CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
May 12, 2026

3:00 P.M. WORK SESSION - CITY COUNCIL CONFERENCE ROOM

CONDUCTING	Mayor Karen McCandless
ELECTED OFFICIALS	Karen McCandless, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett, Chris Killpack, Quinn Mecham
APPOINTED STAFF	Brenn Bybee, City Manager; Ryan Clark, Assistant City Manager; Keri Rugg, Deputy City Manager; Steve Earl, City Attorney; Chris Tschirki, Public Works Director; Bryce Merrell, Library and Recreation Director; Brandon Nelson, Finance Director; Marc Sanderson, Fire Chief; BJ Robinson, Police Chief; Gary McGinn, Community Development Director; Peter Wolfley, Communications Manager, PIO; Teresa McKitrick, City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.gov/meetings under "City Council Presentations"

WORK SESSION ITEMS

Utah Transportation Authority (UTA) Presentation *Presenter: Jay Fox, Executive Director UTA and Jaron Robertson, UTA Director of Planning*

Mr. Fox shared his professional background and then emphasized that UTA maintains a stellar national reputation, frequently ranked among the top three transit agencies in the country by the FTA. Additionally, he shared that UTA is set to host the American Public Transportation Association's (APTA) Mobility Conference, an international event featuring bus operator and mechanics competitions.

Mr. Fox detailed significant governance changes resulting from Senate Bill 197. The bill aims to help UTA better respond to rapid community growth and soaring service demands. Mr. Fox remarked that Utah possesses an unparalleled level of transit demand and support across all tiers, including the state legislature. Currently, the agency boasts strong performance, serving 40 million customers for two consecutive years and successfully operating three Bus Rapid Transit (BRT) lines, including the Utah Valley Express (UVX).

The core structural shift involves transitioning from a setup of three full-time trustees to a part-time, seven-member Transit Commission starting July 1. The newly formed Transit

Commission will focus on regional representation, advocacy, budget approval, and general governance, taking over responsibilities previously held by the Local Advisory Council.

The commission's appointments are currently in progress, featuring two nominees from the Speaker of the House, two from the Senate President, and local nominations submitted to the Governor. Furthermore, the legislature has outlined three primary mandates for UTA:1) Provide efficient and cost-effective service.2) Maintain a state of good repair (which consumes 60% of the capital budget for tasks like fleet replacement and rail maintenance). 3) Reduce debt while maintaining fiscal responsibility.

Mr. Robertson identified three primary regional routes operating within the city: the FrontRunner commuter rail line, the UVX BRT line, and Route 850, which runs along the State Street corridor down to Provo Station. In addition to these core spines, Orem is supported by local routes operating on 30-minute frequencies that offer east-west connectivity and link local hubs to the Vineyard FrontRunner Station, University Place, and Utah Valley University (UVU). Four peak-hour express routes also operate to bring students and commuters from various local areas directly to UVU, bringing the total to approximately 10 active routes in Orem proper.

Mr. Fox expanded on infrastructure plans, highlighting the FrontRunner 2X project. Currently, the commuter rail operates on 30-minute frequencies during peak hours because UTA only owns 25% double-tracking along the corridor, leaving the remaining sections single-tracked and restricting how trains pass one another. UTA, alongside the Utah Department of Transportation (UDOT), is applying for federal grants to expand double-tracking to 50%, which will unlock 15-minute peak service and permit regular Sunday operations.

Mr. Fox noted that a 15-minute interval is the "magic number" in transit where passengers are willing to wait if they miss a ride, rather than returning to their personal vehicles. This upgrade will significantly boost ridership connection efficiencies at Orem Central Station, where the 15-minute UVX service will align more closely with arriving trains.

Responding to questions from Council Member Mecham regarding timelines and capacities, Mr. Fox stated that the 50% double-tracking project is estimated to cost roughly $3 billion. The agency is requesting a 74% federal funding share, citing the fact that the State of Utah and UTA previously shouldered the lion's share of costs to build the initial system. Fully double-tracking the line in today's dollars would cost an estimated additional $4 to $5 billion. The application to enter the final engineering phase is currently awaiting approval from the USDOT Secretary, with hopes of securing the grant by late 2026 or early 2027, targeted for a 2030 completion date to prepare for the 2034 Winter Olympics.

In response to Council Member Millett's question regarding environmental and sound analysis, Mr. Fox anticipated that sound sampling would be standard procedure during the environmental review phase if they scale up toward 100% double-tracking.

On ridership metrics, Mr. Robertson reported that Orem's regional corridors feature some of UTA's highest volumes. Out of the 40 million annual system trips, half are bus riders. The UVX line alone handles 2 million trips annually, rivaling Salt Lake County's Green Line TRAX system. Route 850 sees nearly 700,000 annual trips due to its dependable 15-minute frequency.

Orem Central Station tracks nearly 300,000 boardings annually, ranking as the seventh busiest of FrontRunner's 16 stations. Mr. Fox added that UTA is currently utilizing cell phone data tracking to determine the exact residency of riders, helping municipal leaders understand precisely how many Orem residents utilize the transit network. They expect to have this specialized data completed by the end of the year.

Council Member Mecham expressed personal frustration with missing infrequent east-west local routes and getting stranded, prompting a discussion on capacity. Council Member Millett also asked about ridership generated by the Missionary Training Center (MTC). Mr. Fox and Mr. Robertson noted that while they did not have exact stop-level data on hand, they confirmed MTC missionaries heavily utilize UVX to connect directly to the FrontRunner when traveling toward the airport.

At the request of the city council, Mr. Robertson provided a briefing on UTA's On-Demand service. First trialed in 2019 by the innovative mobility department, the service functions as a coverage-based model rather than a traditional fixed route. It utilizes digital geo-fencing to deploy micro-transit vehicles that riders can hail in real-time via an app, mirroring private ride-share platforms. However, it functions strictly as public transit by utilizing shared rides, offering full wheelchair accessibility, and charging standard transit fares to seamlessly connect users to major transit hubs for first- and last-mile travel. The service has proven highly popular for reaching essential everyday destinations like grocery stores and hospitals..

Mayor McCandless praised the micro-transit initiative, calling it an amazing service and wishing more community members were aware of it. Mr. Fox admitted that early marketing for the service was intentionally quiet to prevent the system from becoming instantly overwhelmed, but affirmed that marketing is now being stepped up to target high school students and other core demographics.

Looking forward, UTA is working closely with the Mountainland Association of Governments (MAG) to align their upcoming long-range transit plans with the broader Regional Transportation Plan (RTP) through 2050. Per recent legislative guidelines, the strategic plan has been redefined as a long-range transit plan to ensure perfect alignment and identical update cycles with the RTPs of the Wasatch Front Regional Council, MAG, and the state's unified transportation goals. This unified approach guarantees that as Orem builds out its local active transportation and master plans, UTA can step in early to support, integrate, and fund matching transit services.

Legislative Report *Presenter: Val Peterson, Utah State Representative*

Rep. Peterson reflecting on his legislative tenure since first being elected to the Utah House of Representatives in 2011, Peterson highlighted the dramatic population growth in Utah County. He now represents:Northwest Orem, Vineyard City (from 800 North onward, including the Utah City development), Lindon (from State Street west to Utah Lake), and portions of Pleasant Grove and American Fork.

Rep. Peterson noted that managing this expanded footprint requires him to interface with five separate city councils. He coordinates closely with Orem City Manager Bybee, meeting for lunch once a quarter to ensure state and municipal legislative cycles align. Rep. Peterson also thanked the council for the honor of naming him the Grand Marshal of the Oremfest parade two years prior.

Now serving in his eighth legislative term, Rep. Peterson outlined his primary leadership duties at the Capitol, chief among them being his role as the House Executive Appropriations Chair. Because of this position, the vast majority of his time and focus is dedicated to crafting and overseeing the state budget. He also highlighted two recent high-profile committee appointments: 1) Rural Health Task Force (Chair): The State of Utah was recently allocated $200 million to initiate a rural healthcare transformation. Rep.Peterson's task force will provide strict oversight on how these funds are deployed. 2) Veterans and Military Affairs Commission: Rep. Peterson serves on this state commission to help shape policies and support networks for military personnel and veterans across Utah.

Addressing the previous winter's legislative session, Rep. Peterson explained that it was a remarkably tight budget year. The Executive Appropriations Committee originally mandated all legislative subcommittees to identify 5% budget cuts, though most committees ultimately finalized their reductions at roughly 2.5%. The fiscal strain eased slightly in February when updated state revenue projections showed a minor upward trend.

Rep. Peterson discussed the Budgetary Modifications bill, which overhauled how the state structures its budget and establishes long-term fiscal parameters. He also detailed a major structural shift in how state agencies fund legal services.

A portion of his legislative summary focused on HB 342, a follow-up bill aimed at defining strict state grant processes. Prompted by the massive influx of federal funding for the state's rural health initiatives, Peterson realized Utah lacked adequate baseline guardrails to monitor and oversee large federal grants. HB 342 establishes clear tiers of authority for executing and approving expenditures: 1) Up to $10 million: The Governor has discretionary authority to allocate funds without legislative intervention. 2) $10 million to $25 million: The Executive Appropriations Committee holds the authority to approve expenditures. 3) Above $25 million: The expenditure requires full approval from the entire Utah State Legislature.

Council Member Millett asked if Rep. Peterson felt comfortable that these newly enacted guardrails were robust enough to prevent the types of widespread pandemic-era fraud seen in other states. Rep. Peterson acknowledged that while Utah had no official statutory guardrails prior to this bill, he feels comfortable watching how the current framework performs.

Council Member Muhlestein asked if the interim session would primarily focus on water issues given the anticipation of a dry summer, Rep. Peterson clarified that while water is always a constant topic of statewide concern, the immediate legislative agenda would focus elsewhere.

The initial interim meetings will prioritize the rural healthcare transformation and evaluating the expenditure of the initial $200 million allocation. The Executive Appropriations Committee will also meet to assess revenue baselines heading into the next fiscal cycle.

In education, Rep. Peterson anticipates intense interim discussions surrounding school district splits, as multiple communities across the state explore breaking away from existing consolidated school districts.

Rep. Peterson concluded by expressing his excitement for local economic milestones. He also voiced a strong desire to partner with Orem's new Economic Development Director to find state-level ways to re-energize and expand support for startup businesses at the Business Resource Center (BRC).

Utah Open Infrastructure Agency (UTOPIA) Report *Presenter: Roger Timmerman, Executive Director of Utopia*

Mr. Timmerman explained that the historical context is essential to understanding its current operational structure. There are 11 founding cities that originally bonded for the project. Early financial projections revealed that the network could not service its original debt solely through subscriber revenues within those initial municipal footprints. To resolve this structural limitation, Utopia established regional partnerships and expanded its network outside the founding borders. This expansion strategy generates vital outside revenue that directly offsets the legacy debt of the original member cities.

Timmerman categorized the infrastructure buildout into two primary fiscal phases: 1) The Legacy Pain Point Representing an initial capital investment between $185 million and $205 million, Phase 1 established the network's essential core backbone. Financing was secured through a 33-year bond restructuring finalized in 2008, with an ultimate maturity date in 2040. These legacy bonds require mandatory annual debt service payments from all 11 founding cities. The payment schedules escalate annually; however, Utopia has successfully increased its corporate performance to absorb these yearly cost increases, keeping the net annual financial hit to the member cities flat in recent history. 2) The Utah Infrastructure Agency (UIA) Mr. Timmerman emphasized that Phase 2 infrastructure carries no municipal debt obligations; the UIA footprint is entirely self-sustaining, highly profitable, and funds its own operations and debt service through subscriber revenues.

