of the treatment system.

BD. This form is completed by [name]? - The person completing this form may receive Continuing Education Units (CEUs).  Tyler Pritchett

*Part I: SYSTEM DESCRIPTION - Please answer the following questions regarding SYSTEM DESCRIPTION.*

BE. What is the largest diameter pipe in the collection system? - Please enter the diameter in inches.

24

BF. What is the average depth of the collection system? - Please enter the depth in feet. **9**

BG. What is the total length of sewer pipe in the collection system? - Please enter the length in miles. **86**

BH. How many lift/pump stations are there in the collection system? **4**

BI. What is the largest capacity lift/pump station in the collection system? - Please enter the design capacity in gpm. **500**

BJ. Do seasonal daily peak flows exceed the average peak daily flow by 100 percent or more? Yes **No**

BK. What year was your collection system first constructed (approximately)? **1,974**

BL. In what year was the largest diameter sewer pipe in the collection system constructed, replaced or renewed? If more than one, cite the oldest. **2011**

*Part II: DISCHARGES - Please answer the following questions regarding DISCHARGES.*

BM. How many days last year was there a sewage bypass, overflow or basement flooding in the system due to rain or snowmelt? **1**

BN. How many days last year was there a sewage bypass, overflow or basement flooding due to equipment failure (except plugged laterals)? **1**

Sanitary Sewer Overflow (SSO)

Class 1 - a Significant SSO means a SSO backup that is not caused by a private lateral obstruction or problem that:

- a) affects more than five private structures;
- b) affects one or more public, commercial or industrial structure(s);
- c) may result in a public health risk to the general public;
- d) has a spill volume that exceeds 5,000 gallons, excluding those in single private structures; or
- e) discharges to Waters of the State.

Class 2 - a Non-Significant SSO means a SSO or backup that is not caused by a private lateral obstruction or problem that does not meet the Class 1 SSO criteria

BO. What is the number of Class 1 SSOs in Calendar year 2023? **1**

BP. What is the number of Class 2 SSOs in Calendar year 2023? **0**

BQ. Please indicate what caused the SSO(s) in the previous question. **Fiber optic conduits perforated a sewer main causing a backup in an institutional building**

BR. Please specify whether the SSOs were caused by contract or tributary community, etc. **Contractor**

*Part III: NEW DEVELOPMENT - Please answer the following questions regarding NEW DEVELOPMENT.*



BS. Did an industry or other development enter the community or expand production in the past two years, such that flow or wastewater loadings to the sewerage system increased by 10% or more? Yes  No

BT. Are new developments (industrial, commercial, or residential) anticipated in the next 2 - 3 years that will increase flow or BOD5 loadings to the sewerage system by 25% or more? Yes  No

BU. What is the number of new commercial/industrial connections in 2023?

BV. What is the number of new residential sewer connections added in 2023?

BW. How many equivalent residential connections are served?

*Part IV: OPERATOR CERTIFICATION - Please answer the following questions regarding OPERATOR CERTIFICATION.*

BX. How many collection system operators do you employ?

BY. What is the approximate population served?

BZ. State of Utah Administrative Rules require all public system chief operators considered to be in Direct Responsible Charge (DRC) to be appropriately certified at no less than the Facility's Grade. List the designated Chief Operator/DRC for the Collection System by: First and Last Name, Grade, and email. Grades: Grade I, Grade II, Grade III, and Grade IV.

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CA. Please list all other Collection System operators with DRC responsibilities in the field, by name and certification grade. Please separate names and certification grade for each operator by commas. Grades: Grade I, Grade II, Grade III, and Grade IV.

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CB. Please list all other Collection System operators by name and certification grade. Please separate names and certification grades for each operator by commas. Grades: Grade I, Grade II, Grade III, and Grade IV.

---

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CC. Is/are your collection DRC operator(s) currently certified at the appropriate grade for this facility?  Yes  No

*Part V: FACILITY MAINTENANCE - Please answer the following questions regarding FACILITY MAINTENANCE.*

CD. Have you implemented a preventative maintenance program for your collection system?  Yes  No

CE. Have you updated the collection system operations and maintenance manual within the past 5 years?  Yes No

CF. Do you have a written emergency response plan for sewer systems?  Yes No

CG. Do you have a written safety plan for sewer systems?  Yes No

CH. Is the entire collections system TV inspected at least every 5 years?  Yes No

CI. Is at least 85% of the collections system mapped in GIS?  Yes No

*Part VI: SSMP EVALUATION - Please answer the following questions regarding SSMP EVALUATION.*

CJ. Have you completed a Sewer System Management Plan (SSMP)?  Yes No

CK. Has the SSMP been adopted by the permittee's governing body at a public meeting? Yes  No

CL. Has the completed SSMP been public noticed? Yes  No \_\_\_\_\_

If "yes" then the question below.

CM. Date of Public Notice? \_\_\_\_\_

If "no" then the question below.

CN. When will the SSMP be public noticed? 5/6/2024 \_\_\_\_\_

CO. During the annual assessment of the SSMP, were any adjustments needed based on the performance of the plan? Yes  No

CP. What adjustments were made to the SSMP (i.e. line cleaning, CCTV inspections, manhole inspections, and/or SSO events)? N/A

CQ. During 2023, was any part of the SSMP audited as part of the five-year audit? Yes  No

CR. If yes, what part of the SSMP was audited and were changes made to the SSMP as a result of the audit? N/A

CS. Have you completed a System Evaluation and Capacity Assurance Plan (SECAP) as defined by the Utah Sewer Management Plan?  Yes No

*Part VII: NARRATIVE EVALUATION - Please answer the following questions regarding NARRATIVE EVALUATION.*

CT. Describe the physical condition of the sewerage system: (lift stations, etc. included) \_\_\_\_\_

The sewer collection system is being monitored for blockages using acoustic wavers technology every 2 years. Continue to rehabilitate sewer manholes that have H2S damage. Ongoing CCTV inspections, pipelines, and manhole cleaning

CU. What sewerage system capital improvements does the utility need to implement in the next 10 years?\_

Manhole rehabilitation, pipe upsizing, pipe lining.

CV. What sewerage system problems, other than plugging, have you had over the last year? \_\_\_\_\_

Infiltration, minor roots and grease buildup.

CW. Is your utility currently preparing or updating its capital facilities plan?  Yes  No

CX. Does the municipality/district pay for the continuing education expenses of operators?

- 100%
- Partially
- Does not pay

CY. Is there a written policy regarding continued education and training for wastewater operators?  Yes

No

CZ. Do you have any additional comments?  No

DA. To the best of my knowledge, the Collections System section is completed and accurate.  True

False

Note: This questionnaire has been compiled for your benefit to assist you in evaluating the technical and financial needs of your wastewater systems. If you received financial assistance from the Water Quality Board, annual submittal of this report is a condition of the assistance. Please answer questions as accurately as possible to give you the best evaluation of your facility. If you need assistance please send an email to wqinfodata@utah.gov and we will contact you as soon as possible. You may also visit our Frequently Asked Questions page.

