



AMERICAN FORK CITY COUNCIL
APRIL 28, 2026
WORK SESSION MINUTES

Members Present:

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| Bradley J. Frost | Mayor |
| Staci Carroll | Council Member |
| Tim Holley | Council Member |
| Ryan Hunter | Council Member |
| Ernie John | Council Member |
| Clark Taylor | Council Member |

Staff Present:

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| Camden Bird | Assistant City Administrator |
| Anna Montoya | Finance Director |
| Sandra Fox | Treasurer |
| Stephanie Finau | Deputy Recorder |
| Sam Kelly | Public Works Director |
| Dan Loveland | Asst. PW Director |
| Derric Rykert | Community Services Director |
| Aaron Brems | Fire Chief |
| Cameron Paul | Police Chief |
| Heather Schriever | Legal Counsel |

Also present: Joey Byington (Fitness)

Notice is hereby given that the American Fork City Council held a work session on Tuesday, April 28, 2026, in the City Administration Conference Room, located at 51 East Main Street, commencing at 4:00 p.m.

WORK SESSION

The purpose of the City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

1. Discussion on the fiscal year 2027 General Fund, Capital Projects, Fleet Fund, and Fitness Center fund.

Anna Montoya explained that this is the final budget work session and invited questions from the group. She noted that a public budget open house is scheduled for next Tuesday at 5:00 pm, followed by adoption of the interim budget on May 12. The session will focus on the general fund, fitness center, and capital projects. She emphasized that the budget remains a fluid document, with some numbers still being finalized, though the general fund is currently balanced.

General Fund

Ms. Montoya reviewed the city's fund balance, revenues, and expenditures over the past 10 years. She noted that in 2018 the fund balance was significantly lower than it is in 2026.

Between 2020 and 2022, revenues exceeded expenditures, generating excess net revenue that was added to reserves, allowing the city to build its fund balance up to the state-allowed maximum of 35% of revenues. She emphasized that the city typically adopts a balanced budget each year, with revenue equaling expenditures.

For the current year, she explained that the proposed budget differs slightly, with expenditures exceeding revenues by approximately \$4 million. This is due to one-time costs for fitness center improvements, which will be funded using reserve funds. As a result, the fund balance is projected to decrease to approximately 25%, which remains within the state's allowable range of 5% to 35% of revenues. She added that additional details on how this is incorporated into the budget will be discussed later.

Ms. Montoya clarified that the \$4 million one-time expense for fitness center improvements will be fully funded from reserves. She then outlined the composition of general fund revenues, noting that 66% comes from taxes, with sales tax alone accounting for 37%, making it the largest revenue source. Property tax is the second largest contributor. Charges for services make up approximately 27% of total general fund revenues. She explained that this breakdown illustrates how the city generates the funds used to provide services.

Ms. Montoya provided a detailed breakdown of general fund revenues by category. She noted that sales tax remains the largest source at approximately \$14.9 million. While this reflects an apparent increase of \$1.3 million, she clarified that it is not a true year-over-year gain but rather an adjustment to align the budget with actual collections, as prior estimates were intentionally conservative. She explained that property tax revenues are shown in two components: one for standard growth and another, newly required by the state, to separately identify any proposed tax increase. The proposed increase represents about 9% of property tax revenue, or roughly \$660,000, with additional explanation to follow in later discussion.

Ms. Montoya noted that several other revenue categories are projected to decline. Licenses and permits are down due to fewer permits and lower valuations. Intergovernmental revenues, primarily grant funding, are also lower because only confirmed grants are budgeted at this stage, and a prior program (Communities That Care) has been discontinued.

Charges for services, however, are increasing, driven largely by higher public safety reimbursements, Cedar Hills contracts, ambulance fees, and administrative cost allocations to other funds, including enterprise funds and the fitness center. Overall, total revenues are projected to increase by approximately \$2.18 million. This includes about a 9% increase in tax-related revenues (primarily tied to the proposed property tax adjustment), updated sales and franchise tax projections, and higher service charges, partially offset by declines in permits and intergovernmental funding.

Council Member Hunter asked for an update on the status of the Cedar Hills contract. Mayor Frost responded that the contract has come back to the city and is currently being worked on, with the expectation that it will be ready for review at an upcoming council meeting.

Ms. Montoya explained that the baseline amount for the Cedar Hills contract was incorporated into the proposed budget, though she noted there was some uncertainty about whether it had been formally disputed.

Ms. Montoya then outlined several recent legislative changes affecting property tax increases. Key updates include:

- The requirement to prepare and present a tax impact statement to the public, in addition to the formal notice of a proposed tax increase.
- The city must also clearly advertise the proposal on its website and now refer to the proposed budget as an “interim budget”
- Final budget will be adopted in August if a tax increase is approved.
- Any approved increase would not take effect until September 1.
- Revenue generated from a tax increase must be separately tracked in the general ledger.
- City is also required to hold a public hearing with a remote participation option, and staff are currently working on implementing the necessary technology.
- Funds from the proposed increase cannot be spent until the tax increase is formally adopted.