Utopia Fiber has achieved significant national scale and performance milestones. Utopia has officially surpassed Chattanooga's EPB system to become the largest municipal fiber system and the largest open-access network in the United States. The agency manages regional networks like Idaho Falls and Yellowstone Fiber. The network delivers some of the fastest commercial connectivity in the country. The open-access framework hosts 19 residential internet service providers (ISPs) and over 30 total commercial providers. Utopia secured 280 dedicated service circuits from the Utah Education and Telehealth Network (UETN) to connect schools statewide. The network maintains high consumer ratings, holding Google review and Net Promoter scores that outpace commercial competitors like G Fiber.

Mr. Timmerman contrasted Utopia's infrastructure with standard commercial fiber architectures. Most private fiber providers deploy passive optical network (PON) technologies, which utilize splitters to distribute shared bandwidth among clusters of neighborhoods.

Conversely, Utopia is built entirely on dedicated fiber-to-the-home (FTTH) connections. Every subscriber receives an unshared, point-to-point connection.

Utopia completed its strongest fiscal year to date, adding over 10,000 net new subscribers across its combined footprint to expand its base from roughly 82,000 to over 92,000 subscribers.

Mr. Timmerman cited an independent economic analysis modeled after Chattanooga's municipal network to illustrate the broader economic benefits of the utility in Orem. The presence of a municipal fiber utility forces private incumbents (such as Comcast Xfinity or CenturyLink/Lumen) to lower their standard market rates by an estimated average of $29 per month per household across the entire city, benefiting residents whether they subscribe to Utopia or not. Factoring in only the active subscribers on the system, the network drives over $3 million in direct annual internet cost savings for Orem residents, alongside over $1 million in annual operational savings for local businesses. Scaled over a rolling 10-year period, the presence of the network introduces an estimated $200 million in localized economic benefits to Orem through education access, smart-city integration, wildfire detection telemetry, and low-cost residential broadband.

Financially, combined monthly revenues for Utopia and UIA have grown from early milestones of $1 million per month to nearly $5.5 million per month. While connecting 10,000 new subscribers required significant short-term capital expenditures, the expanding revenue gap between debt service obligations and subscriber cash flow allows UIA to self-fund installations without issuing new debt.

Utopia's proposed budget contains a $318,000 increase in direct debt-service repayments back to member cities. Because Orem carries a 22% allocation share of the legacy Phase 1 debt, the city's annual reimbursement check will increase by roughly $70,000 this year, fully covering the escalating bond step-ups.

Council Member Mecham questioned why a resident would select one specific provider over another among the 19 choices if the base connection costs are broadly similar ($70 to $80 per month). Mr. Timmerman explained that ISPs differentiate themselves through specialized service layers.

Addressing Council Member Mecham's questions regarding annual customer loss, Timmerman stated that Utopia's historical churn rate sat at a stable 3.0% to 3.5%. Over the last two years, that number ticked upward to between 4.5% and 5.0%.

Mayor McCandless closed the discussion by reflecting on her previous terms on the council during the network's turbulent founding years, stating that seeing the system reach its current financial health and national standing is incredibly rewarding.

General Fund Sustainability Study Follow Up Presentation *Presenter: Fred Philpot, LRB and Laura Lewis, LRB*

This presentation served as a follow-up to Orem's General Fund Sustainability Study. Mr. Philpot explained that LRB has been collaborating with city staff to develop a dynamic financial pro forma model. The tool is designed to establish long-term fiscal policies for the General Fund, analyze future cash reserves, and assess the long-term sustainability of various legislative decisions.

The presentation addressed a hypothetical 7% increase in Orem's portion of the property tax. Philpot clarified that this change applies strictly to the municipal tax levy a 7% increase to Orem's share has a minimal impact on a resident's overall bill and does not fully solve long-term General Fund sustainability challenges.

Mr. Philpot highlighted a substantial contraction in Orem's relative share of the local property tax pie over a twenty-year period. This trend reflects how Orem's property tax assessments have lagged behind other local entities, which have raised their levies over time to adjust for expanding service needs: In 2005, Orem's municipal tax levy accounted for 17% of a resident's total property tax bill. In 2025, Orem's municipal tax levy dropped to just 9% of the total property tax bill. The pro forma model isolates structural revenue baselines and subjects them to projected inflationary pressures. For sales tax revenue: The model assumes a baseline growth rate of 3%. However, Mr. Philpot noted that actual sales tax growth flatlined between 2023 and 2025. Relying on a 3% growth projection could prove aggressive; if sales tax revenues continue to plateau. For property tax base: The model factors in minor organic revenue growth tied strictly to new physical brick-and-mortar development ("new growth"). It purposefully excludes any discretionary property tax rate increases to demonstrate what happens under a status-quo revenue framework.

The general expense growth rate in the model is set at 6.41%, compared to a historical average of roughly 5% between 2019 and 2024. This increase reflects conversations with departments regarding deferred operational needs and rising costs: Public Safety is projected to grow at 10% annually. Public safety faces severe upward cost pressures due to highly competitive regional labor markets and rising equipment costs. General Inflation is set between 3% and 4% annually, though Mr. Philpot warned that national economic shifts could drive these figures higher.

Mr. Philpot adjusted the pro forma model live during the session to demonstrate how different legislative choices alter the green target line, which represents maintaining an unrestricted General Fund balance of $20 million. Because no single mechanism resolves the structural deficit, Philpot and City Manager Bybee emphasized that maintaining sustainability requires a multi-pronged, multi-year approach rather than relying on a single revenue stream or line-item cut. Utilizing municipal bonds to fund large, one-time capital improvements allows the city to amortize costs over long periods, preventing sudden shocks to the annual General Fund. Ensuring all municipal fees are legally backed by up-to-date cost-of-service studies ensures user fees keep pace with actual delivery costs. The model integrates a projected Transportation Utility Fee (TUF) that starts at $250,000 and scales up to $500,000. Even with this new tool online, the model shows a lingering structural deficit if other revenue elements remain fixed.

Mr. Philpot highlighted West Valley City as a leading example of a Utah municipality proactively managing these structural General Fund pressures. West Valley City recently adopted a non-binding resolution that establishes a clear policy framework for tax adjustments.

Mr. Philpot noted that local government finance fundamentally differs from corporate business models. In the private sector, reducing internal overhead increases profitability and drives shareholder value. In local government, 65% to 75% of operational costs are tied directly to personnel, with the vast majority concentrated in police and fire departments. Consequently, significant spending cuts cannot be achieved through minor administrative efficiencies; they require a direct reduction in forces (RIFs) or cutting public services, such as closing public facilities or lengthening emergency response times.

Council Member Millett expressed serious concerns regarding residential affordability, particularly for senior citizens on fixed incomes. She referenced historical corporate cost-saving strategies, such as rolling back employee benefits or utilizing natural attrition during the 2008 recession, and questioned when hard discussions regarding cost-of-living adjustments (COLA) should enter the model. Mr. Philpot and Mrs. Lewis responded that while personnel benefits can be modeled as variables, cutting compensation during a competitive labor market creates significant retention risks.

Council Members Lambson, Killpack, and Gale expressed appreciation for the modeling tool. Killpack noted that the pro forma model allows the council to fulfill its fiduciary duties by testing fiscal policies in a data-driven, theoretical environment before making decisions that impact taxpayers.

HeArt of Downtown Presentation *Presenter: Gary McGinn, Community Development Director*

Mr. McGinn presented the final draft of the Orem Heart of Downtown Master Plan. The master plan focuses heavily on the Scera Park and Scera Center for the Arts corridor, extending westward across State Street to Orem Boulevard. Following a comprehensive review process involving a resident steering committee, local business owners, and municipal boards, the consulting team delivered a detailed 123-page master plan document.

The project is estimated to cost $50 million in total capital costs. Mr. McGinn emphasized that Scera Park and the Scera Theater are already high-performing municipal assets; the master plan is not designed to fix deficiencies, but rather to leverage and enhance existing infrastructure to build a year-round regional destination.

The master plan breaks the district down into six logical, standalone phases. These phases do not mandate a strict sequential timeline, but rather group synergistic projects that can be executed independently as funding emerges. Phase 1: Festival Street Enhancements (720 South). The estimated cost is $7.5 million. This phase focuses on transforming 720 South—the roadway directly separating Scera Park to the north from the Scera Theater to the south—into a pedestrian-first "Festival Street." The infrastructure will feature specialized street treatments, mountable curbs, and utility pop-ups designed to host regular food trucks, community gatherings, and outdoor farmers' markets.

Phase 2: The Core Experience Area is an estimated cost of $15 million. Built adjacent to the existing outdoor Scera Pool, this zone establishes an all-season ice and roller ribbon. Because the outdoor Scera Pool closes directly after Labor Day, the surrounding park space sits underutilized during the fall and winter. The ice ribbon introduces active winter skating alongside heated perimeter cabanas for parents and grandparents. During spring and summer, the surface transitions to accommodate roller skating and rollerblading, establishing a true four-season park experience.

Phase 3: Everyday Activation & Boutique Lodging: This phase addresses a recurring market gap identified in Orem's economic studies: the lack of high-end, unique lodging. The master plan identifies adjacent private parcels suitable for a boutique hotel development, supported by a future municipal parking structure to serve both the hotel and expanded theater crowds. The lodging layer targets out-of-town visitors attending major regional events.

Phase 4: Creative Capacity and Artisan Incubators: This zone introduces a commercial, market-style vibe to foster the local arts economy. The phase envisions converting space into small retail stalls where local artisans can manufacture and sell their wares directly to foot traffic.

Phase 5: Circulation and Event Capacity is estimated to cost $5 million. This phase restructures the broad southern field currently used for major seasonal gatherings, such as the annual Oremfest car show. The field will receive upgraded utility tie-ins to smoothly support lines of food trucks and large temporary staging. The centerpiece design feature of this phase is a permanent community carousel.

Phase 6: Infrastructure, Parking Relocation, and Connectivity: To facilitate the green spaces required for the carousel and artisan markets, this phase eliminates the large central asphalt parking lot currently sitting south of the local schools. Parking capacity will be replaced by constructing a new lot on the far northeastern corner of the study zone.

Council Member Gale raised critical questions regarding fiscal transparency, asking how staff could help residents review a $50 million master plan right after an intense presentation detailing structural General Fund deficits without triggering fears of property tax increases. Mr. McGinn, alongside City Manager Bybee and Mr. Merrill, clarified that the city will not raise property taxes to fund the Heart of Downtown district. Voting to adopt the master plan establishes a visionary roadmap but does not commit a single city dollar toward immediate construction. Instead, the 123-page document outlines a sophisticated "capital stacking" strategy to pull funds entirely from external and non-General Fund sources.

Council Member Millett validated this capital approach, reminding the public that Orem successfully utilized identical non-tax funding methods to build out the Lakeside sports fields and the city's advanced water reuse facility by aggressively hunting down county, state, and federal grants.

Answering a clarification question from Council Member Mecham, McGinn reiterated that the resolution appearing on the regular meeting's consent agenda acts strictly as an official adoption of the *Orem Heart of Downtown Master Plan* as an amendment to the city's general plan files. It does not authorize construction contracts, debt issuance, or hardware purchases.