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You have either just completed or just bypassed questions about a Collection System. This section (the questions below) determines the next set of questions that you will be presented based on the choice you make for treatment.

---

DB. What kind of wastewater treatment do you have in your wastewater treatment system?

If you have treatment, you must choose from Mechanical Plant, Discharging Lagoon, or Non-Discharging Lagoon. If you don't have treatment then choose "No Treatment." Choose only one answer.

- Mechanical Plant
  - Discharging Lagoon
  - Non-Discharging Lagoon
  - No Treatment of Wastewater
- 

### **Adopt & Sign**

HR. I have reviewed this report and to the best of my knowledge the information provided in this report is correct.  True  False

HS. Has this been adopted by the City Council or District Board? Yes  No

"If No"

HT. What date will it be presented to the City Council or District Board?  3/4/2024

“If Yes”

HU. What date was this adopted by City Council or District Board? \_\_\_\_\_

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(At this point you can choose to have a copy of your responses sent to you in a report, if you turn it on before you submit.)

**THE END**

- 8. Discussion Item – URS contributions for Tier 2 employees.** The council will receive information about contribution changes from Utah Retirement Systems (URS) and discuss how these may impact Tier 2 employees and the city budget. (30 minutes)

This is a somewhat complicated topic that will take explaining. In short, due to wages increasing faster than prior assumptions, the Utah Retirement Systems (URS) is projecting a shortfall in being able to pay out some future retirement pensions unless there's an increase in contributions to fund the full pension. Past URS increases for public safety employees (referred to in the presentation below as 'pick-ups') have been paid by the city (see attached resolution from 2020). The newly required increases in URS contributions rates for non-public safety employees (0.7%) must be paid by the employee, effectively reducing their paycheck/wages by 0.7%. However, required increases to URS contributions for public safety employees (2.14%) may be covered by the city with no impact to paychecks/wages.

To overcome this issue of non-public safety employees having to cover the URS increase from their pay many public employers, including the State of Utah, have already taken action, or are considering action, to increase the wages of non-public employees by 0.7% (in addition to any COLA or merit increases) so the employees are unharmed by this requirement. Most entities with public safety employees are also likely to cover (pick-up) the increased URS public safety contributions (2.14% increase) as was done in 2020.

The URS serves over 100,000 public employees from school districts, state/county/municipal employees, state universities, etc. At a recent URS conference [this presentation](#) was given to outline the additional contributions that will be needed and the complexities involved. If able, please watch this video prior to the Council meeting (start at 2:20 mins; watch until 29:30 mins). We will discuss the slides from this presentation during our meeting.

We hope to have an estimated dollar amount to present how this impacts the city budget. We'll discuss how this matter will impact employees in the Tier 2 retirement plan of URS, and what options the city has to consider.

**RESOLUTION NO. 2020-12-R**

**A RESOLUTION OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, DECLARING THAT THE CITY WILL PICK UP AND PAY A PORTION OF THE REQUIRED EMPLOYEE RETIREMENT CONTRIBUTIONS FOR ALL CITY EMPLOYEES WHO ARE MEMBERS OF THE NEW PUBLIC SAFETY AND FIREFIGHTER TIER II CONTRIBUTORY RETIREMENT SYSTEM, AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Lindon City employees some public safety personnel who are eligible for and participate as members in the New Public Safety and Firefighter Tier II Contributory Retirement System administered by the Utah Retirement Systems; and

WHEREAS, in accordance with federal and state law, including Section 414(h)(2) of the Internal Revenue Code, employers may take formal action to pick up required employee contributions, which will be paid by the employer in lieu of employee contributions; and

WHEREAS, Lindon City desires to formally pick up a portion of the employee contributions required to be paid under Utah Code Subsection 49-23-301(2)(c), as enacted in S.B. 56, Public Safety and Firefighter Tier II Retirement Enhancements (State of Utah 2020 Legislative General Session), for all Lindon City employees participating in the New Public Safety and Firefighter Tier II Contributory Retirement System; and

WHEREAS, the Mayor and City Council are duly authorized to take this formal action on behalf of Lindon City as a participating employer with the Utah Retirement Systems.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Lindon City, Utah County, State of Utah, as follows:

**SECTION I.**

1. That beginning July 1, 2020, Lindon City shall pick up and pay required employee contributions for all Lindon City employees who are members of the New Public Safety and Firefighter Tier II Contributory Retirement System, subject to a maximum of 2.27% of compensation for each employee; and
2. That the picked up contributions paid by the employer, even though designated as employee contributions for state law purposes, are being paid by Lindon City in lieu of the required employee contributions; and
3. That the picked up contributions will not be included in the gross income of the employees for tax reporting purposes, that is, for federal or state income tax withholding taxes, until distributed from the Utah Retirements Systems, so that the contributions are treated as employer contributions pursuant to Section 414(h)(2) of the Internal Revenue Code; and
4. That the picked up contributions are a supplement and not a salary reduction to the Lindon City employees who are eligible for and participating members in the New Public Safety and Firefighter Tier II Contributory Retirement System; and
5. That from and after the date of this pick up, a Lindon City employee may not have a cash

or deferred election right with respect to the designated employee contributions, including that the employees may not be permitted to opt out of the pick up and may not be entitled to any option of choosing to receive the contributed amount directly instead of having them paid by the state on behalf of its employees to the Utah Retirement Systems.

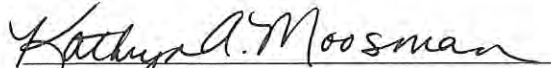
SECTION II.

This resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the Lindon City Council on this 18<sup>th</sup> day of May, 2020.

  
\_\_\_\_\_  
Jeff Acerson, Mayor

ATTEST:

  
\_\_\_\_\_  
Kathryn A. Moosman, City Recorder





# Retirement Updates: 2024 Legislative Session



Dee Larsen, General Counsel

URS/PEHP Employer Event

March 12, 2024

**Trust • Commitment • Value • Innovation • Excellence**



# **2. Overview of Contribution Rate Changes**

## **a. Tier 2 Normal Cost Increases**

# Pension Reform in Utah

In the aftermath of the global financial crisis, the Utah Legislature enacted major retirement reforms in the 2010 General Session:

1. Created a different benefit structure called Tier 2 for public employees hired on or after July 1, 2011; and
2. Enacted post-retirement reemployment restrictions for future retirees, including a one-year separation period between retirement and a return to work.

Legislative objectives included:

- » Cut costs and help pay down unfunded liability;
- » Capping employer liability for retirement benefits; and
- » Shared risk between employers and employees.