Finally, she noted the importance of strict compliance and documentation to meet all state requirements.

Council Member Carroll asked whether the restriction on spending proposed tax increase funds before final adoption in August could create challenges. Ms. Montoya acknowledged that staff are still working through the implications, noting that any proposed increase must be clearly tied to specific uses. If the increase is not ultimately approved, those items—such as staffing—would need to be removed from the budget.

Council Member Carroll clarified that, for example, wage increases funded by the proposed tax increase could not be implemented until after final adoption in August. Ms. Montoya confirmed this, explaining that while staff can present and discuss proposed uses now, no funds can be spent unless the increase is approved.

General Fund Expenditures

Ms. Montoya explained that the estimated cost to fully staff the new fire station (Station 53) with nine personnel is approximately \$1.4–\$1.5 million. The proposed property tax increase of \$660,000 would only partially fund this need, meaning staffing levels would have to be reduced if no additional funding sources are identified. She noted that a new state requirement mandates the preparation of a tax impact statement. The statement outlines that the proposed tax increase would be used to support fire department staffing for a third station. Without the increase, the city would only be able to fund approximately five positions instead of nine, limiting the station’s ability to provide full shift coverage.

Ms. Montoya noted that the city’s last property tax increase occurred in calendar year 2021 (with revenue realized in fiscal year 2022), meaning it has been approximately five years since the last adjustment. She explained that the proposed 9% increase is roughly in line with what incremental annual increases might have been over that period—about 2% per year, or roughly 10% total. She also pointed out that inflation over that time has met or exceeded this level, suggesting the proposed increase is consistent with rising costs.

Ms. Montoya responded by explaining the required “Notice of Proposed Tax Increase,” emphasizing that the figures presented are still in draft form. She noted that the average residential property value used in the estimate (\$492,000) may change when updated figures are

received in June. Based on current estimates, the proposed tax increase would amount to approximately \$34 per year for the average household, or about \$2.50 per month.

Council Member Carroll suggested that the tax impact statement should more clearly communicate that the funding is for staffing a new third fire station, since residents may not already understand that context. Ms. Montoya agreed that the language could be refined to better clarify this point.

Ms. Montoya asked the council for consensus on how to best phrase the description of the proposed tax-funded project.

- Council Member Taylor suggested avoiding the term “third fire station” and instead focusing on geographic service coverage, such as describing it as a station serving residents south of I-15 or a specific area, emphasizing where the service would be located rather than its sequence.
- Council Member John added that the messaging should clarify this is an interim fire station approach rather than a long-term capital project funded through a bond. He emphasized that the proposal is intended to be a cost-effective way to provide coverage while limiting long-term financial impact. Council Member Taylor agreed and noted that the concept involves staffing an interim fire station, acknowledging the scale and cost implications of operating a new facility.
- Mayor Frost added that the messaging should also emphasize emergency medical response, suggesting that including ambulance and life-saving services in the description would help the public better understand the purpose and value of the station.

Council Member Carroll asked how staffing increases would be funded, noting that even without the proposed tax increase, personnel levels would still rise. Ms. Montoya responded by explaining a potential funding and accounting restructuring approach based on practices used in other cities. She described the idea of creating a separate general fund dedicated to transportation (roads), funded through existing transportation-related revenues such as Class B sales tax.

Under this approach, road operations and maintenance would be moved out of the capital projects fund and consolidated into a dedicated “roads” general fund. Ms. Montoya explained that this would improve transparency by keeping all road-related revenues and expenses in one place while still allowing consolidated reporting for financial statements. She clarified that this new fund would apply only to existing road maintenance and operations, not new road construction, which would continue to be handled through impact fees and existing capital funding sources. She noted that this is a new proposal being presented for the current fiscal year and is intended to streamline budgeting and improve clarity rather than change funding for growth-related infrastructure.

Council Members Hunter and John confirmed that road staffing is currently funded through the General Fund because a separate roads fund has not yet been established. Ms. Montoya noted that the new structure would consolidate these expenses into a dedicated fund for improved tracking.

Mr. Bird explained that existing B&C road funds are primarily used for capital projects, and the proposed change would allow for greater flexibility in covering operational costs. Ms. Montoya emphasized that the restructuring improves transparency, aligns with common practices in other

cities, prepares for future funding options, and creates capacity for increased public safety funding.

Ms. Montoya presented the funding structure for the proposed roads fund, noting it includes transportation sales tax, approximately \$500,000 in property tax, intergovernmental revenues such as MAG grants, and Class C funds. She also highlighted a one-time transfer of \$8.7 million from the capital plan to establish beginning reserves, emphasizing that the funds are being reallocated rather than replaced. She then provided a citywide financial overview, explaining that expenditures are distributed across fund types, with special revenue funds comprising 43% due to the municipal Building Authority Bond, the combined general and roads funds at 23%, and enterprise funds at 22%. She noted that 61% of total expenditure is capital-related, 16% are personnel costs totaling \$33 million, and the remainder are operational expenses.