Neighborhood Improvement Team and Parking Enforcement Presentation *Presenter: Aaron McKnight, Assistant City Attorney*

Mr. McKnight stated that the primary objective of the structural overhaul is to maximize operational efficiency within code and parking enforcement while preserving absolute fairness, equity, and public education. The strategy requires a delicate legislative balance: it must satisfy neighbors who demand swift, firm municipal action against non-compliant properties, while simultaneously providing appropriate leniency and educational resources to well-intentioned homeowners. To achieve this balance, the city is introducing standardized enforcement matrices. These matrices function as objective guidelines for field officers, ensuring that identical code and parking violations receive uniform treatment across the city. This eliminates subjective enforcement discrepancies that might occur if an individual officer is having a bad day.

The city maintains a strict legal and operational distinction between code enforcement and parking enforcement. Although the public frequently conflates the two, they operate under distinct chapters of the Orem City Code and deploy separate enforcement mechanisms. Code enforcement holds jurisdiction over violations occurring on private property, whereas the parking enforcement team focuses exclusively on public streets. Mr. McKnight outlined the standard multi-tiered code enforcement lifecycle, which begins when a resident or neighbor submits a property complaint to the city: 1) Field officers execute an initial site investigation within one business day of complaint intake. Simple violations, such as illegal outdoor storage or accumulated junk, are documented immediately via photography. Complex violations require sophisticated, multi-day investigations. 2) If a violation is verified, the city issues an official warning letter defining the specific ordinance violated, the mandatory remedial actions required, and a standardized grace period to achieve compliance. 3) If the warning period expires without remediation, the city issues an official citation carrying a $50 fine per active violation. 4) For persistent non-compliance, the city issues a formal administrative summons legally compelling the property owner to appear at a specific evidentiary hearing in administrative court. 5) The small fraction of cases that proceed to a hearing are adjudicated by an administrative judge. Upon formal finding of a violation, the court initiates recurring fines of $50 per day..

The code enforcement matrix standardizes the number of compliance days authorized for various violations. To maintain absolute consistency, field officers who deviate from these matrices are required to formally document a logical, legally defensible justification within the case file. The matrix also establishes transparent, common-sense exceptions to protect residents facing legitimate bureaucratic delays.

Answering a question from Council Member Mecham regarding what operational shifts will occur after adopting this framework, Mr. McKnight and Police Chief Robinson explained that a primary benefit is external communication and constituent management. The matrix provides council members and staff with an objective, public-facing timeline to show constituents exactly what stage an active investigation occupies.

City Manager Bybee noted that codifying this matrix enables the city to automate enforcement notifications and step-by-date tracking through its *Connect Orem* software infrastructure, increasing administrative efficiency. Council Member Millett raised a critical operational question regarding data privacy and transparency, asking at what point an active enforcement file becomes a protected record under state privacy laws. She expressed a desire to provide regular status updates and court dates to reporting neighbors automatically, without forcing citizens to file formal Government Records Access and Management Act (GRAMA) public records requests.

Mr. McKnight expressed legal hesitation regarding releasing internal enforcement documentation outside the standard GRAMA framework. However, he agreed that a streamlined system could be designed where an administrative clerk or code officer could provide standard, non-protected status updates to reporting neighbors without consuming valuable field-officer hours.

Mr. McKnight then detailed the specific structural code amendments proposed for the enforcement division: 1) The city proposes formally changing the department's name from the "Neighborhood Improvement Team" (NIT) to the "Code Enforcement Team." The title "Code Enforcement Team" clearly establishes the department as a formal municipal regulatory authority. 2) The language within standard warning letters will be completely rewritten. The updated letters will explicitly state that remedial action is "mandatory and legally required." 3) Moving forward, when the city issues an official citation or administrative court summons, staff will mandate the inclusion of the original warning letter within the packet. This cross-referencing ensures property owners possess a clear history of the case layout and understand the escalation path. 4) All field warnings will be updated to feature prominent, direct contact information, including specific phone lines and email addresses, allowing confused homeowners to immediately interface with staff to clarify compliance steps.

The discussion shifted to the municipal parking matrix. To establish an equitable system, the parking enforcement matrix divides street violations into two categories: safety violations and non-safety violations. The new matrix standardizes warning protocols, placing a heavy legislative emphasis on public education for non-safety infractions before deploying punitive monetary fines.

Mr. McKnight concluded by outlining three major updates to standard parking enforcement policy: 1) Historically, municipal parking warnings were tied directly to the vehicle's unique chassis/VIN, rather than the specific infraction type. If a resident received a warning for illegal angle parking, any subsequent, unrelated parking infraction—such as parking in a permit-only residential zone without a decal—resulted in an immediate ticket and fine. Moving forward, warnings will track per infraction type, allowing a driver to receive an initial educational warning for distinct violations before triggering fines. 2) Parking warning slips will be expanded to feature plain-language explanations of the specific parking hazard or restriction violated, replacing blind alphanumeric code citations that confuse drivers. 3) The city maintains a long-standing internal policy dictating that if a resident receives a parking citation for expired vehicle registration, the city will completely dismiss the ticket and fine if the owner updates their state registration within 14 days. The new parking slips will explicitly print these instructions.

Due to time limitations, this presentation will be continued to the next City Council work session.

CITY COUNCIL / STAFF REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.

Councilmember Mecham delivered updates on his assigned municipal boards, which include the Planning Commission, the Arts Commission, the Cultural Arts and Recreation Education (CARE) Tax Advisory Commission, and the Library Commission. Mr. Mecham reported a highly successful CARE Tax advisory season, acknowledging Council Member Gale's active partnership on the commission. Turning to the Planning Commission, he highlighted that five of the seven seated commissioners began their terms fresh this year. He expressed immense satisfaction with how quickly these new appointees have mastered complex municipal planning guidelines. Mr. Mecham noted that the commission possesses a strong, healthy diversity of perspectives, which has prompted commissioners to ask the right types of probing questions while maintaining an exceptionally high level of mutual respect during intense development discussions, signaling that the body has successfully found its professional footing.

Councilmember Mecham then detailed an structural innovation implemented by the Arts Commission to maximize community volunteerism. They identified an influx of highly qualified, passionate residents who desired to champion local arts initiatives but could not be seated due to a lack of vacant commissioner slots. The body established four dedicated working subcommittees. This framework expands the city's creative capacity, allowing a large pool of un-appointed resident volunteers to execute localized arts programming under the formal supervision of the main Arts Commission.

Councilmember Millett updated the body on her municipal assignments, which include the Transportation Advisory Commission (TAC) and the Parks and Recreation Advisory Commission. Reflecting on the earlier Utah Transit Authority presentation, Ms. Millett noted it aligned perfectly with the TAC's current objectives. Both UTA and the Utah Department of Transportation have recently presented to the commission as part of its primary goal for the year: a comprehensive review of Orem's active transportation infrastructure and trails master plan.

Ms. Millett also highlighted her work with the Parks and Recreation Advisory Commission and expressed immense praise for the high operational standards maintained across the city's parks and recreational facilities. She shared a specific municipal win regarding a localized safety overhaul of the dirt on the youth baseball fields. Staff meticulously treated the infield dirt to remove small stones and debris that had previously caused minor injuries to young players. Looking forward, she noted that the commission is actively preparing to launch a "Truth Initiative" health and wellness campaign across Orem's park system.

Councilmember Millett shared that she and Council Member Gale recently attended an America 250 committee meeting, noting that the national semiquincentennial celebrations will culminate on July 4. She distributed materials for a localized community challenge connected to the celebration. Finally, she briefly noted some recent structural changes to her external assignments, explaining that her previous role with the Utah League of Cities and Towns

(ULCT) was discontinued and confirmed her secondary position with the Utah Board of Education (UBE) regarding green building initiatives.

AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

ADJOURN TO REGULAR SESSION

Ms. Gale moved to adjourn to the regular session, **seconded** by Mr. Killpack. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING	Mayor Karen McCandless
ELECTED OFFICIALS	Karen McCandless, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett, Chris Killpack, Quinn Mecham
APPOINTED STAFF	Brenn Bybee, City Manager; Ryan Clark, Assistant City Manager; Keri Rugg, Deputy City Manager; Steve Earl, City Attorney; Chris Tschirki, Public Works Director; Bryce Merrell, Library and Recreation Director; Brandon Nelson, Finance Director; Marc Sanderson, Fire Chief; BJ Robinson, Police Chief; Gary McGinn, Community Development Director; Peter Wolfley, Communications Manager, PIO; Teresa McKitrick, City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT –Grace Webb
PLEDGE OF ALLEGIANCE / FLAG CEREMONY – Kai Harris

MAYOR'S REPORT/ ITEMS REFERRED BY COUNCIL

Giving Machine Report and Recognition *Presenter: Mark Seastrand, Director of Orem Giving Machines*

Mr. Seastrand introduced the winter season wrap-up for the Light the World Giving Machines in Orem. Although the physical vending machines operate primarily during the Christmas season, Seastrand emphasized that organizing the initiative requires year-round effort and logistical coordination to support local and global non-profit charities.

On a global scale, the Giving Machine initiative achieved historic operational milestones during the holiday season. The project drew over 1 million physical visitors across 126 host cities spanning 21 countries and six continents. Worldwide donors purchased approximately 4.8

million distinct charitable product tiles from an inventory of 3,200 unique humanitarian options. These micro-donations were distributed across more than 500 vetted global non-profit organizations.

The holiday season marked the most successful fundraising year for the Orem Giving Machines since their local inception. The University Place installation logged over 14,700 individual credit card transactions, representing an estimated foot traffic volume of 65,000 visitors. Total charitable contributions generated directly by the Orem machines exceeded $1.5 million. Crucially, 70% of all funds collected at the Orem installation were legally restricted to stay in Utah, directly funding local non-profit organizations operating within Utah County.

Mr. Seastrand lauded the localized community partners who provide the foundational infrastructure for the project. He credited the Woodbury family and the executive management team at University Place for donating premium retail venue space to host the project. Additionally, he recognized Orem-based logistics firm Scenic Solutions for managing, transporting, and maintaining the complex vending machine units. Finally, he expressed gratitude for the thousands of combined volunteer hours provided by local citizens who staff the machines daily to assist donors.

Committee members Wendy Wright, Tim Wright, Tom Walker, and Val Hale presented verified performance audits for the specific regional and international charities selected for the Orem vending network. These charities include Ability First, Tabitha's Way Local Food Pantry, United Way of Utah County, Rocky Mountain University of Health Professions (RMU) Pro Bono Clinics, and the Food and Care Coalition.

The presentation concluded with fundraising reports for the two global charities embedded within the Orem machine layout. Val Hale introduced Church World Services. Donors purchased 4,152 female hygiene kits and 2,366 live dairy goats.

The final international beneficiary reviewed was Water for Good, represented by director Tyson Wise, who traveled from Boise, Idaho, for the council session. The faith-based non-profit is dedicated to ending preventable water-related diseases by installing and maintaining clean water infrastructure in developing countries. Orem donors purchased 2,168 school toilet installations, 341 family sanitation and hygiene training courses, and 4,121 water pump repair kits designed to ensure the long-term sustainability of existing village wells, yielding a final funding total of $145,048.

