



CITY COUNCIL MINUTES

Wednesday, February 21, 2024

Approved March 13, 2024

The following are the minutes of the City Council meeting of the Herriman City Council. The meeting was held on **Wednesday, February 21, 2024, at 5:00 p.m.** in the Herriman City Fort Herriman Conference Room, 5355 West Herriman Main Street, Herriman, Utah. Adequate notice of this meeting, as required by law, was posted in the City Hall, on the City's website, and delivered to members of the Council, media, and interested citizens.

Presiding: Mayor Lorin Palmer

Councilmembers Present: Jared Henderson, Teddy Hodges, Sherrie Ohrn, Steven Shields

Staff Present: City Manager Nathan Cherpeski, Assistant City Manager Wendy Thomas, City Recorder Jackie Nostrom, Finance Director Kyle Maurer, City Attorney Todd Sheeran, Communications Manager Jonathan LaFollette, City Planner Michael Maloy, Police Chief Troy Carr, Unified Fire Authority Assistant Chief Anthony Widdison, City Engineer Bryce Terry, Public Works Director Justun Edwards, Community Development Director Blake Thomas, Management Analyst Trevor Ram, and Operations Director Monte Johnson.

5:00 PM – WORK MEETING: (Fort Herriman Conference Room)

1. Council Business

Mayor Lorin Palmer called the meeting to order at 5:01 p.m.

2. Administrative Reports

2.1. Discussion of the Fiscal Year 2025/2026 Budget – Kyle Maurer, Finance Director City Manager Nathan Cherpeski initiated the discussion by outlining the strategic planning process and budgetary considerations and highlighted the three primary strategies.

1. Develop and maintain a strong foundation of essential services.

2. Create and sustain a high quality of life for residents.
3. Foster a sense of community through public engagement and interaction.

He offered examples of goals based on the presented strategies such as the Council would provide policy direction to the staff on its preferred levels of service for City functions. These levels of service would balance resource constraints with desired outcomes and thus may vary depending on departments or services offered. City Manager Cherpeski further delineated the goals into discrete action items which is where staff would spend the majority of their effort and presented an example of the tactical plan. He explained the strategic plan would help guide the Council and staff to determine if certain investments would further the plan, if it was timely and/or feasible, and if it was a cost-effective approach.

Director Maurer provided an overview of the financial achievements, emphasizing the separation of development fees and expenses, adjustments to the Police fund for self-sufficiency, realistic revenue projections, and the implementation of the Capital Improvement Plan (CIP). Director Maurer also discussed the economic factors influencing the FY2025 base budget, including trends in sales tax and property tax revenue and noted forecasting economic outlooks proved to be challenging. It was noted that building permits have decreased 34-percent between 2022-2023.

Finance Director Maurer detailed estimates for city funds, such as the Herriman City Safety Enforcement Area (HCSEA) and the Herriman City Fire Service Area (HCFSA), considering factors like property tax obligations and participation agreements. He highlighted the potential remaining balance in the General Fund base budget and anticipated minimal additional revenue from sources like sales tax and property tax for fiscal years 2025-2026.

Director Maurer reviewed the transportation funding and expenses, police fund operations, development services fund administration, and personnel market adjustments. City Manager Cherpeski explained the process of budget recommendation and adoption and emphasized the Council's ability to adjust as deemed necessary. Finance Director also touched on the revenue sources and departmental expenditures noting the reliance on restricted revenues and potential impacts on the General Fund. He discussed personnel costs, staffing adjustments, and frozen positions to address budget deficits. He provided insight to the budget justification process for new positions, insurance increases and retirement contributions.

Finance Director Maurer offered an overview of the CIP committee which aimed at managing project submissions and ranking. He explained the process for projects based on essential, desirable, acceptable, and deferrable categories. He highlighted the staggering number of projects in the plan, totaling 181. Director Maurer observed the financial aspects, including \$53 million in requests for FY2025, with a significant portion allocated to agreements. City

Manager Cherpeski emphasized the challenge of managing the project and the need for budgeting to be realistic.

Finance Director Maurer shifted the discussion to potential solutions, including bonding for capital improvement projects. He outlined the criteria for bonding and focused on projects that were ineligible to utilize impact fee funding and recommended not consider any bonding options longer than a 15-year period. City Manager Cherpeski relayed concern about long-term obligations and observed the large number of project commitments made previously. The Council discussed alternative funding sources and the importance of strategic planning for infrastructure maintenance and development. The complexities of budgeting and the need for comprehensive solutions to address financial challenges were highlighted. Community Development Director Blake Thomas recommended funding could be captured with the assistance of a development partner to gain funding through the legislature. Finance Director Maurer noted funds available in the fund balance and ARPA fund which could be contributed to CIP projects.

City Manager Cherpeski discussed the importance of accurately tracking departmental budgets and ensuring managers are held accountable for their spending. Councilmember Shields expressed a desire for deeper oversight of budgetary decisions to ensure reasonableness and responsible use of funds. He suggested an audit on internal accounts could be used to identify potential savings and improve financial transparency. Finance Director Maurer emphasized the importance of providing clear information about the outcomes of budget allocations. The Council discussed the balance between trusting administrative decisions and fulfilling their oversight responsibilities. City Manager Cherpeski outlined efforts made to improve financial reporting and expressed willingness to provide more detail, if necessary.

Councilmember Shields expressed concerns about the impact of certain processes on service levels for essential services provided to residents. City Manager Cherpeski responded staff efforts are to provide comprehensive information to the Council while avoiding overwhelming them with data. The Council acknowledged the importance of understanding budget allocations and making informed decisions.

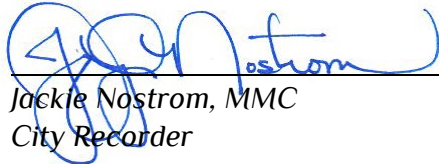
Police Chief Carr discussed how departmental budgets were thoroughly inspected and adjusted to ensure efficient use of resources. Councilmember Shields appreciated the transparency and feedback provided during the budgeting process.

Finance Director Maurer outlined upcoming discussions on department budgets and water rate increases along with the timeline for the budget adoption process.

3. Adjournment

Councilmember Henderson moved to adjourn the City Council work meeting at 7:01 p.m. Councilmember Ohrn seconded the motion, and all voted aye.

I, Jackie Nostrom, City Recorder for Herriman City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on February 21, 2024. This document constitutes the official minutes for the Herriman City Council Meeting.



Jackie Nostrom, MMC
City Recorder