Ms. Montoya stated that the total city budget, excluding transfers, is \$208 million, up from approximately \$150 million the previous year, largely driven by capital projects and public safety staffing. Focusing on the general fund, she explained that personnel costs make up about 75% of expenditure, primarily for public safety, along with public works, community services, parks and recreation, cemetery, library, and administrative functions. The general fund budget, excluding transfers, is approximately \$38 million, with 62% allocated to public safety.

Ms. Montoya outlined proposed staffing increases for fiscal year 2026, including 11 full-time positions and 5.85 full-time equivalent part-time positions, bringing total staffing to approximately 295 FTEs. She noted that most new positions are:

- Fire services include nine full-time and 2.3 FTE part-time positions to support transport and coverage needs.
- Police are requesting two additional officers and two part-time crossing guards.
- Administrative and support staffing requests, including one full-time accountant, part-time communications support,
- 1.2 FTE in seasonal part-time positions for Parks
- Additional part-time staffing for the cemetery.

Council Member Carroll asked for clarification on whether the proposal includes adding new crossing guards or establishing a new crossing location. Chief Paul responded that one crossing at 50 South should already have had a crossing guard, and he believed the additional request may include a part-time crossing guard coordinator, though he was not certain.

Ms. Montoya asked about current police staffing levels, and Chief Paul stated there are 56 allocated full-time positions. Ms. Montoya confirmed that the proposed additions would increase that number to 58.

Council Member Hunter inquired about staffing benchmarks, referencing common metrics such as officers per population. Chief Paul explained that such benchmarks exist at the Intermountain regional level and are informed by FBI data. He noted that applying those standards would suggest a staffing level in the 70s, though he did not have exact figures available. Mr. Bird asked for clarification on whether the benchmark is based on averages or recommended staffing ratios. Chief Paul clarified that staffing benchmarks are based on population, representing recommended officer levels for a given number of residents rather than averages of what other agencies currently maintain.

Council Member Taylor noted that such benchmarks may not fully account for demographic differences between regions, suggesting variation between areas such as Salt Lake County and Utah County. Chief Paul acknowledged that differences do exist between regions.

Council Member Carroll then asked about community interns and requested an overview of current communications staffing. Mr. Bird explained that the city previously had both full-time and part-time communications staff members. The part-time position was removed in favor of using contract services; however, the city has had trouble finding consistent and suitable contract support. As a result, staff are now proposing to reintroduce a part-time communications position to better meet operational needs.

Ms. Montoya reported that total general fund expenses, including transfers, are projected at \$44 million. She noted that personnel costs represent the largest increase, rising by over \$3 million due to proposed staffing additions as well as adjustments to employee benefits such as retirement and health insurance. She explained that operating costs are being carefully managed through a zero-based budgeting approach, with departments reviewing and reducing line items where possible to help offset personnel increases. Capital expenditures have also increased, primarily related to fleet needs.

Ms. Montoya highlighted a proposed one-time allocation of \$4 million for a fitness center project, emphasizing that the plan is still preliminary and will be brought back later in more detail. She added that ongoing budget challenges include inflation, low unemployment, population growth, and aging facilities, all of which are driving the need for increased staffing and capital investment.

In response to Council Member Carroll, she confirmed that the increase in personnel costs is not solely due to new positions but also includes annual adjustments to benefits such as retirement and health insurance.

Ms. Montoya reviewed budget changes by department, noting that most areas remain relatively flat except for public safety. Police expenditures are projected to increase by approximately \$1.1 million, while fire services are expected to increase by over \$2 million. Overall, total expenditure excluding transfers is increasing by about \$3.78 million. She explained that General Services, which includes administration, legal, legislative, and committee expenses, is seeing minimal change aside from added personnel. Operating costs in this area are decreasing due to the absence of an election in the upcoming year, as well as the removal of previously planned but unrealized expenses such as Justice Court changes. Insurance and legal costs have been adjusted accordingly.

For Community Services, the total budget is approximately \$5.4 million with an increase of about \$260,000. Modest increases are spread across departments such as parks, the library, and the senior center, primarily driven by personnel changes, including part-time staffing additions for parks and cemetery services. She noted that while personnel costs in Community Services are increasing by about \$250,000, overall operating expenses are decreasing due to cost-cutting efforts. This includes shifting landscaping contracts to in-house part-time personnel. Increased senior center programming costs, such as excursions, are offset by corresponding program revenues, resulting in a neutral net impact.

Ms. Montoya outlined budget changes for public safety departments, focusing on police and fire.