Building Safety Awareness Month Presentation *Presenter: Paul Ashton, Chief Building Official*

Mr. Ashton presented a briefing and proclamation for Building Safety Awareness Month. He began by providing an overview of his department's specialized staffing and extensive technical credentials. Despite operating as a lean crew, the team holds a combined total of 120 professional certifications to ensure all commercial and residential structures in Orem are constructed safely. Most notably, Ashton highlighted that Orem employs four Master Code Professionals (MCPs).

To offer the council a deeper look into the daily operations of his division, Mr. Ashton shared a video illustrating the mindset and methodology of a municipal building inspector. He described a building inspector as functioning essentially like an editor, but for a three-dimensional building. The video demonstrated the engineering approach inspectors utilize when executing a structural frame inspection. Rather than checking items at random, an inspector begins structural analysis at the roof line and traces the continuous load path. Once the structural framing is verified against the approved blueprints, the inspector conducts a secondary pass through the entire structure to audit the three core secondary trades: electrical, plumbing, and mechanical HVAC installations.

Mr. Ashton explained that the department's true objective is strictly non-punitive; the team functions as a collaborative partner to ensure things fit together correctly, match engineering documentation, endure over time, and protect human life.

National Police Week (May 10-16) Presentation *Presenter: BJ Robinson, Police Chief*

Chief Robinson to the podium. Chief Robinson explained that during this specific calendar week, the nation pauses to pay tribute to the law enforcement profession and to honor fallen heroes on May 15, which is designated as Peace Officer Memorial Day. He noted that within the law enforcement community, officers honor their fallen peers by picking up exactly where they left off, often using the funeral phrase, "We will take the watch from here." Chief Robinson emphasized that fulfilling this solemn promise requires far more than simply checking on duty and showing up; it demands serving with absolute integrity, honor, and living up to the strict oath sworn to the public. He stated that the Orem Police Department serves with distinction, not for personal promotions or individual accolades, but because high-quality public safety is the standard they expect from one another—a level of service demanded by the memory of those who lost their lives upholding that very same oath.

Reflecting on his upcoming 30-year anniversary since graduating from the police academy, Chief Robinson shared that 34 law enforcement officers in the State of Utah have died in the line of duty during his career. He noted that the sacrifice hits closer to home when you put names to the fallen, pointing out that six of those losses occurred right in Utah County: Lawrence Penrod, Joe Adams, Trent Halliday, Corey Wride, Joseph Shinners, and Bill Hooser. Robinson shared that he holds personal and distinct memories of working and training alongside four of those six men. He explained that the men and women of his department fully understand what it means to wear an Orem Police uniform, which requires a higher standard of performance to maintain the premium level of safety Orem citizens expect. He described their operational philosophy by stating that Orem officers are as kind as people allow them to be, firmly understanding that kindness is never a sign of weakness, while acknowledging that certain dangerous individuals simply refuse to allow officers to be kind. Chief Robinson affirmed that his staff meets this high mark of professionalism in the vast majority of their public interactions, and they train regularly to ensure negative outcomes remain few and far between.

Chief Robinson credited the City Council and the city's executive staff, stating that their continuous institutional backing fuels the department's core mission to make Orem the safest place to live, work, and play. He emphasized that true community safety is a comprehensive team effort involving every single municipal employee across all departments. Turning his attention to the residents of Orem, Chief Robinson expressed deep gratitude, calling the community an absolute pleasure to serve. He stated that the citizens are the ultimate reason officers choose to stand directly between the public and the immediate dangers they face. Chief Robinson noted that the department deeply feels the community's love and support throughout the entire year, rather than just during this designated memorial week, and pledged that his staff will continue working tirelessly to remain worthy of that public trust.

National Public Works Week (May 17-23) Presentation *Presenter: Chris Tschirki, Public Works Director*

Mr. Tschirki kicked off National Public Works Week (May 17–23) by inviting leadership to an appreciation luncheon and announcing an upcoming ribbon-cutting ceremony on May 14 for the nearly $100 million Deer Creek intake project, which secures community drinking water. Mr. Tschirki highlighted key 2025 milestones and management stats across his department's roughly 100 employees, noting that while the parks division recently transitioned to Recreation, they still manage a cemetery with 34,110 burial plots. Additional operations included street sweepers maintaining 3,940 lane miles to protect local waterways like Utah Lake, managing a city street network valued at $377 million in reconstruction costs, and maintaining 11,976 corner street signs. Furthermore, a lean six-person fleet crew managed 1,360 vehicles and equipment pieces, while the GIS division successfully resolved the vast majority of 1,522 citizen service requests. On the utility side, the city produced 8.7 billion gallons of drinking water, treated over 3 billion gallons of wastewater, and cleaned 154 miles of sewer pipe—prompting Mayor McCandless to express her gratitude for reliable plumbing, to which Mr. Tschirki proudly shared the department motto: "We're here so you can flush with confidence."

Youth Council Report *Presenter: Jennica Jones, Strategies and Innovations Manager, Sydney Wong, Events Coordinator, June Hungerford-Wease, Katharine Collings, and Malu Esevam, Youth Council members*

Ms. Jones and Ms. Wong expressed immense pride in the 20 high school students who served on the council over the past school year. The advisors explained that their roles involve coordinating service activities, facilitating civic discussions, and teaching the students the inner workings of municipal operations. Ms. Jones also extended special appreciation to City Council Members Gale, Lambson, Muhlestein, and Killpack for serving as dedicated council advisors to the youth program throughout the academic year. Wong described the participants as some of the brightest students in Orem before turning the podium over to three youth representatives to detail their annual milestones.

The student presenters introduced themselves as June Hungerford-Weasse, a sophomore at Orem High School serving his first year; Malu Estevam, a 16-year-old sophomore at Mountain View High School also in her first year; and Katharine Collings, a senior at Timpanogos High School completing her second year on the council. The youth representatives broke down the council's diverse student demographics, noting that the 20-member body comprises high schoolers in grades 10 through 12. Ms.Collings shared that the group's first official action was drafting and adopting a formal mission statement. The statement pledges to foster a thriving local community through exemplary service, build lifelong leadership skills, and cultivate an inclusive environment where all members develop lasting friendships while learning about local government.

Ms. Esevam outlined the group's extensive community service and city beautification projects executed over the past year. Ms. Hungerford-Wease discussed the educational component of the program, highlighting a comprehensive question-and-answer session with the Orem Police Department. The students also received a guided facility tour of the Orem Public Library, auditing the circulation department, the digital Maker Space, the new courtyard greenhouse, and the Library Hall venue.

Ms. Collings detailed the youth council's participation in Local Officials Day at the Utah State Capitol, where they joined hundreds of peer youth councils from across the state. Ms. Estevam added that the students also held a mock Orem City Council meeting in the city chambers, debating active local issues with hands-on coaching from the city's professional legal, finance, and planning staff. For their capstone project, the youth developed and pitched original municipal initiatives to improve quality of life in Orem.

The youth council members concluded by reflecting on their favorite personal takeaways, emphasizing the value of civic knowledge, community connections, and service impacts. Ms. Estevam highlighted her experience partnering with the American Legion to execute veteran check-in calls, noting how meaningful it was to interface directly with local veterans and express gratitude for their military service. Ms. Collings noted that Local Officials Day and discovering the immense behind-the-scenes work required to run a successful municipality were the highlights of her two-year tenure. Council Member Gale praised the students' extraordinary energy and enthusiasm, noting that she and Council Member Lambson were deeply impressed by how natural the students looked sitting in the council chairs during their mock debate, stating she looks forward to seeing them fill those exact seats as elected officials in the decades to come.

CONSENT ITEMS

<u>Meeting Minutes Approval</u> - April 28, 2026 and May 5, 2026

<u>Historic Preservation Advisory Commission Appointment -</u> Rod Erickson

Mr, Lambson moved to approve the consent items, **seconded** by Mr. Killpack. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

PERSONAL APPEARANCES

Opened at 6:45 PM

Grant Ivins and Nick presented a new public safety app designed to let neighbors log localized safety alerts, similar to traffic updates on Waze, and requested city assistance to bypass an iOS App Store publishing hurdle. Because Apple requires public safety apps to obtain a formal, non-binding acknowledgment from local law enforcement before approval, the founders sought a partnership or recognition from the Orem Police Department and inquired about the city's neighborhood watch budget.

Leonore Rudolph advocated for the benefits of short-term rentals (STRs), explaining that they support local families by facilitating large reunions, providing housing proximity during crises, and helping homeowners afford mortgages. She shared that during the summer of 2025, her extended family of over 50 people used an accessible 18-bedroom Orem rental for a reunion, enabling her husband, a full-time wheelchair user, to fully participate. Additionally, when her autistic son faced a recent crisis, a nearby rental allowed her out-of-town daughter to stay locally for a month to provide essential caregiving support. Rudolph concluded by urging the council to recognize STRs as a vital resource for family stability and connection rather than just tourist lodging.

Leonard Haddn asked the city council to support short-term rentals, sharing that his family of 50 previously had to travel hundreds of miles to find a home large enough to host their biennial reunions. Last year, they successfully utilized a large short-term rental property right in Orem to accommodate their entire family comfortably. Addressing municipal regulatory concerns, Haddn cautioned the council against implementing overly restrictive ordinances that dictate property use based on guest relationships or length of stay, arguing that imposing blanket limitations on well-behaved occupants is a misguided solution looking for a problem that can be handled through other enforcement methods.

Closed at 6:55 PM

SCHEDULED ITEMS

PUBLIC HEARING -ORDINANCE - Request to vacate a .016-acre portion of the 1000 South right-of-way terminating at 590 East. - *Presenter:Jared Hall, Planning Manager*

Mr. Hall presented the item on behalf of the petitioner, the Woodbury Group, who was unable to attend the meeting. Mr. Hall clarified that vacating a public right-of-way is legally distinct from declaring standard city-owned property as surplus; by law, a vacated right-of-way must be divided and absorbed by the adjacent property owners on either side. In this specific case, the 0.16-acre segment is entirely bordered by land already owned by the Woodbury Group and the University Place shopping center. Mr. Hall explained that the vacation is a necessary administrative step to finalize and record the property plat for a new Home Depot currently being developed in that area, allowing the acreage to be officially absorbed into the commercial construction site.

During the council's review, Council Member Millett questioned why the property lines on the map did not perfectly line up, and Hall confirmed that the variation was due to the inclusion of a previously approved seven-foot buffer zone.

Public Hearing open at 7:01 PM

No public comment

Public Hearing closed at 7:01 PM

In a follow-up discussion with Mr. Hall to ensure complete transparency for the public, the council verified that because the right-of-way is entirely surrounded by commercial shopping center land, the vacation will have absolutely no negative impact on the surrounding residential neighborhood. Mr. Hall confirmed that local residents who currently utilize 1000 South to access their properties will retain full, uninterrupted access.

Mr. Lambson moved to approve the vacation of a 0.016-acre portion of the 1000 South right-of-way terminating at 590 East, **seconded** by Ms. Gale. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

PUBLIC HEARING - ORDINANCE - Request to amend Article 22-5-3(A) and the Zoning Map of the City of Orem by changing the zone of the property located generally at 92 South 800 East from R8, Single-Family Residential to C1, Commercial. Approximately 1.0 acres in conjunction with a development agreement limiting the use of the property to assisted living facilities.- *Presenter:Jared Hall, Planning Manager*

Mr. Hall provided the historical context for the parcel, explaining that the existing residential care facility is surrounded entirely by solid RA low-density housing. The care center is currently operating as a legal, non-conforming use. It was originally approved under a conditional use permit (CUP) in 1997, a period when Orem City code permitted higher occupant caps for care centers within residential zones. The municipal code was subsequently amended to scale down those allowances, and current residential zoning caps care facilities at a maximum of eight residents.