# Key Terms

## “Defined Benefit Plan” (DB)

- » Means a monthly retirement benefit payable for life after meeting eligibility requirements, e.g. a pension.

## “Defined Contribution Plan” (DC)

- » Generally, a set amount is being put into a savings plan without regard for benefits payable, e.g. a 401(k).

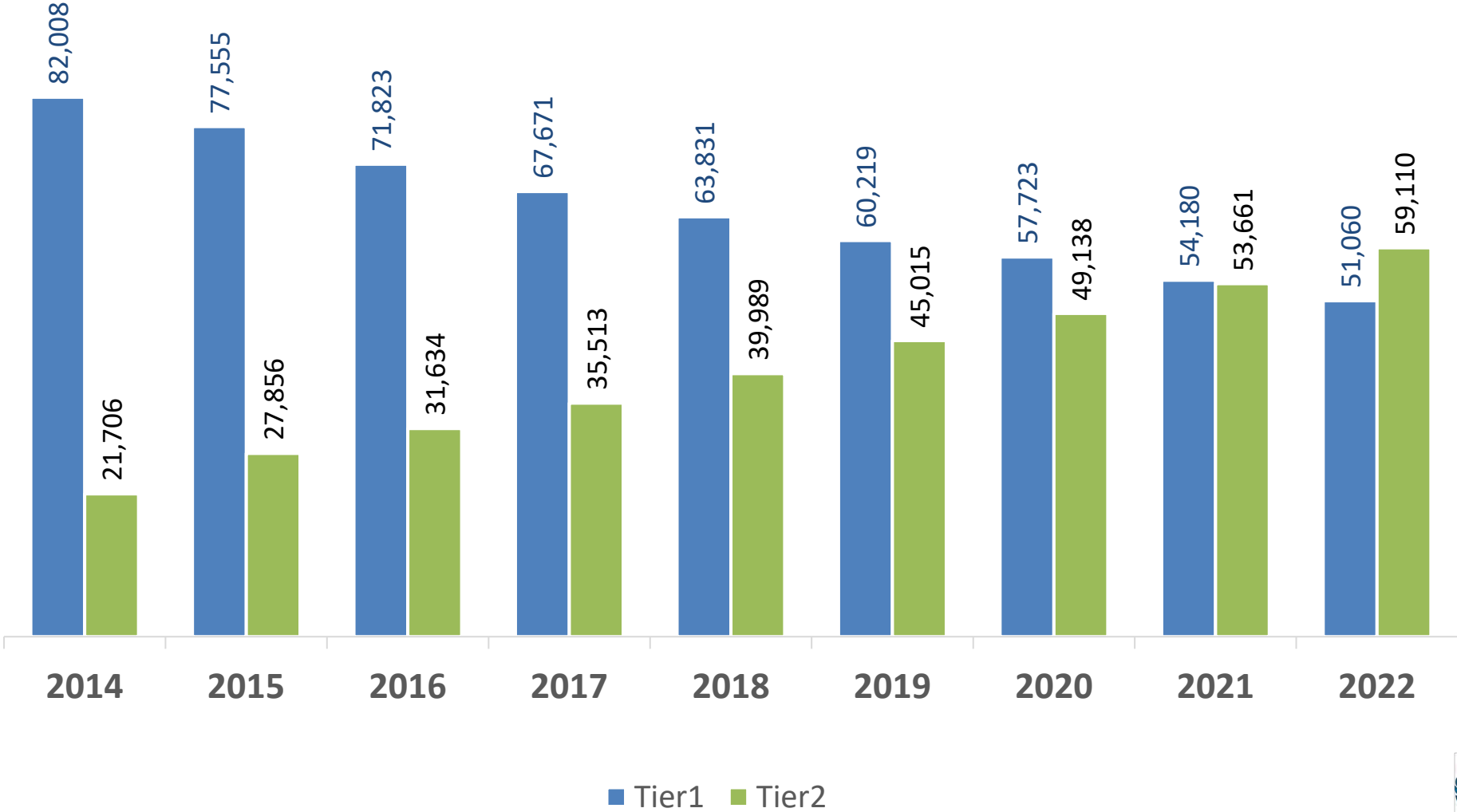
## “Hybrid Plan”

- » A plan that contains elements of both Defined Benefit (DB) and Defined Contribution (DC) plans.

# Tier 2 Retirement

- » Members have 1 year to make an irrevocable participation election.
- » Members choosing the Hybrid System will receive monthly pension benefits at the time of retirement; If the pension cost is less than the employer contributions (14% for PS/FF and 10% for PE), then the remainder is deposited into the employee's 401(k) account.
- » Members choosing the Defined Contribution Plan will only have the employer contributions (14% for PS/FF and 10% for PE) deposited into the employee's 401(k) account; these members will not receive a monthly pension.