- For police, she reported a request for three additional FTEs, with overall personnel costs increasing due to staffing additions as well as benefit, merit, and range adjustments. Operating costs remain relatively flat. Capital expenditures are increasing due to a shift from leasing to purchasing vehicles, with six leased units proposed for replacement, resulting in one-time costs as the city phases out the lease program.
- For fire services, she noted a personnel increase of over \$2 million, largely driven by staffing for a new station, including nine full-time positions. She emphasized that this expansion is a significant expense and is tied to a proposed tax increase; without it, the station would not operate at full capacity. Operational costs are mostly flat, with some increases for equipment and uniforms for new staff. Capital expenditure for fire remains relatively unchanged.

Council Member Taylor asked for clarification on fire staffing at the new station, confirming that nine new positions are being added and three are being reallocated from Station 51, resulting in a total of 12 personnel at the new station 53 with four per shift. Chief Brems explained that the reallocation is intended to establish an initial staffing level at the new station. As a result, Station 51 staffing would decrease from nine to eight personnel. He noted that fully staffing a new station would typically require approximately 18 personnel, so the current proposal represents a phased approach. He added that nine positions can make operations workable, but it would be a lean staffing model.

Council Member Taylor asked whether the additional 2.3 FTE part-time positions would help cover gaps such as vacation and holiday leave. Chief Brems confirmed that the part-time staffing would provide coverage for leave time, help maintain minimum staffing levels, and support transport services. He noted that transport demand is high and generates revenue, and the additional staffing would help address those needs while backfilling holidays and sick days.

Council Member Hunter emphasized the need for long-term planning, noting that within two to three years the city will likely need to add additional staffing, potentially nine to twelve positions, to fully support both the new station and maintain adequate staffing at existing stations.

Council Member John referenced the transition from an interim Station 53 to a fully built-out facility. Chief Brems explained that staffing could be phased in gradually, such as adding three positions at a time to reduce annual budget impacts. However, he confirmed that ultimately about nine additional personnel would be needed to reach desired staffing levels.

Chief Brems referenced a prior station location study, noting that an earlier proposal included five stations but was later reduced to three for operational efficiency. Under the revised model, the long-term goal would be to staff approximately ten personnel at Station 51 and ten at the new station, though full build-out would take time and be implemented in phases.

Ms. Montoya said the Public Works budget is staying mostly flat, with only slight personnel increases and no new full-time positions recommended. Operational costs are decreasing because third-party inspections are now being handled internally, and one leased vehicle is being replaced through a purchase instead.

For Development Services, overall expenses are decreasing slightly. Personnel costs appear mostly flat, though one full-time building inspector position is being reduced to part-time after an employee left for another city but continues working part-time. Operational expenses are also dropping because the city expects the code rewrite project to be completed by the end of the fiscal year, so no additional funding is being programmed for it.

General Fund - Roads

Transitioning to the Roads Fund, Ms. Montoya explained that street operations and personnel costs will move into the secondary general fund. No staffing changes are proposed. Operating expenses are being reduced somewhat in order to prioritize capital improvements. Sidewalk maintenance and road maintenance funding are still included, though at slightly reduced amounts, with savings redirected toward capital projects. A traffic study and consulting fees are also being added to the budget.

When Council Member Carroll asked what the traffic study was for, Ms. Montoya responded by outlining the road capital projects budget. The city is programming approximately \$3.4 million for capital road improvements, including overlays, crack sealing, micro surface, slurry work, improvements on 100 West, portions of Water Road, fire line and load expenses on 100 East, and the King Street project. The budget also includes vehicles and equipment purchases. She added that reserve funds remain available if additional improvement projects are later identified and funded.

Ms. Montoya emphasized that total road expenditures, excluding impact fees, are projected at approximately \$6.5 million, describing it as a significant investment in the city's road infrastructure.

Fitness Center

Ms. Montoya then moved to the Fitness Center budget, explaining that a separate future work session will address possible facility improvements and project scope. While those plans are not yet finalized, the city wants to earmark \$4 million for future improvements. She clarified that the current discussion only covers operating expenses, not the capital improvement package itself.

The Fitness Center operating budget is largely flat, with both revenues and expenses increasing by about 1.2%. Personnel costs are increasing slightly, though no additional full-time positions are being added. The increase mainly reflects efforts to ensure part-time employees are compensated fairly and includes associated benefit adjustments.

Operational expenses are projected to rise by about 9%, driven primarily by increasing utility costs and higher credit card processing fees as more users register and pay electronically. Meanwhile, transfers to capital are decreasing because the city is postponing ongoing facility improvements until the broader improvement package is finalized.

Ms. Montoya noted that the General Fund subsidy for the Fitness Center remains approximately 35% of operating costs, consistent with prior years and not increasing.