Because Spring Hollow currently houses 32 residents across two standalone buildings, it far exceeds the modern RA cap. The owners wish to build a structural addition to connect the two buildings, adding 18 new memory care beds, expanding kitchen facilities, and constructing dual centralized dining rooms. Mr. Hall explained that under its legal non-conforming status, the facility cannot legally expand its unit or bed count. Therefore, the only available administrative path to accommodate the market expansion is a rezone to C1 Commercial, which permits larger assisted living configurations.

To prevent the rezone from opening the neighborhood up to unwanted commercial activity, the applicant proposed a restrictive development agreement that binds the property rather than the owner and is officially recorded against the land plat. Mr. Hall and the applicant, Julie Smith, detailed the core legal guardrails embedded within the development agreement; Although the C1 designation permits various retail and service uses, the development agreement explicitly prohibits all alternative commercial operations, permanently limiting the parcel's use to residential assisted living. The land use code is strictly restricted to senior housing serving individuals 60 years of age and older. Any future modification to the building's footprint, occupant capacity, or operational scope cannot occur dynamically; the owners would be legally required to repeat the full, public city rezone process.

The proposed expansion consists of a two-story addition infilling the open space between the two existing residential buildings. Addressing council questions regarding neighborhood aesthetics, Mr. Hall reported that the apex of the new roof line will sit at exactly 30 feet high. He reviewed recent changes to the city's R8 guidelines, noting that while standard residential height caps recently changed to a baseline of 30 feet, homes can incrementally scale up to 35 feet if they integrate deeper structural setbacks. The commercial addition will match the existing residential profile, functioning visually like a standard two-story home and remaining well within the neighborhood's historical height allowances. The city council vetted the operational plans, focusing heavily on parking dynamics, neighborhood privacy, and equipment noise.

Council Member Millett raised critical logistical concerns regarding parking management. She referenced an existing care facility in Orem that began under a similar framework but later chose to assign its parking stalls to specific residential units. This assignment model created severe parking shortages, forcing visitors and employees to overflow onto neighboring streets and adjacent commercial lots. Ms. Millett warned that a similar parking shortage at this site would trigger illegal parking in the adjacent church lot or residential driveways.

Mr. Hall confirmed that the current expansion plan features general, unassigned spaces, as most memory care residents do not maintain personal vehicles. He advised that the most effective way to prevent future parking friction would be to officially amend the proposed development agreement to explicitly prohibit the care center from assigning individual parking stalls to units.

The applicant confirmed that the C1 code requires 20 total stalls for this bedroom volume (calculated at one stall per 2.5 bedrooms). The expansion site plan provides 21 total stalls. Because the facility specifically caters to high-acuity Level II and memory care patients, the current parking lot is highly underutilized, typically holding only five or six employee and visitor cars at peak times. Council Member Lambson explored the possibility of carving out dedicated employee parking zones to further streamline traffic flow.

The council carefully reviewed the neighborhood feedback gathered from an introductory neighborhood meeting held in February, where notices were sent to 310 surrounding property owners. The primary resident complaints centered on building height, mechanical noise, and the potential for senior residents to look down into adjacent backyards from the new second-story windows.

Addressing second-story privacy, Ms. Smith noted that the Planning Commission had previously recommended forcing the facility to install frosted glass in all second-story windows. Ms. Smith expressed personal dissatisfaction with that mandate, arguing that forcing vulnerable seniors to stare at frosted glass harms their quality of life by stripping away natural light and outdoor views.

To resolve this compassionately, the applicant collaborated with a landscape architect to update the development agreement's landscaping plan. The city will mandate the installation of mature Blue Atlas Cedar trees planted on 20-foot centers directly against the shared residential fence line. Because these are thick, rapid-growth evergreens, they will provide dense, year-round visual screening during both winter and summer, protecting backyard privacy without blocking the seniors' windows.

Council Member Mecham validated this landscaping pivot but emphasized that the development agreement must explicitly mandate the installation of *mature* evergreen stocks. The applicant agreed to this stipulation.

Addressing mechanical noise, the developer has routed all main HVAC condensing units to the far northern edge of the new addition, facing entirely toward the asphalt parking lot of the adjacent church and away from residential property lines. Furthermore, the development agreement codifies the exact ultra-quiet mechanical models or technical equivalents permitted for installation.

The owner of the facility addressed the council to discuss operational viability and regional demand. He explained that operating two separate kitchens across two detached buildings had become financially unsustainable and logistically inefficient. Consolidating food services into a single, centralized commercial kitchen and expanding the dining space will streamline operations and dramatically upgrade the daily care experience.

The owner confirmed that the facility maintains an exemplary compliance record with state inspectors and fills a critical community niche by operating as a small, tight-knit residential home rather than an impersonal, 100-unit corporate complex. Crucially, the expansion will help meet a severe regional shortage of senior housing by accepting Medicaid-subsidized residents, ensuring quality care remains accessible to low-income seniors.

In response to a query from Council Member Mecham regarding a rumored legacy development agreement on the land that banned zoning alterations, Hall clarified that exhaustive archival searches revealed no such document. The rumor likely stemmed from the original 1997

CUP documentation, which dictated standard masonry fencing and early bed limits but placed no legal restrictions on future zoning petitions.

Public Hearing open at 7:23 PM

Dean Dickerson expressed general support for the Spring Hollow Care Center as a neighbor but voiced serious reservations regarding the "spot zoning" of a commercial C1 island within a solid residential area. Mr. Dickerson questioned what would happen to localized traffic if the adjacent church property was eventually liquidated and whether a future buyer could exploit the underlying C1 zoning to establish an intensive commercial use. He also asked for clarification on the exact legal mechanism that allows a development agreement to attach to a parcel of land and how both the city and private entities track those restrictions over time. Mr. Hall answered these concerns by explaining that the city code explicitly permits limiting zoning through development agreements, which are formally recorded against the property's chain of title at the county level so they automatically appear during standard real estate title searches and private due diligence. Administratively, Orem City logs these covenants into an internal database called the Dev Track system, ensuring that future city staff can immediately identify the restrictions decades down the road regardless of employee retirement or turnover. Finally, Mr. Hall clarified that this petition is a highly controlled mechanism designed specifically to facilitate the physical expansion of a care facility that has already legally existed on the site since 1997 while confidently blocking incompatible commercial operations.

Mr. Henninger, whose home sits directly west of the proposed addition on Eastwood Drive, voiced several objections to the C1 commercial classification. Henninger argued that while the applicant claimed the structure would stand at 30 feet, the underlying C1 zone technically permits building heights up to 48 feet—equivalent to four stories—which he deemed completely inappropriate for a neighborhood surrounded by single-family homes under 20 feet tall. He also questioned whether a commercial classification would legally grant the facility the right to install louder, high-intensity commercial exhaust fans and HVAC equipment right next to residential property lines. Finally, Henninger cited the city's own neighborhood master plan, reminding the council that its stated goals explicitly dictate locating high-density housing along major arterials like State Street and University Parkway.

Mr. Hall and Mr. Earl responded to Henninger’s objections by addressing building heights, code enforcement, and neighborhood alignment. Mr. Hall acknowledged that standard C1 zoning allows for significantly taller buildings than an R8 residential zone, but re-emphasized that the rezone is completely bound to the development agreement's conceptual elevations. However, Mr. Earl interjected with a critical observation, noting that the physical architectural elevation drawings limiting the height were not currently attached as an official legal exhibit in the council's copy of the development agreement. Mr. Earl warned that if the council wished to strictly enforce the 30-foot height limit and prevent a future 48-foot build, they would need to formally amend the contract to include those specific drawings as a binding exhibit before approval. Addressing Mr. Henninger's concerns regarding equipment noise, Mr. Hall stated that because the parcel is directly surrounded by R8 residential properties, a C1 designation does not exempt it from standard city noise ordinances or grant it special permission to generate heavy commercial noise. Concluding the discussion on the neighborhood master plan, Mr. Hall challenged the council to evaluate whether the strict limitations placed on the C1 contract successfully preserve the residential peace of the neighborhood, noting that while the building's massing is shifting, the property remains a quiet residential care space that has actively existed within the neighborhood grid since 1997.

Public Hearing closed at 7:35 PM

Council Member Millett initiated the discussion by verifying the placement of the facility's commercial trash dumpsters. Julie Smith, that they are situated safely away from adjacent residential properties. Shifting the focus to the landscaping plan, Ms. Millett raised concerns regarding the proposed 20-foot on-center spacing for the Blue Atlas Cedar trees. She questioned if this distance would leave visual gaps for an extended period, allowing second-story windows to overlook neighboring yards while the trees matured.

The administrative complexity of the rezone deepened when Planning Manager Jared Hall advised the council that the physical copies of the development agreement on hand lacked several crucial exhibits discussed during the hearing. Hall emphasized that passing a C1 commercial rezone in a residential neighborhood without a strictly detailed development agreement would be entirely inappropriate.

City Attorney Earl proposed a flexible administrative solution: he requested the council temporarily stall the item to allow him to immediately retrieve the correct architectural drawings, compile a revised contract packet, and obtain fresh signatures from the developer and city administration live at the hall. Mayor McCandless and the council agreed to this timeline, opting to bypass a formal multi-week continuance in favor of moving directly to the next scheduled agenda item, with the intent to return and cast a final vote on the fully executed Spring Hollow development agreement later that evening.

PUBLIC HEARING - ORDINANCE - Request to amend Article 22-5-3(A) and the Zoning Map of the City of Orem by changing the zone of the property located generally at 1875 South Geneva Road from OS-5, Open Space to PRD, Planned Residential Development and to amend Appendix KK "Site Plan - *Presenter:Jared Hall, Planning Manager*

Mr. Hall detailed the complex structural and history layers of the petition. The city had previously approved a PRD site plan for Farm Haven on the initial parcel, authorizing the construction of 25 single-family detached cottage homes. That baseline plan also included a fully dedicated public roadway punching directly west out of the subdivision to connect with Geneva Road. However, since that approval, the Utah Autism Academy acquired the land and subsequently managed to purchase the adjacent 2.9-acre OS5 open space strip.

With the new acreage in hand, the developers drafted an expanded site plan called *Westerly Way*. The update transitions the product type from detached cottages to single-level twin homes, nearly doubling the subdivision's volume from 25 to 44 total residential units at a density of six units per acre. Crucially, the updated layout eliminates the previously negotiated full public road connecting to Geneva Road, replacing it with a restricted, gated emergency-only access point for fire and medical services.

The removal of the western Geneva Road connection emerged as the primary point of contention, driving a formal recommendation for denial from the Orem Planning Commission unless the public road was restored.

Without a direct western outlet to Geneva Road, the everyday vehicular traffic generated by the 44 twin homes must flow entirely eastward and southward through local neighborhood streets. The traffic feeds directly onto 800 West, moving past existing homes in the Payton Crossing subdivision before dumping onto 2000 South.