# Tier 1 and Tier 2 Active Membership (at Dec. 31)

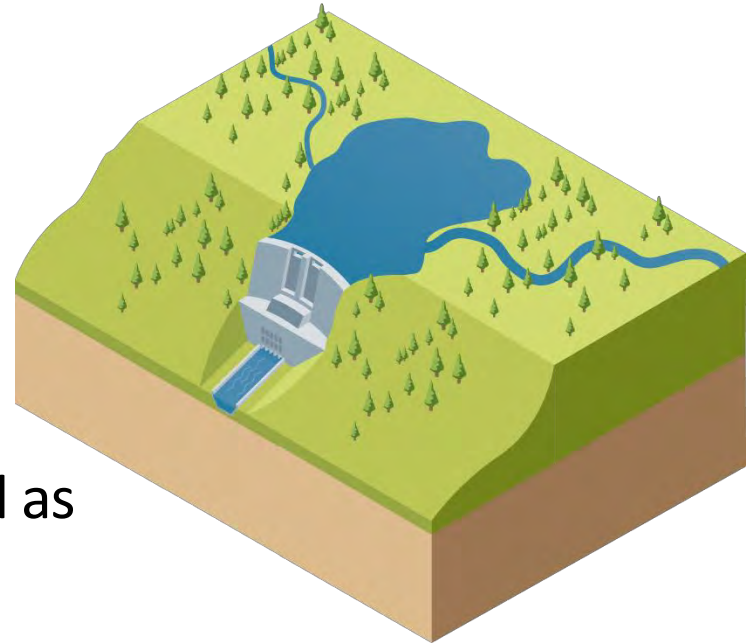


Tier 2 total active membership is nearly 54% of total active members



# Contribution Rates

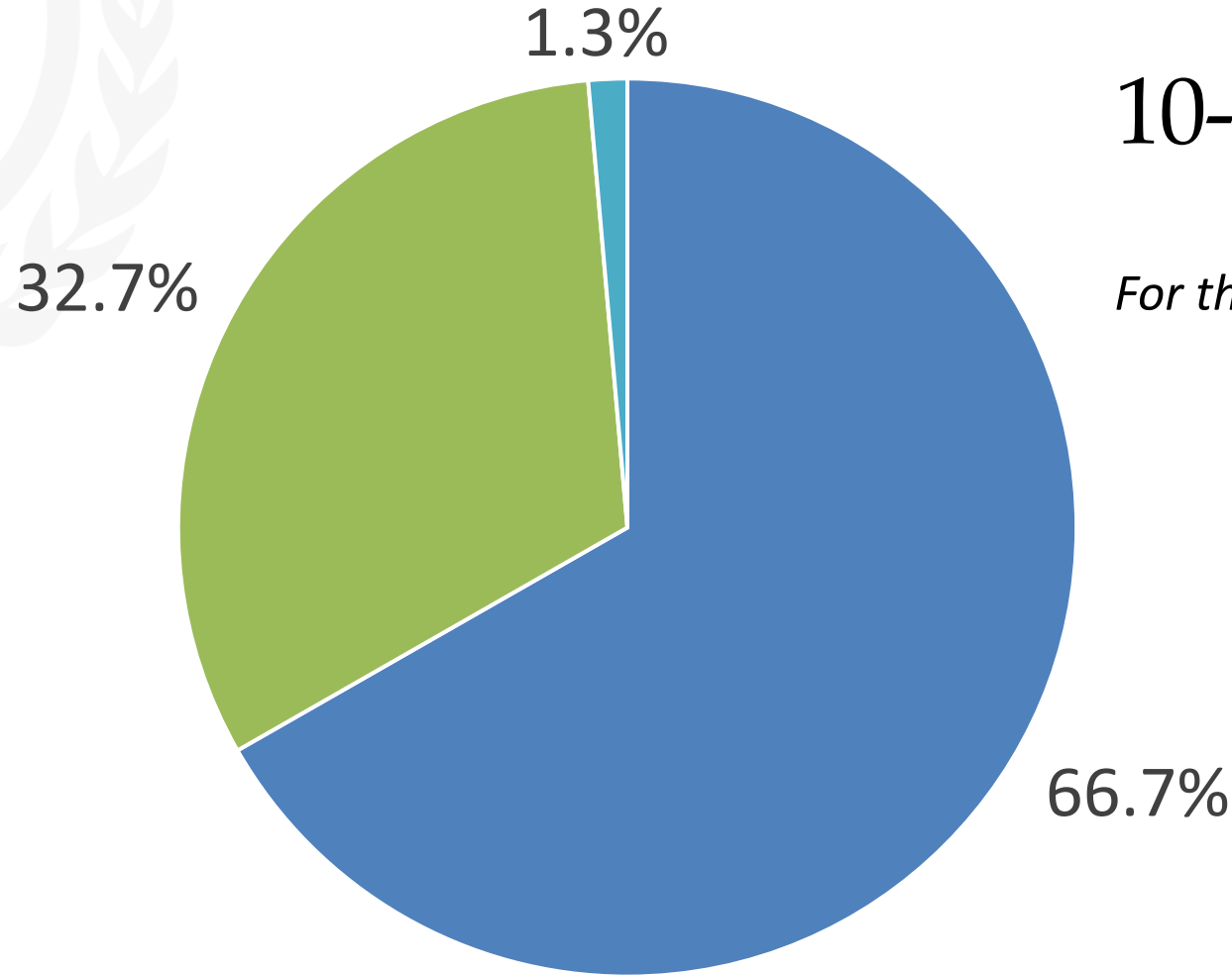
- » Most URS plans are cost-sharing, multiple-employer systems administered through a common trust fund to exclusively provide retirement benefits to Utah public employees.
- » During working years, the certified contribution rate, expressed as a percent of active members' pay is paid to URS to maintain the systems and plans on a financially and actuarially sound basis, as required by statute.
- » The Fund is invested to generate additional income and as employees retire, the Fund is used to pay the retirees' monthly retirement allowances.



# DB Plan Additions by Source

10-year Average

*For the period ended Dec. 31, 2022*



■ Net investment income ■ Contributions ■ Fire insurance premium taxes, budget appropriations, and court fees



# Contribution Rates- Components

## Normal Cost

» The amount required to pay the members' benefits, based on the current plan provisions and if the fund's experience exactly followed the actuarial assumptions.

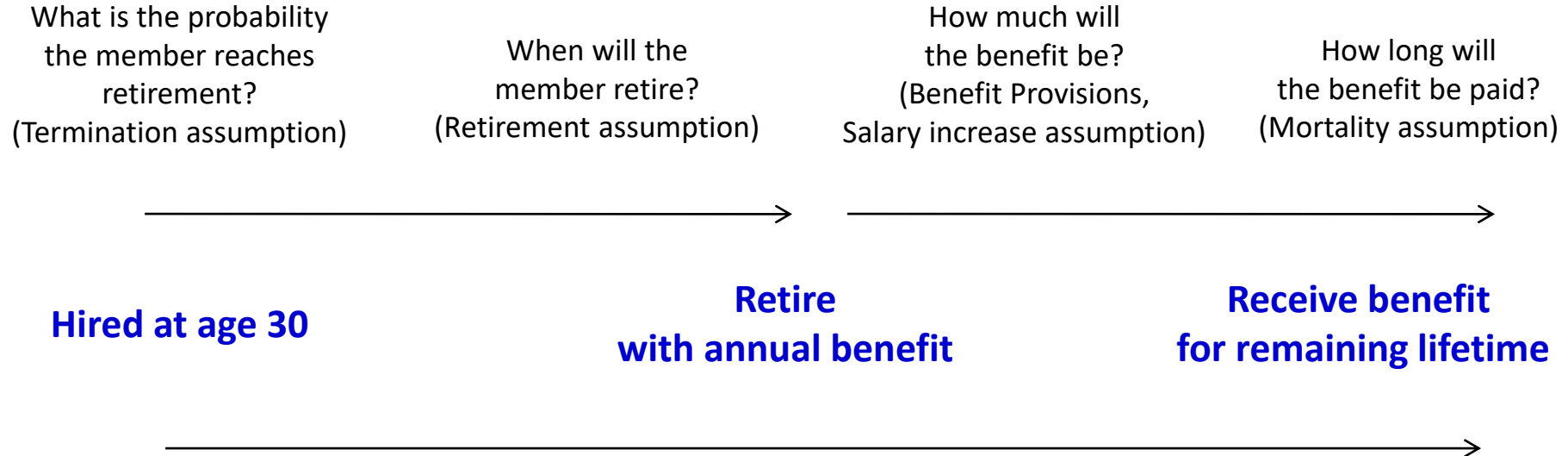
## Amortization Rate

» A funding shortfall may occur, which is called an Unfunded Actuarial Accrued Liability (UAAL). UAAL can be caused by differences between actual experience and the plan's actuarial assumptions.