She then reviewed general capital projects outside of roads, organized under Community Services. The largest item is the proposed \$4 million Fitness Center improvement allocation. Additional ongoing capital items include:

- Annual playground replacements budgeted at approximately \$120,000

- Potential additional playground funding through PARC tax revenues if approved
- Ongoing Park repairs and maintenance
- Replacement of fencing and shade sails at Art Dye Park, specifically covering three of the park's five fields
- Funding earmarked for the cremation niche project
- The city's annual Fox Hollow contribution

Overall, total Community Services capital expenses are projected at approximately \$4.9 million.

General Capital Projects

Ms. Montoya explained that the city's capital improvement planning also includes several public safety and community facility projects. These include improvements for the police department, upgrades to the Senior Center and library facilities, and several carryover projects from prior years.

One of those carryover items involved funding for a billboard project, along with some downtown revitalization earmarks that have not yet been completed. Council Member Taylor asked for clarification about the billboard project. Ms. Montoya responded that it referred to a proposed electronic billboard that had been planned several years earlier but was never formally submitted or completed. The funding has simply remained earmarked and carried forward in the budget.

Ms. Montoya explained that the city's general capital equipment fund is separate from other capital project funds and mainly covers replacement equipment and operational needs across departments.

For Public Safety, approximately \$140,000 is budgeted for equipment purchases and replacements. While she described the amount as not especially large, it includes several important items:

- SWAT gear for the police department, representing year two of a two-year funding plan
- A ventilator and CPR device requested by the fire department
- Replacement of a washer and dryer for fire services

She then reviewed equipment requests from other departments:

- Cleaning services requested a replacement truck
- A boom lift and trailer purchase as a more affordable alternative to replacing a full boom truck, with a recommended allocation of about \$90,000
- Replacement mowers are also being programmed into the budget

For Parks and Recreation:

- Additional mule utility vehicle, likely as a replacement item
- The Fitness Center requested annual refresh funding for cardio and weight equipment
- Additional security cameras are proposed within the Fitness Center
- A field paint robot, currently leased equipment, is included in the budget. Ms. Montoya indicated this may be year four of a seven-year arrangement and estimated the cost at about \$7,700

Additional items included:

- Cemetery equipment needs (mower lease)

- The city’s annual allocation for vehicle replacements and related equipment planning

Overall, Ms. Montoya emphasized that most of these requests are replacement items intended to maintain existing city operations and facilities rather than expand services.

Fleet

Ms. Montoya concluded the presentation by discussing the city’s capital fleet plan, which operates as an internal service fund covering vehicle fleets, replacements, and leases across departments, including utilities.

For the Police Department, the city is requesting eight vehicles this year, compared to six the previous year. She explained that the increase is tied to the addition of two new police officers, requiring two additional patrol vehicles. The city is also proposing to replace six leased police vehicles with purchased vehicles as part of a longer-term strategy to reduce reliance on leasing.

For Fire Services, the budget includes lease replacement costs and the beginning of a more formal fleet replacement program. Ms. Montoya said the goal is to move away from handling large vehicle purchases as isolated one-time expenses and instead establish an ongoing, sustainable replacement cycle. To begin that effort, the city has earmarked \$500,000 to help launch the program.

In Public Works, one leased vehicle is being replaced, while the Culinary Water department is recommending the outright purchase of two trucks rather than leasing them.

Ms. Montoya also reviewed the city’s ongoing vehicle lease obligations. These include:

- Existing long-term vehicles lease the city hopes to eventually phase out
- A new fire truck lease
- The 2020 ladder truck lease, which is scheduled to retire in fiscal year 2028, meaning approximately two years remain on that obligation

Chief Paul noted the city initially benefited from leasing, but current market conditions have reversed those advantages. The city will stop entering new leases, let existing ones expire, and shift to purchasing vehicles outright with cash instead of financing or leasing.

Ms. Montoya concluded the presentation on the General Fund and Fitness Center budgets by emphasizing that the proposal remains a work in progress. She reminded the council that a budget open house is scheduled for the following Tuesday, with the interim budget presentation planned for May 12. She also noted that discussions surrounding a potential tax increase remain open for council direction, since any decision on taxes would require corresponding adjustments to the budget. To preserve flexibility, the city has tentatively reserved August 11 for a potential public hearing if a tax increase moves forward.

Council Discussion on Budget

Council Members requested a clearer picture of the total cost impact on residents, including city taxes, utilities, and other regional fees. Ms. Montoya agreed to provide a combined analysis during the interim budget and will also present the full fee schedule for transparency.

The mayor noted some utility increases are being partially offset by reductions elsewhere in monthly bills. Ms. Montoya explained they are actively coordinating with departments to refine the budget, which is nearing a stable proposal as it moves forward.

Council Members and staff discussed the budget timeline, departmental funding needs, and prioritization of city resources. Ms. Montoya explained that if the city pursued a truth-in-taxation process, the interim budget would still be approved in May, while final budget adoption would occur later in conjunction with the required public hearing.

Council Member Hunter expressed concern about whether the Council had sufficient information regarding unmet departmental needs before prioritizing additional funding for areas such as public safety and the proposed third fire station. Ms. Montoya stated that staff relied heavily on Council priorities identified during budget workshops and acknowledged that departmental needs exceed available resources.