Furthermore, the property immediately to the east is currently being platted and recorded for a high-density subdivision called *Whitestone*. Once built, Whitestone's internal roads will connect directly with Westerly Way, establishing a secondary eastward traffic release.

However, Council Member Millett recalled specific access restrictions codified during the Whitestone approval meetings. The primary easternmost exit from Whitestone onto 2000 South is constrained by a "pork-chop" island, restricting traffic to right-in, right-out movements only. Consequently, 800 West will serve as the sole full-access, omnidirectional intersection for both subdivisions, funneling over 100 combined new households down a single residential street.

Council Member Mecham also raised concerns regarding a major railroad crossing located on 2000 South just east of both subdivision outlets, which frequently causes severe vehicular backups during peak hours, further complicating the local grid.

Mr. Hall clarified that the city's professional Traffic Impact Study (TIS) did not technically trigger a structural mandate for a third public access point based strictly on the raw unit count. However, the Planning Commission ultimately determined that restoring the Geneva Road connection was a vital municipal trade-off for granting a high-density, 44-unit PRD rezone. The commission found that while the TIS did not legally require it, splitting the neighborhood traffic between an eastern 800 West path and a western Geneva Road path significantly improved the overall safety and flow of the entire residential pocket, protecting the existing residents of Payton Crossing from immediate traffic saturation.

Tricia Nelson, founder and president of the Utah Autism Academy, provided a detailed look at the project's background, explaining that the development represents a national model for neurodivergent housing. Ms. Nelson explained that when the original Farm Haven PRD was designed three years prior, the surrounding land was active agriculture. The academy was explicitly assured that the Wilkerson Farm property would remain permanent open space.

The sudden high-density development of the neighboring farmland completely altered the safety environment for the academy's population. Furthermore, while the housing plans were stalled, the academy constructed a state-of-the-art community center on the western edge of the site. Ms. Nelson explained that the new community center footprint and its required parking fields sit directly on top of the original western road corridor. Restoring a public thoroughfare to

Geneva Road would split the campus in half, cutting out essential playground facilities, a community park pavilion, and vital therapeutic green spaces.

Additionally, Ms. Nelson noted that interfacing with the Utah Department of Transportation (UDOT) regarding Geneva Road access is incredibly difficult. UDOT tightly controls intersection placement along the state highway and prohibits new public street connections that converge too closely with the major apartment complex entrances directly across the roadway, rendering a redesigned western alignment nearly impossible.

The shift to single-level twin homes was intentionally designed to provide an affordable, accessible housing option for families caring for adult neurodivergent individuals who wish to retain individual homeownership. To optimize the footprint, the twin homes deploy a zero-lot-line common-wall configuration, reducing side-yard waste to maintain a 10-foot separation distance between detached structures.

The city council discussed how to balance the competing vulnerabilities of the academy's neurodivergent students with those of the neighborhood children living along the saturated 800 West corridor.

Council Member Mecham noted that while the academy was trying to protect its campus from cut-through traffic from the new Whitestone development, eliminating the western exit entirely simply shifted that exact traffic vulnerability onto the established families living to the south.

To find an engineering compromise, Council Member Millett proposed a potential site layout modification. She suggested that the academy evaluate moving its large storm drainage detention basin away from the northwestern quadrant, shifting the campus parking lot into that corner instead. This swap could potentially free up the southern edge of the new 2.9-acre parcel to install a dedicated public access road out to Geneva Road, successfully drawing traffic away from the 800 West neighborhood without bisecting the main community center campus. Ms. Nelson expressed openness to reviewing alternative configurations with engineers but noted that the center's main public entrance faces the far southern end, meaning moving parking to the far north could force vulnerable clients to walk long distances around the exterior of the building.

Addressing civil rights and fair housing compliance, Council Member Millett noted that federal fair housing laws strictly prohibit restricting subdivision sales exclusively to families impacted by autism. Nelson agreed, explaining that the community will operate as an "autism-intentional community" governed by a specialized Homeowners Association (HOA) framework, relying on the proximity of the academy's clinical services to organically attract matching buyers.

Finally, Council Member Muhlestein directed questions to staff regarding the architectural layouts included in the council packet, which featured top-story and basement configurations. She asked if the basements could be modified with outside access points to function as independent Accessory Dwelling Units (ADUs). Mr. Hall by reminded the council that, by code, Orem's PRD text contains a strict statutory prohibition banning the installation of accessory dwelling units within any planned residential development.

Public Hearing open at 8:20 PM

Bronson Damere opposed the updated development, stating that while he championed the 2023 concept, removing the promised Geneva Road exit turns the project into a shortsighted detriment to the neighborhood. Expressing frustration with past council decisions that he felt favored profits over people. Mr. Damere warned that funneling all subdivision traffic down 800 West will dangerously flood a street full of local children. He urged the council to protect resident safety and require a main public egress on Geneva Road rather than forcing traffic through the residential grid.

An out-of-town resident submitted a video message opposing the Spring Hollow rezone, citing a staff report noting that standard concept plans are not legally binding and that any C1-compliant structure could eventually be built there. The resident expressed distrust that the property would remain an assisted living center if sold or rebranded, warning that a future business would attract dangerous vehicle and foot traffic to a neighborhood full of children walking to school and church. Additionally, they opposed adding 56% more beds due to quality-of-care concerns, rejected the frosted-glass window proposal as unfair to low-mobility seniors, and argued that a two-story addition would violate neighbor privacy by overlooking backyards where children play. *(This message is concerning the previous public hearing.)*

Cindy Dameron submitted a video message opposing the removal of the Geneva Road public access point from the updated Autism Academy plan, warning that flooding the area with additional cars will jeopardize the safety of the many young children who routinely play and ride bikes along 800 West. Ms. Dameron expressed frustration that established residents' safety is routinely sacrificed for developer profits. She emphasized that the fragile intersection at 2000 South and 800 West completely lacks the capacity to handle this density, noting that left-hand turns already trigger severe traffic backlogs that stretch back to Geneva Road, and implored the council to restore the western public exit.

Thomas Fong clarified that the updated plan actually spikes the neighborhood's active residential volume from 23 to 44 units, noting that two of the original 25 lots were reserved for facility parking. Mr. Fong then cautioned the city council that relying on an HOA framework to establish an "autism-intentional community" is an unreliable safeguard. He emphasized that federal and state fair housing laws strictly prohibit residency restrictions, warning that any attempt to enforce them would expose the entity to civil lawsuits. Mr. Fong noted that HOAs possess fragile enforcement powers and can easily rewrite or strip away their own rules over time, meaning the promised neighborhood protections could disappear once the properties are sold.

Sherry Fong opposed the *Westerly Way* update, arguing that the academy should not offload its expansion burdens onto a quiet neighborhood. Noting that the Planning Commission recommended approval *only* if the Geneva Road exit was restored, Ms. Fong cited a city finding that a western road would immediately cut daily trips on 800 West by 25% (from 800 down to 600 trips). She warned that eliminating this access will choke 800 West with traffic from the combined 44 twin homes and the adjacent 54-unit Whitestone development, turning existing 10-minute train and traffic light delays into an exponential bottleneck. Imploring the council to protect the 20-plus neighborhood children, Ms. Fong argued that upcoming Lakeview Parkway connectors will soon make Geneva Road a low-volume local route anyway, and suggested the academy remove just one twin-home duplex to safely restore the public thoroughfare.

John Porter opposed the updated layout due to severe public safety hazards. Mr. Porter warned that eliminating the full public roadway to Geneva Road creates a dangerous bottleneck during emergencies like fires, medical crises, or police incidents. He emphasized that because large fire trucks, police cruisers, ambulances, and incident commanders all arrive simultaneously, a single access route will cause gridlock and block emergency vehicles. Mr. Porter argued that removing the originally approved Geneva Road exit needlessly places both residents and first responders at extreme risk, urging the council to uphold the initial dual-access plan.

Connie Porter opposed the updated layout, stating that the local children living in the Peyton Crossing neighborhood deserve the exact same safety considerations as any other child. Ms. Porter warned that dumping hundreds of additional vehicles onto 800 West will directly endanger the more than 20 neighborhood children who routinely play, run, and ride their bikes and scooters along the street. While expressing a sincere desire to support the autism community, she emphasized that the council's primary duty must be protecting the safety of established neighborhood families, sharply questioning whether Orem's true identity is "Family City USA" or "Developer Friendly City."

Ryan McDougall opposed the updated layout because it creates a flawed "inverted density pattern" by placing high-density housing furthest from the arterial highway and directly behind a low-density neighborhood. Mr. McDougall, who supports the academy's mission, noted that standard urban planning dictates higher density should sit closest to major roads equipped for heavy traffic. He warned that this burden is severely compounded by the neighboring development's right-in, right-out restriction, which will turn 800 West into a dangerous traffic shortcut. To protect local families, Mr. McDougall proposed alternative solutions and urged the council to deny the proposal to allow for a balanced compromise.

Public Hearing closed at 8:35 PM

Ms. Nelson defended the integrity of the non-profit organization against resident accusations that the updated site layout was motivated by developer profits or shifting financial interests. Ms. Nelson emphasized that her team is composed of dedicated advocates whose mission is entirely focused on creating a supportive, intentional housing community for vulnerable autistic adults. She clarified that the elimination of the full public road was a necessary response to the high-density developments surrounding their borders rather than a deceptive attempt to maximize acreage value.

Council Member Millett asked Ms. Nelson to clarify whether the academy intended to build the twin homes internally or sell the land to a third-party developer. Ms. Nelson responded that while they have actively vetted multiple builders and professional zoning consultants, they have not yet signed a designated contract, remaining open to any partnership that strictly aligns with their mission and respects fair housing laws. Ms. Nelson further noted that after a frustrating initial experience with outside coordinators who misled the neighborhood, she and her retired father chose to manage the municipal applications themselves to ensure complete transparency.

Council Member Mecham commended the Payton Crossing residents for their overwhelming generosity in supporting special-needs housing right next to their cul-de-sac, but noted that turning left onto 2000 South off of 800 West presents a severe traffic risk due to the restrictive railroad crossing delays. Council Member Muhlestein echoed this sentiment, arguing that just because 800 West can physically bear the load does not mean it should, and advocated for a creative layout that bypasses a direct traffic shot past local homes. Council Members Gale and Killpack unified the board's position, asserting that they were 100% convinced a creative compromise exists if all stakeholders continue to communicate outside of the formal chambers. Council Member Lambson added that he could not comfortably vote to direct a massive multi-subdivision traffic load down a single residential street, while Council Member Millett pointed out that internal staff reviews from the Development Review Committee (DRC) had already flagged the academy's large storm drainage detention basin and fire paths for layout corrections. Ms. Millett argued that moving the detention basin to restore a western thoroughfare would naturally solve the city's DRC hang-ups, maximize emergency evacuation routes for neurodivergent residents, and relieve Payton Crossing.

Mayor McCandless presented Ms. Nelson with an immediate administrative choice: face an immediate vote on the 44-unit layout as presented or accept a formal continuance to rework the site plan. Ms. Nelson agreed to the postponement. City Attorney Earl and Mr. McGinn advised that continuing the item to an "indefinite" timeline would be highly beneficial over a date-certain deadline. They noted that an indefinite continuance grants the developers adequate time to properly redesign the western corridor and potentially cycle back through the Planning Commission without getting penalized by rigid scheduling windows, despite requiring the city to re-notice the local neighborhood when a new design is finalized.