» Instead of requiring employers to pay their share of UAAL in full immediately, URS amortizes the liability amount so that it is paid down by contributions to URS over many years.



# Actuarial Valuation – Determining the Plan Liability



**What level of COLA will be paid?**

**What investment earnings will be available to help pay the benefits?**

**What overall payroll will be available to provide contributions?**

# Pension Actuarial Assumptions

## » Key economic assumptions

- › Price inflation, Investment return

## » Key demographic assumptions

- › Salary increases (for individuals), Mortality (active, post-employment, disability), Disability incidence, Retirement rate, Other terminations

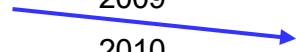
# URS Actuarial Assumptions

- » Actuarial Experience studies are conducted every three years to compare recent actual economic and demographic experience against the actuarial assumptions previously adopted by the Retirement Board.
- » **FY 2024-25 actuarial assumption changes:**
  - › Economic assumptions: No changes.
  - › Demographic assumptions:
    - » Upward shift in the salary increase assumption from higher than assumed salary growth, with the main factor being unprecedented salary growth since the pandemic for public safety, firefighters, teachers, and other public employees.
    - » Minor adjustments to certain others.

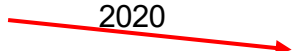
# Year over Year Salary Increase

Year	State	Average Increases for Continuing Members			
		Teachers	Local	Public Safety	Firefighters
2007	7.8%	9.8%	7.1%	7.7%	6.8%
2008	6.9%	7.4%	6.8%	7.5%	6.4%
2009	2.9%	3.9%	3.4%	4.0%	4.0%
2010	1.4%	1.2%	1.4%	0.8%	2.1%
2011	2.3%	3.2%	2.7%	2.3%	2.5%
2012	2.7%	2.5%	3.0%	2.6%	2.7%
2013	3.0%	3.4%	3.9%	3.4%	3.4%
2014	3.4%	3.7%	3.7%	3.9%	3.7%
2015	4.6%	4.5%	4.6%	4.6%	4.7%
2016	4.8%	6.0%	4.6%	5.4%	5.1%
2017	4.6%	6.7%	4.9%	5.7%	5.4%
2018	5.2%	7.8%	5.4%	6.1%	5.1%
2019	5.3%	7.5%	5.8%	7.1%	6.1%
2020	4.2%	7.7%	4.9%	5.2%	5.5%
2021	6.0%	8.6%	6.0%	7.7%	6.1%
2022	7.9%	7.0%	9.9%	16.4%	9.4%
Last 10	4.9%	6.3%	5.4%	6.6%	5.5%
Last Exp Study	3.7%	4.7%	4.0%	4.2%	4.1%

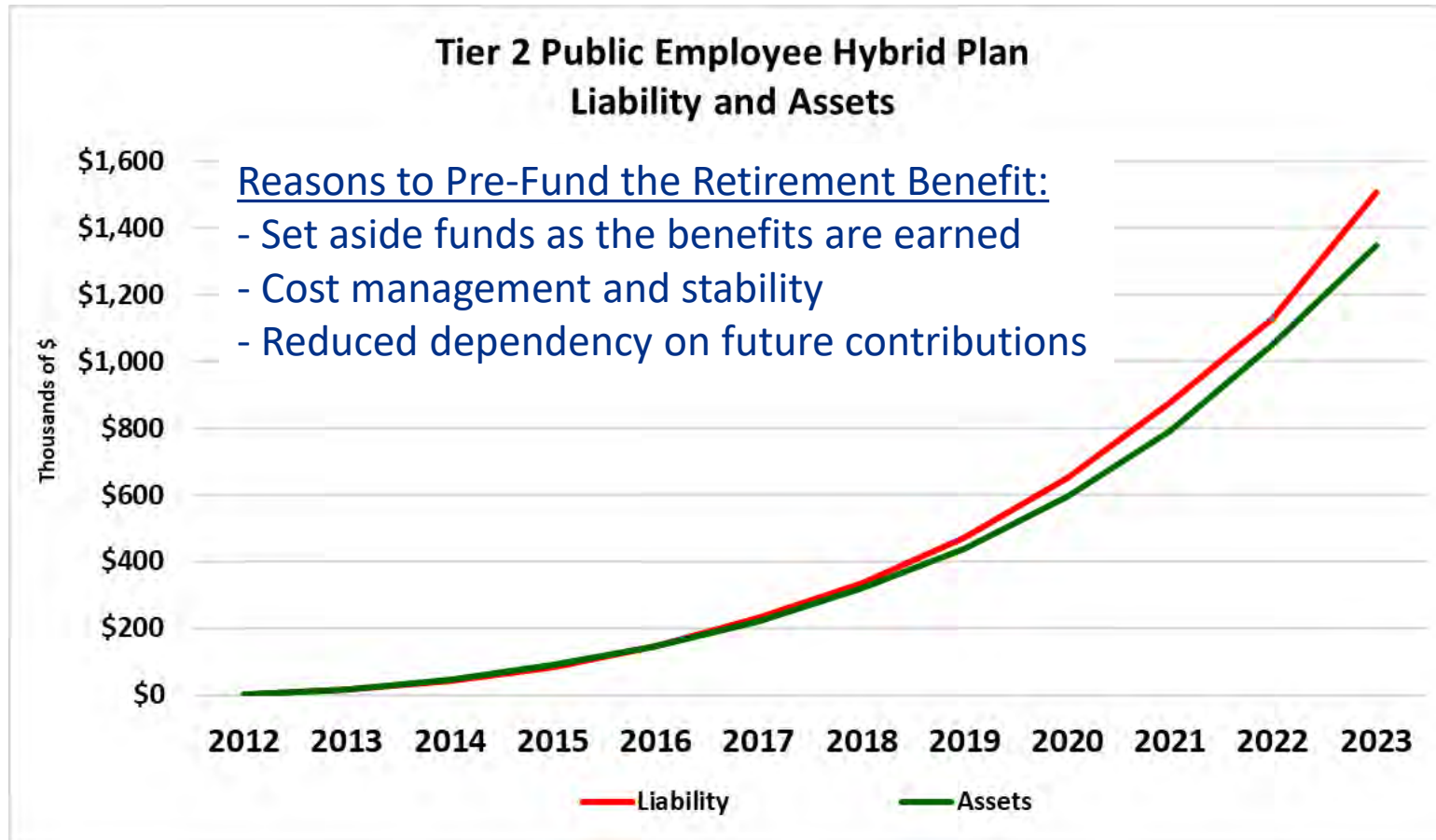
Prior Experience Study



Current Experience Study



# Tier 2 Public Employee Hybrid Plan – Liability and Assets



As of January 1, 2023, the Tier 2 Public Employee Hybrid plan has:  
43,100 active members  
500 retired members