Discussion also addressed concerns regarding balancing public safety funding with long-term infrastructure needs, including roads. Ms. Montoya clarified that overall road funding had not been reduced, although certain expenses had been shifted into a separate secondary funding structure.

Council Member Taylor then shifted the discussion toward budgeting philosophy. He said that once the council establishes its priorities during budget workshops and sets overall budget parameters, he generally trusts the administration—including Ms. Montoya, Mr. Bunker, and department heads—to negotiate compromises and develop the preliminary budget presented to the council. He questioned whether council members really wanted to become directly involved in weighing every departmental tradeoff against others.

Ms. Montoya added that staffing and personnel costs have generally been prioritized throughout the process. To make room for those recurring operational needs, the city has tried to keep operational spending relatively flat, limit increases where possible, and defer or reduce some capital projects. She noted that capital expenses are often easier to postpone into future fiscal years when necessary.

Council Member Taylor stated that the annual budget process is challenging for both staff and the Council and noted that ongoing incremental tax increases alone would not fully address the city's growing staffing and service demands. Ms. Montoya agreed, stating that smaller increases primarily help offset inflation and maintain existing service levels.

Council Member Taylor further discussed the difficulty of balancing financial sustainability with the public impact of potential tax increases, referencing prior truth-in-taxation discussions in 2021. Ms. Montoya added that all departments have unmet needs and stated that any additional tax revenue would address only a portion of those requests.

Council members discussed concerns about raising property taxes to address the city's inflation-related budget pressures, emphasizing the financial strain residents are already experiencing due to rising living costs.

- Council Member Holley argued that residents are already absorbing inflation through higher costs for essentials like fuel, housing, and groceries. He expressed concern that a

tax increase would compound those burdens, effectively increasing residents' personal inflation rate even further. While acknowledging the city's need to cover its own rising costs, he stressed the importance of recognizing that households are already financially stretched.

- Council Member Taylor agreed that any tax increase ultimately comes “out of residents’ pockets.” He reflected on past city operations in the 1970s and 1980s, describing how the city once operated with older vehicles and fewer resources, suggesting the city previously functioned with a more conservative approach to spending and equipment replacement. He also noted that residents may perceive certain city employee benefits — such as take-home vehicles — as unnecessary expenses while they themselves are struggling financially. He urged the council to remain sensitive to public perception and economic realities facing taxpayers.

The discussion concluded with Council Member Taylor emphasizing that the city cannot continually rely on residents to absorb additional costs through taxes. He suggested the council may need to evaluate reductions or changes in other city services or expenditures, such as the library, recreation center, or golf course contributions, while maintaining public safety as the city's top priority.

Ms. Montoya stated that staff are attempting to remain sensitive to residents' financial concerns by limiting the requested tax increase. She explained that personnel costs are increasing by approximately \$3.3 million, while the proposed increase being requested is approximately \$660,000.

Council Members discussed budget pressures related to inflation, staffing, and operational costs. Discussion included the challenges municipalities face in retaining employees amid regional growth and competition from neighboring cities. Council Members acknowledged the work of city staff and emphasized that the discussion was intended to address financial realities rather than criticize employees or departments.

Council Members discussed the need to evaluate service priorities, operational efficiencies, and potential cost-saving measures, including extending the life of city vehicles and reducing expenditures where feasible. It was noted that reductions in spending would likely result in corresponding reductions in services provided to residents.

Discussion also addressed the impact of inflation on city operations and the role of growth-related sales tax and property tax revenues in offsetting increased costs. Council Members emphasized the importance of focusing on meaningful budget reductions rather than cuts to smaller programs that would provide limited financial benefit while significantly affecting services. Council Members further noted that much of the city's overall budget is restricted to designated purposes and that the General Fund represents the primary area in which the Council has discretionary authority regarding expenditures and potential reductions.

2. Training in Ethics and Conflict of Interest.

Ms. Schriever provided ethics training to the City Council in response to recent state legislative requirements concerning ethics compliance for political subdivisions. She explained that a bill passed during the current legislative session now requires Planning Commission members to complete at least one hour of ethics training, similar to requirements already applicable to City Council members.

Ms. Schriever reviewed the general framework of the Utah Municipal Ethics Act and explained that the training would focus specifically on elected officials rather than city employees, although city employees are also governed by the Act. She stated that the purpose of the training was to help council members understand how conflicts of interest may arise between their roles as elected officials and their personal, professional, family, financial, or volunteer obligations.

Ms. Schriever explained that the Ethics Act generally requires elected officials to act in the best interests of the city and its residents. She stated that a conflict may arise whenever another role or interest could be averse to, or call into question, whether an official is acting in the city's best interest. She emphasized that the purpose of the Act is to ensure that public decisions are made in the public interest, to promote transparency, and to maintain public trust.