Ms. Millett moved to continue this item to give the applicant an opportunity to re work their plan to find a way to provide access connectivity to Geneva Road, **seconded** by Mr. Mecham. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

Continue from discussion earlier in the meeting: **PUBLIC HEARING - ORDINANCE - Request to amend Article 22-5-3(A) and the Zoning Map of the City of Orem by changing the zone of the property located generally at 92 South 800 East from R8, Single-Family Residential to C1, Commercial. Approximately 1.0 acres in conjunction with a development**

agreement limiting the use of the property to assisted living facilities.- *Presenter:Jared Hall, Planning Manager*

Mayor McCandless reconvened the city council to revisit Item 10.2, the Spring Hollow Care Center rezone and development agreement. City Attorney Earl provided an immediate administrative update, confirming that he had successfully integrated the missing physical attachments into the contract during the brief recess. The finalized agreement explicitly includes the architectural elevation drawings presented by Mr. Hall, legally capping the structural height of the new commercial addition at 30 feet.

Furthermore, to address Council Member Millett's concerns regarding localized vehicle overcrowding, Earl prepared two separate iterations of the contract text: one maintaining standard, generic commercial parking language and another inserting an operational mandate restricting the facility specifically to Level II care. By legislative consensus, the council selected the highly restrictive Level II version, which dictates that the facility can only house high-acuity patients who are physically or legally unable to operate motor vehicles, thereby permanently capping local parking demand. The applicant verbally accepted the restriction into the record.

Despite the protective contract updates, Council Member Millett expressed strong hesitation regarding the long-term planning trajectory of the parcel. She argued that the fundamental goal of municipal urban planning is to seize opportunities during site expansions to bring non-conforming, historical land uses into strict compliance with surrounding zoning standards. Millett expressed discomfort with legalizing a larger commercial use in an island entirely surrounded by low-density housing, questioning whether altering the setbacks and structural footprint violated core city principles.

Mr. Hall validated her analysis but clarified that the land use anomaly was created by historical shifts in the city's own regulatory code rather than developer negligence. The care center was fully compliant when it was authorized under a Conditional Use Permit (CUP) in 1997; however, because the city subsequently scaled down residential care caps to a maximum of eight residents, the building was left operating as a legal, non-conforming entity. Mr. Hall framed zoning as a "long game" that occasionally selects certain incompatible uses for slow extinction over the course of history, leaving the council to decide whether the expansion of an existing, quiet elderly care space inherently compromised the residential peace of the neighborhood.

Council Member Muhlestein aligned with Millett's concerns, questioning why a Planned Development (PD) classification was not deployed instead of a commercial C1 designation. Ms. Muhlestein noted that labeling the parcel "commercial" creates negative public perception.

Mr. Hall clarified that a PD zone would execute the exact same contractual restrictions as a C1 zone bound by a development agreement, and that any zoning classification remains vulnerable to future text amendment petitions regardless of its initial label. However, Attorney Earl delivered the final statutory benchmark, pointing out that Orem City ordinance explicitly dictates a minimum threshold of three acres to initiate a PD zone, legally disqualifying the 1.0-acre Spring Hollow parcel from the classification.

The council then evaluated why the facility could not simply modify its existing 1997 conditional framework. Attorney Earl and Mayor McCandless explained that state and local land use laws regarding conditional uses had evolved dramatically since 1997, rendering CUPs highly inflexible, legally vulnerable, and notoriously difficult for municipalities to enforce. Orem City administration had made a concerted, multi-year legislative effort to systematically erase conditional use permits from the municipal code wherever possible.

Mayor McCandless addressed the resident feedback regarding property rights. While a standard C1 rezone grants an owner various commercial rights, the recorded development agreement strips those privileges away, leaving the owner with a single option, restricted to a Level II elderly care facility. Ms. McCandless emphasized that because the contract is bound directly to the land plat rather than the corporate entity, the protective limitations remain permanent even if the property is sold or rebranded.

Crucially, because the contract enforces a strict 30 foot height cap that mirrors neighboring RA residential profiles, the facility is legally prevented from erecting a standard 48-foot commercial complex.

Ms. Gale moved to approve, by ordinance, amend Article 22-5-3(A) and the Zoning Map of the City of Orem by changing the zone of the property located generally at 92 South 800 East from R8, Single-Family Residential to C1, Commercial in conjunction with a development agreement limiting the use of the property to assisted living facilities as been signed by the City Manager and by the owner, **seconded** by Mr. Lambson. Those voting yes: Karen McCandless, Chris Killpack, Jeff Lambson, Jenn Gale, and Quinn Mecham. Those voting no: LaNae Millett and Crystal Muhlestein. The motion **passed.**

<u>ORDINANCE - Cultural Arts and Recreation Enrichment (CARE) Tax Allotment</u> -
Presenter: Brandon C. Nelson, CPA, Chief Financial Officer

Mr. Nelson asked the city council to hold its final discussion and officially authorize the CARE tax awards for the 2026–2027 fiscal year. During the council's evaluation, Council Member Mecham highlighted the CARE tax as one of Orem's greatest structural strengths. He expressed gratitude for the dedicated municipal fund, noting that listening to the applicants revealed how vital the tax is for providing early-stage startup funding to a wide variety of both major and minor organizations, which collectively enriches the city's diverse arts and recreational culture.

Mr. Killpack moved to approve, by ordinance, the fiscal year 2026-2027 CARE tax awards as outlined in Exhibit A of the ordinance, **seconded** by Ms. Gale. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

<u>RESOLUTION - Creation of Public Safety Special Revenue Fund and Statement of Intent to dedicate the General Operations Portion of Property Tax to Public Safety</u> - *Presenter: Brandon C. Nelson, CPA, Chief Financial Officer*

Mr. Brandon Nelson presented Item 10.5, a resolution to create a new Public Safety Special Revenue Fund and formally declare the city council's intent to dedicate 100% of Orem's regular general operations property tax levy directly to it. Mr. Nelson explained that under Utah State Code Section 10-6-133.4, municipalities are permitted to isolate property tax revenues into a standalone fund restricted strictly to a specific service. By removing the police and fire budgets from the over-allocated General Fund, the city can more easily isolate operational costs, safeguard public safety from competing departmental requests, and provide structural financial stability against volatile sales tax trends.

To clear up any confusion for the public, Mr. Nelson and Mayor Karen McCandless emphasized that this administrative restructuring is entirely separate from any property tax rate adjustments. Voting in favor of the resolution does not bind the council or enact a tax hike; rather, it serves as a statutory notification allowing the Utah State Tax Commission and the county auditor to prepare tax notices ahead of the upcoming June 9 public hearing.

Under the newly proposed framework, the structural shift will alter how property taxes appear on residential statements. The historical "City of Orem Property Tax" line item will drop to \$0.00\$, and a new "City of Orem Public Safety Tax" line item will reflect the reallocated balance, which accounts for approximately \$6.5 million to \$8 million dollars of the city's broader \$38 million emergency response budget. Once finalized, the dedicated fund will be separated from general municipal activities and tracked independently in the city's Annual Comprehensive Financial Report (ACFR).

Following the briefing, Council Member Millett clarified that the evening's vote merely accepted the structural concept for a mandatory one-month public review period, leaving the final adoption open for modification in June. M

Ms. Muhlstein moved to approve, by resolution, the creation of a new "Public Safety Special Revenue Fund" and state that the Orem City Council intends to dedicate all of the City of Orem's regular general operations property tax levy to this new fund, **seconded** by Mr. Mecham. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

<u>Statement of Intent of Chief Financial Officer to State in Public Meeting that Tentative Budget Includes a Proposed Tax Rate Increase</u> - *Presenter: Brandon C. Nelson, CPA, Chief Financial Officer*

Mr. Brandon Nelson introduced Item 10.6, an administrative announcement regarding state-mandated property tax disclosure rules. Mr. Nelson explained that under updated Utah state legislative guidelines governing local property tax adjustments, municipalities are strictly required to isolate a formal declaration of any intended tax rate increases into its own distinct, standalone agenda item.

In strict compliance with this statutory transparency standard, Mr. Nelson officially stated for the public record that the city's upcoming fiscal year 2026–2027 tentative budget incorporates a proposed property tax increase of $450,000.

PUBLIC HEARING - RESOLUTION - Fiscal Year 2026-2027 Tentative Budget -

Presenter: Brandon C. Nelson, CPA, Chief Financial Officer

Mr. Nelson presented the city's fiscal year 2026–2027 tentative budget, outlining a gross total of $211 million across all municipal funds. This comprehensive figure strictly excludes the financial structures of the Redevelopment Agency (RDA) and the Special Service Lighting District, which are managed under separate legislative accounts. Mr. Nelson mapped out the extensive administrative timeline underpinning the proposal, tracking the process from the initial city council retreat in January through a succession of targeted spring work sessions that scrutinized revenue projections, employee compensation packages, operational expansions, and information technology requirements.

A final capital and fleet asset review on May 5 analyzed the strategic deployment of the city's financial reserves, which were systematically transferred back into the general ledger in February to address pressing infrastructural needs. Mr. Nelson highlighted that while the headline budget shows a $34 million increase over the previous fiscal year, this spike is an accounting artifact driven by structural reorganization rather than an operational expansion.

The primary catalyst for the inflated $34 million baseline expansion is the newly established Public Safety Special Revenue Fund. Because reallocated property taxes and internal emergency services revenues are mathematically insufficient to cover the city's broader emergency response operations, the General Fund must execute a $25 million balancing transfer to bridge the structural variance. Under state fund accounting mandates, this $25 million must be cross-recorded as both an out-going expenditure from the General Fund and an in-coming revenue stream for the Public Safety Fund. Mr. Nelson clarified that if this internal structural pivot were abstracted out, the city's gross budget would drop by $25 million to a baseline of $186 million.

To provide an accurate financial baseline, the treasury staff isolated public safety figures to analyze the post-transfer General Fund, which projects a modest revenue increase from $52.9 million to $55.4 million. Following the structural migration of property taxes, ambulance billings, and emergency service contracts for Vineyard and Lindon into the standalone Public Safety Fund, the General Fund's reliance shifted heavily toward sales and franchise taxes. Together, these two streams account for $43 million of the remaining $55.4 million General Fund baseline. Mr. Nelson detailed the specialized operational revenue sources powering the city's wider $211 million matrix across several key accounts: 1) Internal Service Funds ($13,870,000): Driven primarily by the fleet maintenance and information technology funds, alongside self-insurance, purchasing, warehousing, and facilities upkeep. 2) Interfund Administrative

Charges ($700,000): Newly implemented internal billing protocols charging the Public Safety Fund for centralized legal, engineering, and human resource management. 3) Engineering and GIS Cost Accounting Reallocations ($182,000): Financial structural adjustments shifting specialized Geographic Information Systems (GIS) staff into the General Fund to bill their precise billable hours directly out to utility enterprise funds. 4) General Sales Tax Tranches: Calculated using a standard municipal benchmark of a 3% annual growth rate, elevating projections from an estimated $33.7 million at the close of FY 2026 to $34.7 million for FY 2027. 5) Franchise Taxes: Projecting flat performance tied to stable utility footprints from Rocky Mountain Power (PacificCorp), Enbridge, Comcast, and local telecommunications infrastructure, 6) Development Fees: Reporting stable, flat building permit trends, which Nelson framed as a leading indicator tracking future taxable property growth. 7) Interest Earnings: Projecting a minor budgetary contraction caused by declining macroeconomic interest rates and the systematic expenditure of liquid cash reserves on the construction of the new Orem City Center hall.