# Tier 2 Rate Changes

Beginning July 1, 2024

	Tier 2 Public Employees	Tier 2 Public Safety/ Firefighter
Statutory employer contribution cap	10.0% (unchanged)	14.0% (unchanged)
Hybrid Plan employer contribution rate	10.0% (unchanged)	14.0% (unchanged)
Hybrid Plan <u>employee</u> contribution rate	0.70% (0.70% increase)	4.73% (2.14% increase)
Hybrid Plan employer DC required rate	0.00 (decrease 0.18%)	0.00 (unchanged)
DC Plan employer required contribution rate	10.0% (unchanged)	14.0% (unchanged)

Both Tier 2 Systems will require employee contributions

# Tier 2 Public Safety/Fighter

**2020 benefit enhancement legislation** passed, primarily increasing the multiplier in the benefit formula :

- » Increased the costs from under 12% of pay to 16.59% of pay.
- » The employer contribution cap was increased from 12% to 14% of pay.
- » The statutory prohibition on “pick-ups” for Tier 2 PS/FF Hybrid System employees was removed.
- » Requires an employer who elects to pick-up Hybrid employee contributions to make an equal non-elective contribution to Defined Contribution Plan (401(k) only option) employees.

*Many Tier 2 PS/FF employees, especially those on the Wasatch Front, have their current required member contributions (2.59%) picked up by their employer. There are about 150 PS/FF employers in the state.*

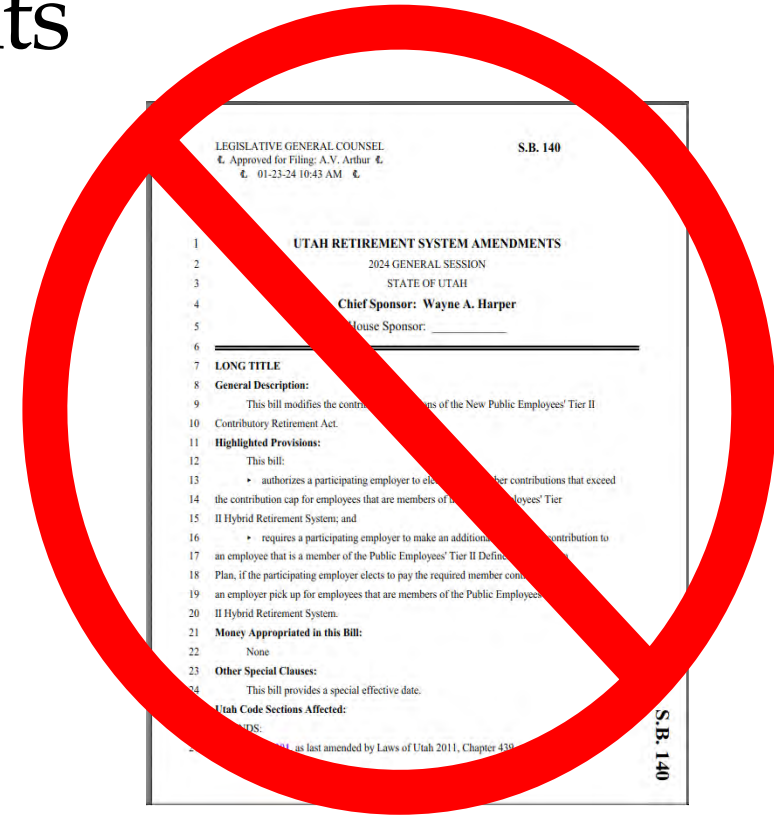


# S.B. 140

## Utah Retirement System Amendments

(Sen. Harper)

- » Authorizes employers to “pick-up” employee contributions to the Tier 2 Public Employee Hybrid Plan
- » If an employer picks-up the employee contributions for members of the Hybrid Plan, they must make an equal nonelective contribution to the 401(k) for members in the Tier 2 Public Employee Defined Contribution Plan
- » **Did not pass**





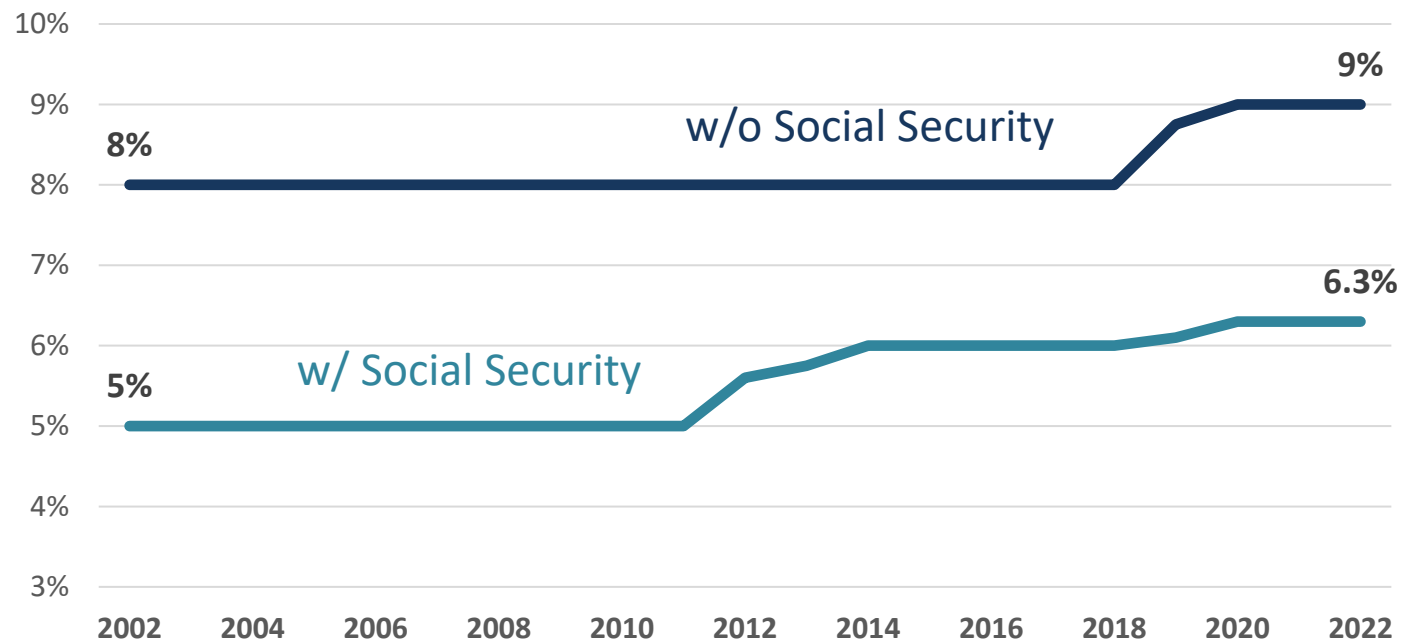
# “Pick-Ups”