Ms. Schriever advised council members that conflicts may be actual, potential, or perceived, and recommended a "disclose" approach whenever there is uncertainty regarding a possible conflict. She stated that disclosure helps avoid concerns or allegations regarding the propriety of council actions. She also noted that residents have previously raised questions regarding potential conflicts involving elections and approval of agreements, demonstrating ongoing public attention to ethical issues involving elected officials. She then invited questions from the Council before proceeding with additional discussion of the ethics framework and hypothetical scenarios.

Council Member Holley asked whether disclosure requirements included ownership of stocks. Ms. Schriever responded that the requirements generally apply but noted there is an exception for investments held through vehicles such as 401(k) accounts, managed investment accounts, blind trusts, or indexed and mutual funds.

Council Member Holley asked whether ownership of \$5,000 or more in an individual stock, such as Amazon, would require disclosure. Ms. Schriever stated that the disclosure form references stock or bond holdings exceeding \$5,000 and indicated she would review the provision further to confirm its applicability.

Ms. Schriever read the disclosure requirement regarding stocks and bonds, stating that elected officials must list each entity in which they hold stocks or bonds with a fair market value of \$5,000 or more, excluding funds managed by third parties, including blind trust management, managed investment accounts, and mutual funds.

Ms. Schriever stated that there are five primary areas within the statute that elected officials must avoid.

- The use of office for personal benefit, noting that elected officials should not use their position or political influence to secure special privileges for themselves or others. She advised that officials should consider whether their actions would place themselves or another entity in a better position than before.
- Compensation for assisting in city transactions, explaining that a potential conflict may arise if an elected official is paid to help move an issue involving the City forward. As an example, Ms. Schriever described a scenario in which a City Council member works for a consulting firm assisting a developer in obtaining City approvals. She stated that if the Council member is compensated for that work, disclosure is required.

- Officials must make written disclosures when specific conflicts or transactions arise. She stated that the written disclosure must be provided to the mayor at least ten days before providing the service or entering into the contract.

Council Members discussed how disclosure requirements apply when potential conflicts are not identified until shortly before a meeting. Ms. Schriever stated that disclosure should be made as soon as an elected official becomes aware of a conflict or transaction involving the City.

Council Member Hunter asked what constitutes “helping to facilitate” a transaction. Council Member Taylor discussed situations in which employees within his company may work on projects involving the city without his direct involvement, referencing a prior City logo redesign proposal submitted by his agency. He stated that he was not involved in discussions with staff regarding the proposal and ultimately voted in favor of another company.

Council Member Hunter stated that his company had not performed work for the city during his time on the Council, despite public assumptions otherwise. Council Members further discussed situations where projects involving their companies could arise without their prior knowledge and whether disclosure obligations would begin once they became aware of the matter.

Ms. Schriever confirmed that disclosure would be required once the official became aware of the situation. She explained that the statute includes a definition of “assist,” which involves acting, offering, or agreeing to act in a manner intended to help, represent, aid, advise, furnish information to, or otherwise assist a person or business entity in connection with a matter involving the City. She stated that affirmative steps to help advance or support an application or transaction are required in order to constitute assistance under the statute.

Council Member Hunter asked whether the conflict requirements applied to him personally or to his company. Ms. Schriever responded that the requirements could apply to both the individual and the company. She explained that if a Council Member has an ownership interest greater than 10% in a company or serves as an employee or officer of a company involved in a business transaction with the City, a potential or actual conflict may exist. She noted that these interests should be disclosed in annual disclosure forms.

Ms. Schriever commented that, as a general rule, elected officials should be mindful of potential conflicts whenever they are employed by, have an equity interest in, or hold any ownership interest in a business that is regulated by the City, requires a business license or permit, or is transacting or intends to transact business with the City.

Council Members discussed whether conflict-of-interest concerns also apply to contract labor or 1099 employment arrangements. Ms. Schriever stated that if a City Council Member serving as a contractor enters a transaction with the City or assists another party in a transaction with the City, a potential conflict could exist.

Council Members also discussed conflicts involving service with the Chamber of Commerce. Ms. Schriever explained that the Chamber is considered a business entity and stated that when the mayor is acting in his role as President of the Chamber, he should act solely in that capacity and avoid participating in City decision-making related to Chamber matters. As an example, Ms. Schriever stated that if the mayor were advocating on behalf of Chamber members for a reduction in business license fees, and the City Council later considered such a request, the

mayor should not participate in the discussion, consideration, approval, or denial of the matter in his capacity as Mayor.

Council Member Hunter asked whether the mayor would already be participating by representing the Chamber entity. Ms. Schriever responded that the mayor could participate in his role as Chamber President, but not in his role as Mayor.

Council Member Taylor asked whether that restriction would also apply to setting the agenda for the meeting. Ms. Schriever stated that, in such circumstances, it would be preferable to have a Mayor Pro Tem handle the matter. She added that similar situations can arise through service in other organizations as well.

