

**MINUTES OF LAYTON CITY
COUNCIL WORK MEETING**

MAY 2, 2024; 5:36 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**MAYOR JOY PETRO, CLINT MORRIS, TYSON
ROBERTS, BETTINA SMITH EDMONDSON, AND
DAVE THOMAS**

PARTICIPATING ELECTRONICALLY

ZACH BLOXHAM

STAFF PRESENT:

**ALEX JENSEN, CLINT DRAKE, JADYN
APPLONIE, CHAD WILKINSON, STEPHEN
JACKSON, TRACY PROBERT, ED FRAZIER, AND
KIM READ**

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

Mayor Petro opened the meeting.

AGENDA:

MAYOR'S REPORT

Mayor Petro announced a Closed Door Meeting would be needed following the City Council Meetings.

She announced a team consisting of employees from North Davis Sewer District (NDS) had participated in a competition with other participants from similar districts and reported NDS had done well in the competition achieving third place for all categories except for one receiving first place.

COUNCILMEMBERS' REPORT

Councilmember Smith Edmondson informed the Council Communities that Care had identified the need to inform families about substance use in the digital age. Approval had been received for the organization to show one film, 'Screenagers', from a series of films, providing education on substance abuse and similar topics. Dates were being considered when the film could be viewed in Layton's Kenley Amphitheater in late summer. She explained this would be another opportunity to educate the public similar to the installation of the promotional wraps at Surf'n Swim last year.

Councilmember Thomas stated the Youth Council had created a recruitment video which would be shown at the junior and senior high schools located within the City. He mentioned the participants were very serious about learning the roles of the elected officials.

Councilmember Roberts announced the Legislative Affairs Committee associated with the Chamber of Commerce had met earlier in the day and reported Senator Ann Milner and Representative Karianne Lisonbee had attended. They had identified the various activities of the Legislators during the interim. He encouraged the Council's participation throughout the entire year.

UPDATE – WEBER BASIN WATER

Darren Hess, Assistant General Manager, and Calysta Bravo, Finance Manager, Weber Basin Water Conservancy District were present to provide an update to the Council. Ms. Bravo shared a visual presentation pointing out new development was being funded through Impact Fees. She explained beginning in 2018 the District completed an Operations and Maintenance Study to determine whether the current rates could sustain appropriate funding levels. She also mentioned legislation from 2016 which

required a dedicated revenue stream for the state mandated Capital Asset Plan. She identified and reviewed the new water blocks and proposed costs. She also reviewed the different aspects of what was driving rate increases and reported the years 2025-2028 would be experiencing significant rate increases. In year 2029 the rates should be a correct rate equal to inflation and moving forward. The following driving factors were reviewed and explained:

- Inflation – water projects were more costly
- Federal project – facilities reaching engineered useful life of 60-70 years
- Limitation on reserves prior to 2013 – Capital Asset Plan

Mr. Hess explained the real issue was identifying a plan which could fund generational infrastructure projects. He also stated the State of Utah was also determining how best to allocate funds from a state-wide fund associated with the recent legislation. He explained the purpose and specifics of the large Weber Basin pipeline project currently under construction near Highway 89. Ms. Bravo added the Federal Government had contributed funding toward the project. She continued to review highlights from the Capital Asset Plan and the respective dollar amount designated for each asset, as well as future project costs associated with the Plan.

Ms. Bravo reviewed the following impacts to the City:

- Water rate increases by type and tier of water
- Layton City contracts were among the lowest cost rates
- Proposed rate increases for different types of water.

Ms. Bravo shared a graph illustrating the impacts associated with the water contracts.

The Council asked questions and a discussion followed regarding Weber Basin's presentation, water use trends, current infrastructure, project costs, proposed rate increases, operation costs, and plans for the future.

Mr. Hess and Ms. Bravo left the meeting at 6:13 PM.

PUBLIC HEARING AND ADOPTION OF THE TENTATIVE BUDGET FOR FISCAL YEAR 2024-2025 – RESOLUTION 24-17

Tracy Probert, Finance Director, explained this summary would be presented during the public hearing for adoption of the Tentative Budget and reviewed the following highlights:

- General Fund budget just over \$46,539,000
- Total City-Wide budget just over \$138,306,000
- Market and Cost of Living adjustments for officers and employees
- Merit adjustments for employees
- \$2,439,000 in Capital Equipment
- \$13,860,000 in Capital Projects
- Sales Tax revenue slightly lower than in previous years

Major Projects included:

- Emergency Communications Dispatch Center – Intergovernmental funded
- West Hill Field Road: 2700 West to 3200 West – Intergovernmental funded
- Public Works shop expansion – land purchase
- Sugar Street realignment – land purchase
- Utility projects

He shared illustrations reflecting the City's revenue sources and City expenditures proposed in the budget.

He stated the Tentative Budget would be available to the public from the Finance Director's office. He stated language in the Resolution designated the date of the Public Hearing for the first meeting in June,

June 6, 2024, with the Final Budget being adopted during the meeting of June 20, 2024. He explained changes could be made to the Tentative Budget up until the adoption of the Final Budget. He indicated Stephen Jackson, City Engineer, would be addressing the Council regarding sewer rates.