- » An employer election under federal tax law to formally “pick-up” and pay employees’ portion of the contribution rate
- » Tax Implications
  - › After-tax if employee pays contributions
  - › Not subject to FICA if the employer contributions are:
    - » Made as a formal, irrevocable pick-up election
    - » Must be a salary “supplement” and not a salary reduction
    - » Mandatory for all employees



# Other Public Pension Plans

Median employee contribution rate by Social Security eligibility, FY 02 to FY 22 (non-public safety)



# 2. Overview of Contribution Rate Changes

## b. Amortization Rate Reductions

# Contribution Rate Management

- » The State Retirement Board and consulting actuary designed a prudent method for managing the reduction of the contribution rate in accordance with the 110% funding rule adopted by the legislature.
- » Smooths rate decreases to mitigate impact of large decreases in the future and prevent contribution rate increases after they are decreased.
- » Amortization rate decreases occur when certain factors are met, including:

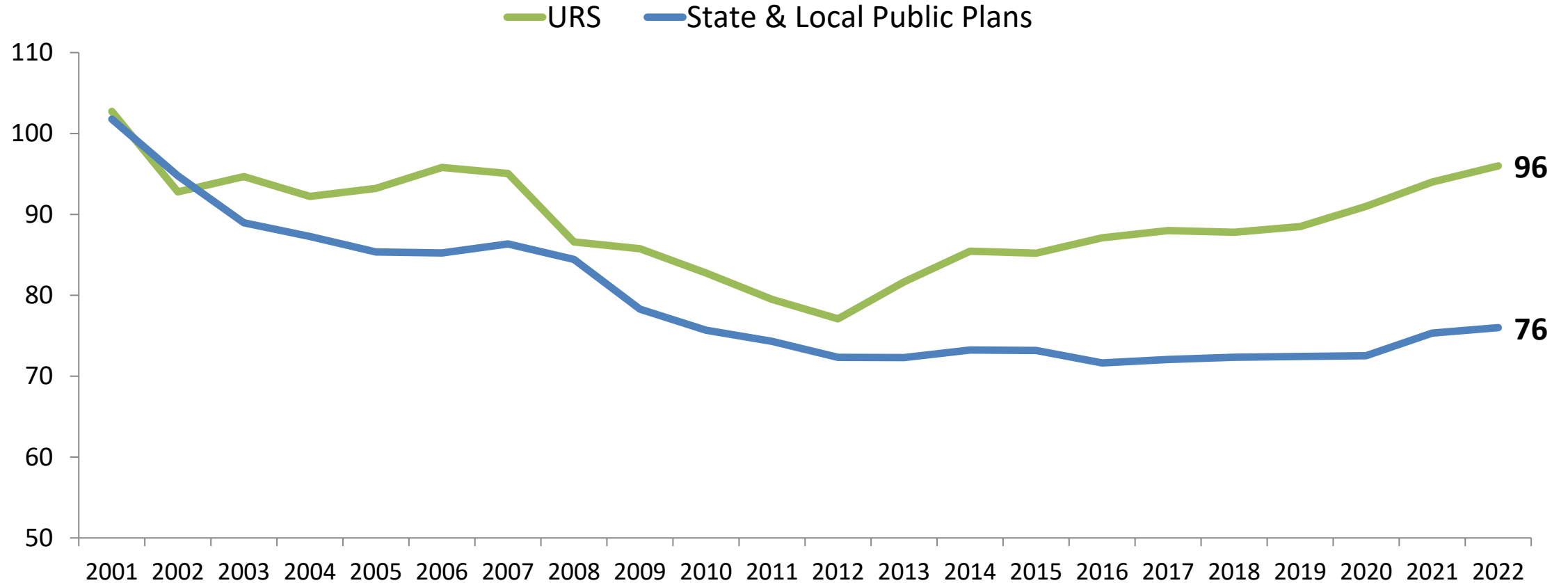
Funded Ratio Actuary Basis	Projected Years to 100% Funding	Contribution Rate Change from Prior Year Required Actuary Rate	Contribution Rate Margin Difference between Board certified rate and actuarially determined rate
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# FY 2024-25 Reductions

- » As of Dec. 31, 2022, URS was 96% funded on an actuarial basis, which smooths the investment earnings over a five-year period.
- » URS uses the actuarial value to determine contribution rates.
- » Because of increasing funding levels, many Tier 1 amortization rates will decrease on July 1, 2024.
- » Tier 1 amortization rates are applied to all payroll, so the reductions for most employers are larger than the increase to the Tier 2 contribution rates, which only affect Tier 2 employees and payroll.

# Actuarial Funded Ratio Smoothed (at Dec. 31, 2022)



Aggregate funded ratio of state and local public plans – *Public Plans Database*  
National data averages are weighted by plan size (April 2023)



# Preliminary Tier 2 FY 25 Contribution Rates

**Public Employees  
Contributory Retirement System**

11- Local Government \*\*\*

**Public Employees**

**Noncontributory Retirement System**

15- Local Government \*\*\*

16- State and School <sup>1</sup>

18- Higher Education

**Public Safety**

**Contributory Retirement System**

23- Other Division A (2.5% COLA)

**Public Safety**

**Noncontributory Retirement System**

42- State

43- Other Division A (2.5% COLA)

75- Other Division A (4.0% COLA)

44- Salt Lake City

45- Ogden

46- Provo

47- Logan

48- Bountiful

49- Other Division B (2.5% COLA)

76- Other Division B (4.0% COLA) \*\*\*

**Firefighters' Retirement System**

31- Division A\*\*

32- Division B\*\*

Preliminary Tier 2 Hybrid Retirement System								
(1) Employee Tier 2 DB Rate	(2) Employer Hybrid Plan DB Plan Rate	(3) Employer Hybrid Plan DC Plan Rate	(4) Death Benefit*	(5) Tier I Amortization %	(6) Total Employer Rate (2) + (3) + (4) + (5)	(7) Total Required Contribution (1) + (6)	Employee Increase (Decrease) From Prior Year	Employer Increase (Decrease) From Prior Year
0.70	10.00	0.00	0.08	6.87	16.95	17.65	0.70	(1.00)
0.70	10.00	0.00	0.08	5.11	15.19	15.89	0.70	(1.00)
0.70	10.00	0.00	0.08	9.44	19.52	20.22	0.70	(0.50)
0.70	10.00	0.00	0.08	9.94	20.02	20.72	0.70	0.00
4.73	14.00	0.00	0.08	11.27	25.35	30.08	2.14	(0.50)
4.73	14.00	0.00	0.08	17.96	32.04	36.77	2.14	(0.50)
4.73	14.00	0.00	0.08	11.25	25.33	30.06	2.14	(0.50)
4.73	14.00	0.00	0.08	12.41	26.49	31.22	2.14	(0.50)
4.73	14.00	0.00	0.08	24.20	38.28	43.01	2.14	0.00
4.73	14.00	0.00	0.08	26.30	40.38	45.11	2.14	0.00
4.73	14.00	0.00	0.08	19.61	33.69	38.42	2.14	0.00
4.73	14.00	0.00	0.08	18.87	32.95	37.68	2.14	(0.50)
4.73	14.00	0.00	0.08	26.89	40.97	45.70	2.14	0.00
4.73	14.00	0.00	0.08	9.95	24.03	28.76	2.14	0.29
4.73	14.00	0.00	0.08	13.94	28.02	32.75	2.14	(1.00)
4.73	14.00	0.00	0.08	0.00	14.08	18.81	2.14	0.00
4.73	14.00	0.00	0.08	0.00	14.08	18.81	2.14	0.00