Council Members discussed potential conflicts of interest related to service on outside boards and organizations, including the Chamber of Commerce and Fox Hollow. Ms. Schriever explained that officials serving in dual roles must disclose potential conflicts when advocating on behalf of outside entities in matters involving the City. She stated that written and public disclosures may be required and that recusal could be appropriate depending on the circumstances.

Council Members discussed examples involving Chamber board membership and voting responsibilities. Ms. Schriever emphasized that the primary concern is ensuring proper disclosure and avoiding participation in matters where an official is acting on behalf of another entity rather than the City.

Council Members and staff discussed the distinction between disclosure and recusal in situations involving direct or perceived conflicts of interest. Ms. Schriever stated that direct conflicts may require recusal, using the example of the mayor serving as President of the Chamber while the city considers agreements involving the Chamber. In such cases, she recommended the appointment of Mayor Pro Tem and advised that the mayor avoid participating in discussions, deliberations, or votes related to the matter.

Mayor Frost asked for clarification regarding the line between advocacy and participation, particularly in situations where an official does not have a vote. Council Members discussed the importance of maintaining public trust and transparency. Ms. Schriever emphasized that while not all situations require recusal, disclosure is essential in addressing actual, potential, or perceived conflicts and helping avoid concerns regarding favoritism or improper influence.

Council Members and staff continued discussing disclosure and recusal requirements in conflict-of-interest situations. Council Member Taylor referenced a prior situation involving his agency's participation in the city logo proposal process and asked whether disclosure alone permitted participation in voting.

Ms. Schriever explained that in cases requiring recusal, the official should physically leave the dais and remain in the audience area until discussion and voting on the matter are completed. She stated that disclosure may allow participation when there is not a direct conflict but noted that she would have advised Council Member Taylor not to vote in that particular situation.

Council Member Taylor stated that disclosure and recusal procedures help protect elected officials and maintain public trust by ensuring transparency and avoiding perceptions of

improper influence. Ms. Schriever emphasized the importance of disclosure, stating that actual conflicts require both disclosure and recusal, while potential or perceived conflicts should at minimum be disclosed and discussed publicly.

Council Members and staff continued discussing conflicts of interest involving employment, board service, and City transactions. Ms. Schriever explained that additional concerns arise when an elected official receives compensation from an organization involved in transactions with the City, distinguishing those situations from appointed board or liaison roles representing the City.

Council Members discussed prior examples involving irrigation matters and construction company selection processes where disclosures and recusals had occurred. Ms. Schriever stated that conflicts are likely to arise given the professional roles of several elected officials and emphasized the importance of maintaining updated disclosures and consulting legal counsel when potential conflicts occur. She noted that ethics violations can carry criminal penalties.

Ms. Schriever also reminded the Council that elected officials may have access to protected, controlled, or private information and stated that using or disclosing nonpublic information for the benefit of another person or business would constitute an ethics violation, particularly if it provided a competitive or transactional advantage.

Ms. Schriever continued reviewing the ethics framework, discussing conflicts involving businesses regulated by the city. She explained that conflicts may arise when an elected official has more than 10% interest in a business regulated by the city or serves as an officer, director, or employee of such a business.

Ms. Schriever reviewed the definition of “substantial interest,” stating that it includes ownership by an individual, spouse, or minor child of at least 10% of a corporation or other business entity. She explained that the definition helps distinguish between ownership interests and employment relationships for disclosure purposes.

Ms. Schriever also reviewed restrictions regarding gifts and favors, stating that occasional non-cash gifts valued under \$50 generally fall within a safe harbor provision. She noted, however, that gifts could still present ethical concerns if a reasonable person would believe the gift was intended to improperly influence an official’s objectivity or decision-making.

Ms. Schriever concluded by emphasizing the importance of public trust and perception. She encouraged Council Members to consider whether they have a financial interest, whether a city decision could affect that interest, and whether a reasonable person could question their impartiality. She advised that potential concerns should be discussed with legal counsel. She read verbatim of what that inquires:

"It's an offense for you as an elected official to knowingly receive, accept, take, seek, or solicit, directly or indirectly From the officer or municipal employee or from another a gift of substantial value or substantial economic benefit, tantamount to a gift that would one tend to improperly influence you or the person knows That it is for the purpose of rewarding you for an official action taken.

Ms. Schriever reiterated that elected officials should consult legal counsel whenever they are acting in a non-elected capacity while interacting with the City so that potential conflicts and

appropriate procedures can be addressed in advance. She noted that the upcoming Steel Days process would be the first involving the mayor serving simultaneously as Chamber President while the city considered matters involving the Chamber. Ms. Schriever stated that staff and Council should work through the process and consider implementing specific safeguards or procedures to avoid even the appearance of impropriety and maintain public trust.

3. Adjourn.

The meeting adjourned at 6:14 p.m.



Stephanie Finau
Deputy Recorder