Councilmember Morris requested clarification regarding the Cost of Living Adjustment (COLA) and Merit Adjustment for employees. Mr. Probert responded the Tentative Budget proposed a 2% COLA and 3% Merit increase for employees. He added Market Adjustments would be in addition to that based on the Salary Survey.

Stephen Jackson, City Engineer, shared a visual illustration regarding an update to the Wastewater Master Plan and identified a few of Capital Improvements specific to the system. He reported Staff had received a draft of the final report a few days ago, the end of April. He mentioned it was being reviewed and Staff would report on the findings during a future Council Meeting. He pointed out the City had a very large system and reviewed the proposed plan for Capital Improvements:

- Sugar Street
- Gentile Street
- Oakridge Drive
- Gordon Avenue

He also stated the rates also needed to accommodate for system renewal budgets and the pipeline rehabilitation projects and reviewed options and scenarios.

He identified the sewer rate reflected on the City's utility bill pointing out a portion of that was a pass-through for (North Davis Sewer District) NDSD: of the \$29.54 collected, the City's portion was \$7.95. He briefly reviewed the background associated with the sewer rates. He pointed out existing revenues could accommodate for operation and maintenance costs of the system; however, it wouldn't provide funding to complete capital projects.

He reported the consultant had identified four different alternatives to be considered for rate increases and reviewed them:

- Alternative 1 – implement a 22.5% increase, equivalent to \$6.63 per month.
- Alternative 2 – implement a four-year increase, approximately a 6.5% increase each year for four years.
- Alternative 3 – implement a three year increase
- Alternative 4 – implement a two year increase

He shared the different scenarios for rate increases which would provide what was needed to maintain the system and reported Staff recommended Alternative 3; which was believed to provide a good balance for the resident, however, it would be up to the Council to make that determination. A discussion followed regarding previous rate increases and Mr. Jackson responded the last increase was in 2017, the last year of a six year rate increase from the NDSD. He continued to explain the City had a well-built system; however, there were areas which were aging and Staff was aware of significant inflationary costs associated with projects.

Mayor Petro clarified Staff would be bringing forth a plan identifying infrastructure needs and locations in addition to inflationary costs for discussion during a future meeting.

The Council discussed the alternatives and what was needed to have a healthy reserve to accommodate an emergency within the City. Mr. Probert explained how the City had appropriated healthy reserves.

Mayor Petro suggested NDSD could possibly consider a rate increase within the next year or even the following year. Councilmember Thomas asked if every account holder paid the same rate for sewer and Mr. Probert explained the different rate structures associated with the sewer rates. He clarified there was only one residential rate specific to sewer.

Alex Jensen, City Manager, suggested the Council's responsibility was to Layton City systems and its decisions should be based on what would be best for Layton City regardless of what other entities implement. He understood the political confusion for Layton City residents when other special service districts implement rate increases which the City collected on its utility bill, as well as the inquiries about the increase to City Staff.

NEW DEVELOPMENT REQUIRED TO PAY FOR PROJECT IMPROVEMENTS INSTALLED BY THE CITY – LAYTON PARKWAY/2700 WEST CONSTRUCTION, PROJECT 20-59 – RESOLUTION 24-14

Mr. Jackson shared a visual illustration as a follow-up to the City Council Meeting of April 4, 2024. He explained there were two separate projects: Layton Parkway and 2700 West, completed by the same contractor. He clarified this justified how the payback agreement was calculated. He reviewed specific improvements associated with both sides of Layton Parkway. He also identified the 2700 West project and specifically mentioned the right-of-way purchase and pointed out both projects were recipients of Davis County COG (Council of Government) grant funding for a portion of the improvements. He also pointed out the inner properties which didn't have frontage or access, couldn't develop without the improvements; therefore, those property owners benefitted from the improvements and therefore, were included in calculations for the payback. He reported the calculations were based on a sixty foot cross section, not the 84 foot right-of-way and 105 foot right-of way.

Mr. Jackson reviewed some previous payback examples with the Council. He pointed out the payback costs were calculated at today's costs regardless of when the property developed. He emphasized it was the City's intent to be fair and to not burden just one or a few property owners; but all owners which benefitted from the improvements.

Councilmember Roberts believed the residential properties visible to the north received the same benefit for the road, as well as the owners of the undeveloped property and weren't responsible for any payback agreement. Mr. Jackson responded those residential units paid Impact Fees which contributed to the oversizing of these two roadways. Mr. Jensen emphasized the system was designed to create equity regardless of who led the development. Mr. Jackson pointed out all developers adjacent to Layton Parkway had paid fees toward those improvements, as well as the over-sizing by the Impact Fees. A discussion followed regarding challenges associated with determining benefit and costs previously expended for improvements.

PROPOSED AMENDMENTS TO LAYTON CITY MUNICIPAL CODE, TITLE 19 ZONING, CHAPTER 19.02 DEFINITIONS, CHAPTER 19.06 LAND USE REGULATIONS, AND CHAPTER 19.26 MIXED-USE/TRANSIT ORIENTED DEVELOPMENT (MU-TOD) ZONING DISTRICT TO ADD INPATIENT MEDICAL FACILITY AS A DEFINITION AND LAND USE – ORDINANCE 24-10

This agenda item wasn't addressed by the Council.

The meeting adjourned at 7:02 p.m.

Kimberly S Read, City Recorder