# Preliminary Tier 1 FY 25 Contribution Rates

Preliminary Tier 1 2024-2025 RATES						Increase (Decrease) From Prior Year	
(1) Employee	(2) Employer	(3) Normal cost (1) + (2)	(4) Amortization of UAAL *	(5) Net Employer (2) + (4)	(6) Total (3) + (4)		
<b>Public Employees</b>							
<b>Contributory Retirement System</b>							
11- Local Government	6.00	6.09	12.09	6.87	12.96	18.96	(1.00)
12- State and School **	6.00	5.45	11.45	11.75	17.20	23.20	1 (0.50)
17- Higher Education	6.00	5.45	11.45	12.25	17.70	23.70	1 0.00
<b>Public Employees</b>							
<b>Noncontributory Retirement System</b>							
15- Local Government	-	11.86	11.86	5.11	16.97	16.97	(1.00)
16- State and School **	-	12.25	12.25	9.44	21.69	21.69	1,2 (0.50)
18- Higher Education	-	12.25	12.25	9.94	22.19	22.19	1,2 0.00
<b>Public Safety</b>							
<b>Contributory Retirement System</b>							
<b>Division A</b>							
23- Other Division A With 2.5% COLA	12.29	11.02	23.31	11.27	22.29	34.58	(0.50)
<b>Public Safety</b>							
<b>Noncontributory Retirement System</b>							
<b>Division A</b>							
42- State With 4% COLA	-	22.89	22.89	17.96	40.85	40.85	1 (0.50)
43- Other Division A With 2.5% COLA	-	22.29	22.29	11.25	33.54	33.54	(0.50)
75- Other Division A With 4% COLA	-	22.80	22.80	12.41	35.21	35.21	(0.50)
48- Bountiful With 2.5% COLA	-	23.49	23.49	26.89	50.38	50.38	0.00
<b>Division B</b>							
44- Salt Lake City With 2.5% COLA	-	22.51	22.51	24.20	46.71	46.71	0.00
45- Ogden With 2.5% COLA	-	22.42	22.42	26.30	48.72	48.72	0.00
46- Provo With 2.5% COLA	-	22.62	22.62	19.61	42.23	42.23	0.00
47- Logan With 2.5% COLA	-	22.60	22.60	18.87	41.47	41.47	(0.50)
49- Other Division B With 2.5% COLA	-	22.62	22.62	9.95	32.57	32.57	0.29
76- Other Division B With 4% COLA	-	23.03	23.03	13.94	36.97	36.97	(1.00)
<b>Firefighters' Retirement System</b>							
<b>Division A</b>							
Gross Rate	15.05	11.68	26.73	0.99	12.67	27.72	(2.00)
Insurance Premium Offset	0.00	(10.07)	(10.07)	(0.99)	(11.06)	(11.06)	0.00
31- Net rate	15.05	1.61	16.66	-	1.61	16.66	(2.00)
<b>Division B</b>							
Gross Rate	16.71	9.83	26.54	5.57	15.40	32.11	(2.00)
Insurance Premium Offset	0.00	(5.49)	(5.49)	(5.57)	(11.06)	(11.06)	0.00
32- Net rate	16.71	4.34	21.05	-	4.34	21.05	(2.00)





# S.J.R 16

## Joint Resolution Regarding Local Government Employee Compensation

(Sen. Fillmore)

- » In 2023 S.J.R. 5, the Legislature established that would presumptively set aside the value of the retirement amortization rate reductions for an increase in benefited state employee salaries.
- » Similarly, the Legislature now encourages local governments to consider setting aside any savings from each reduction in the amortization rate and, when the total set aside money reaches a specified threshold, include the amount in the base budget as an increase to benefited local government employee salaries.

# S.B. 8 & H.B. 3

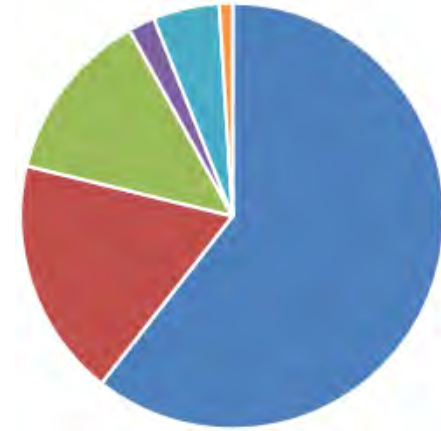
## State Agency Compensation Appropriations

(Sen. Ipson & Rep. V. Peterson)

- » 3% labor market increase for state employees
- » Funding for health and dental benefit cost changes as recommended by PEHP
- » 0.70% salary enhancement for state employees who are URS Tier 2 Public Employee members
- » 2.14% salary enhancement for state employees who are URS Tier 2 Public Safety and Firefighter members

# Total Compensation

- » Increasing focus on how pay and benefits fit within a competitive overall compensation and benefits package.
- » Elements may include:
  - › Base pay
  - › Required employer retirement contributions
  - › Health, dental, LTD, life, and other insurance
  - › Employer supplemental savings (e.g. additional 401(k) contributions and matches)
  - › Employer supplemental pay (e.g. State Tier 2 employee salary enhancements)
  - › Leave
  - › FICA and Medicare tax
  - › Other benefits



# Total Compensation

- » Impacts and costs should be evaluated by the stakeholders, including:
  - › Policy objectives and cost-benefit analysis;
  - › Employer needs, recruiting and retention considerations, and ability to pay;
  - › Labor market comparisons; and
  - › Employee needs, considerations, and morale.

# What's Next: Tier 2

- » Under state and federal law, a member's irrevocable Tier 2 participation election cannot be changed (even if employee contributions are required).
- » For Public Employee members, 0.70% will be deducted from paycheck – after tax.
- » Employer pick-up elections are still permitted for permitted for PS/FF employees but prohibited for Tier 2 Public Employees.
- » Laws and contributions could change in the future.
- » Employers should make plans for their savings from amortization rate reductions.
- » The statutory Tier 2 employer contribution caps (currently 14% of pay for PS/FF employees and 10% for other Public Employees) do not prohibit or restrict other employer elective compensation supplement options.

**ADJOURN**