On the expenditure side, Mr. Nelson provided a comparative analysis of the city's $105.9 million operational outlay. Responding to a question from Council Member Gale regarding whether this figure was artificially high, City Manager Bybee clarified that explicitly displaying these internal transfers is a statutory transparency requirement to maintain legally balanced, double-entry municipal funds. Nelson noted that when these internal accounting transfers are excluded, direct personnel costs for wages, merit increases, step program adjustments, health insurance premiums, and Utah Retirement Systems (URS) mandates represent the absolute majority of city expenditures.

The budget provisions include $855,000 for fleet replacements, a portion of which covers vehicles and equipment for two newly authorized law enforcement positions. On the non-general ledger side, the city's utility enterprise funds continue to drive the municipality's heavy infrastructure investments:

During the review of the wastewater reclamation fund, Council Member Killpack noted that the proposed fee adjustments are driven by unfunded federal environmental mandates rather than standard inflation. These regulations require extensive, multi-million-dollar capital upgrades at the regional water reclamation facility to remove biological nutrients and struvite accumulation.

City Manager Bybee emphasized that the comparative charts measure Orem's proposed FY 2027 rates against neighboring cities' older, unadjusted FY 2026 baselines. To maintain accurate metrics, the treasury included a final comprehensive chart applying an estimated 4.9% regional inflation adjustment to all external municipalities, confirming that Orem's aggregated utility costs remain among the lowest in the state.

The council reviewed a $450,000 property tax revenue increase designated exclusively to cover the long-term compensation, benefits, and equipment packages for the two newly added law enforcement officers. Council Member Millett initiated a policy discussion regarding ongoing legislative drafts to regulate short-term and long-term rental code enforcement, noting that the police department estimated a future need for two to three additional compliance officers. Mr. Nelson and Mr. Bybee explained that because the statutory windows to implement property tax adjustments under Utah's Truth in Taxation laws open and close strictly between June and August annually, any mid-year code enforcement expansions would require a formal budget amendment funded by structural sales tax surpluses, general reserves, or organizational cost-savings.

Furthermore, Mr. Bybee noted that future enforcement positions could be classified as non-sworn, civil code enforcement officers within the Neighborhood Improvement Team rather than cost-heavy sworn peace officers. This classification allows the city to fund the program through specialized landlord licensing fees verified by an independent nexus study.

Turning to the Debt Service Fund, Nelson outlined the four legally binding instruments currently managed by the city: the ongoing standard municipal UTOPIA fiber network availability payments, the 2019 General Obligation (GO) Bonds funding the Library Hall and Fitness Center, a specialized energy efficiency lease, and the newly executed 2024 Sales Tax Revenue Bonds funding the ongoing Public Safety Building expansion and fire training yard. Additionally, the Information Technology Internal Service Fund will expand to \$5,050,000—representing an \$800,000 increase—to fund three new full-time software technicians, a part-time intern, and corporate enterprise security upgrades.

Public Hearing open at 10:02 PM

No public comment

Public Hearing closed at 10:02 PM

Ms. Millett moved accept for consideration the City of Orem Fiscal Year 2026-2027 Tentative Budget and set a public hearing to receive public comment and to accept, modify, or reject this Tentative Budget on June 9, 2026 at 6:00 p.m. and to set the specific date and time for an August public hearing to accept public comment on the proposed Public Safety Special Revenue Fund property tax increase, **seconded** by Mr. Killpack. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

Statement that the City is Considering Levying a Tax Rate that Exceeds the City's Certified Tax Rate, the Approximate Dollar Amount of and Purpose Tax Increase, the Approximate Percentage Increase in Tax Revenue for the City Proceeds with the Proposed Tax Rate Increase, the City Will Provide Notice of and Conduct a Public Hearing at Which Members of the Public Will Have an Opportunity to Provide Comments on the Proposed Tax Rate Increase, and Presentation of Property Tax Impact Schedule - *Presenter: Brandon C. Nelson, CPA, Chief Financial Officer*

Mr. Nelson presented Item 10.8, a resolution outlining the state-mandated property tax impact schedule for the fiscal year 2026–2027 tentative budget. Under updated Utah state transparency legislation, municipalities considering a tax rate that exceeds the historically calculated certified tax rate must provide an explicit, public breakdown of the proposed increase prior to final adoption. Mr. Nelson explained that this schedule functions as a secondary statutory notification layer, working in tandem with the previous agenda disclosures to map out the exact dollar values, operational purposes, and taxpayer percentages under consideration.

Because the Utah County Auditor does not finalize and release the official certified tax rate benchmarks until June 1, the city treasury calculated its baseline metrics using the existing 2025 certified rate. To ensure complete clarity for the public, Mayor McCandless and Mr. Nelson emphasized that these localized figures apply strictly to Orem City's specific municipal operational levy. They do not incorporate, impact, or alter the separate, independent property tax rates assessed concurrently by the Alpine School District, Utah County government, or regional water and public transit districts.

The resolution reinforces the city's broader structural pivot to dedicate 100% of its standard property tax revenue directly to the newly established Public Safety Special Revenue Fund. Consequently, while the proposed revenue increase technically alters Orem's total municipal tax volume, the entirety of the newly generated revenue will be contractually sequestered into the emergency operations ledger to fund localized law enforcement expansion.

The targeted $450,000 tax revenue injection translates to an approximate 7.08% gross increase in the city's total property tax revenue yield. Utilizing the official median primary residential valuation benchmark provided by the Utah County Assessor—which sits at $513,000—the true financial impact equates to a net annual household increase of $11.85, or roughly $0.99 per month. For commercial properties and local business entities, the financial adjustment scales to just over $2.00 per month.

The impact schedule explicitly binds the incoming $450,000 exclusively to the Orem Police Department's active operational budget. Mr. Nelson verified that the capital and operational allocation is completely dedicated to hiring two new full-time law enforcement officers, covering their baseline compensation packages alongside the immediate procurement of their designated patrol vehicles, technical equipment, and safety gear. In strict compliance with state transparency codes, this complete impact schedule will be posted prominently on the front page of the Orem City municipal website and distributed across multiple public distribution nodes to ensure widespread community visibility ahead of the August truth-in-taxation hearings.

Ms. Muhlstein moved to approve the resolution acknowledging several state required actions related to increasing the City of Orem's property tax revenues as a part of the Fiscal Year 2026-2027 Tentative Budget, **seconded** by Mr. Lambson. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

CITY MANAGER INFORMATION ITEMS

City Manager Bybee concluded the meeting by thanking the city council members for their active participation in the city's recent 107th birthday celebration and Kindness Week, highlighting their hands-on help in serving birthday cake, planting flowers, and participating in community service projects alongside municipal staff. Looking ahead, Mr. Bybee previewed the city's upcoming events for Memorial Day weekend, which will feature a dedicated ceremony for the Gold Star Family Memorial followed by the traditional Memorial Day program on Monday morning at 10:00 AM at the Orem City Cemetery. Expressing his deep gratitude for the council's ongoing community engagement, Mr. Bybee wrapped up his administrative update.

ADJOURN TO A MEETING OF THE OREM REDEVELOPMENT AGENCY (RDA)

Ms. Millett moved to adjourn to a meeting of the Orem Redevelopment Agency, **seconded** by Mr. Killpack. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

RDA CONSENT ITEMS

Meeting Minutes Approval - December 9. 2025

Mr, Lambson moved to approve meeting minutes from December 9, 2025, **seconded** by Mr. Killpack. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

RDA SCHEDULED ITEMS

RESOLUTION - Redevelopment Agency of the City of Orem (RDA) Fiscal Year 2026-2027 Tentative Budget - *Presenter: Brandon C. Nelson, CPA, Chief Financial Officer*

Mr. Nelson presented the Redevelopment Agency (RDA) fiscal year 2026–2027 tentative budget, outlining a highly consolidated financial footprint. Nelson explained that while the city still manages a few financial remnants from legacy, phased-out RDA districts, there is virtually no new revenue flowing into those old accounts. Consequently, the city's active redevelopment portfolio is almost entirely occupied by the University Place Community Development Area (CDA).

Under the terms of the binding municipal CDA agreement, Orem rebates exactly 90% of the incremental property tax revenue generated by the University Place developments directly back to the project area. Nelson reviewed the recent payout metrics, noting that the city issued a rebate of nearly 1.7 million during the previous fiscal cycle and projects that figure to climb to $1.8 million for the 2026–2027 fiscal year. The remaining 10% of the collected property tax increment is divided equally into two internal components: 1) Future Projects (5%): Sequestered within the redevelopment ledger to fund upcoming public infrastructure improvements within the district. 2) Administrative Fees (5%): Transferred directly into the General Fund as an overhead fee to compensate the city council, management, and staff for legal and financial administration.

The small remainder of the budget, itemized under the project area totals line, accounts for the residual winding-down costs of the old, defunct RDA sectors. Following the brief overview, Mayor McCandless noted that the item was a legislative briefing rather than a formal public hearing and called for a motion.

Mr. Killpack moved to accept, by resolution, The Redevelopment Agency Fiscal Year 2026-2027 Tentative Budget and to set a public hearing to adopt the final budget on June 9, 2026, at 6:1- PM, **seconded** by Ms. Gale. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

ADJOURN TO A MEETING OF THE OREM SPECIAL SERVICE LIGHTING DISTRICT (SSLD)

Ms. Muhlestein moved to adjourn to a meeting of the Orem Special Service Lighting District, **seconded** by Ms. Gale. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

SSLD CONSENT ITEMS

Meeting Minutes Approval - June 10, 2025

Mr, Killpack moved to approve meeting minutes from June 10, 2025, **seconded** by Mr. Lamboson. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

SSLD SCHEDULED ITEMS

RESOLUTION - Special Service Lighting District of the City of Orem (RDA) Fiscal Year 2026-2027 Tentative Budget - *Presenter: Brandon C. Nelson, CPA, Chief Financial Officer*

Mr. Nelson presented Item 17, a resolution to accept the tentative fiscal year 2026–2027 budget for the Special Service Lighting District. Nelson explained that because the Street Lighting Fund operates as a separate legal and financial entity from the standard municipal ledger, its operations, revenues, and structural rates must be examined under an isolated budgetary resolution.

A primary highlight of the proposed lighting budget is the strategic deployment of historical capital reserves, displayed on the ledger as an appropriation of surplus funds. The district will systematically draw down these accumulated long-term reserves to finance targeted capital improvement initiatives, specifically focusing a $420,000 capital allotment toward replacing and upgrading obsolete, legacy street poles originally erected by Rocky Mountain Power. Consequently, this targeted reserve injection temporarily inflates the fund's capital expenditure baseline far beyond typical historical levels.

The fund's operational expenditure matrix covers localized staff personnel alongside comprehensive regional power grid costs. Beyond funding standard electricity delivery for the thousands of streetlights lining Orem's public thoroughfares, the fund covers the extensive power requirements and equipment maintenance for the city's annual holiday lighting displays hosted throughout City Center Park.

Furthermore, the Street Lighting Fund is contractually obligated to pay a major portion of the city's shared energy savings lease, an active municipal debt instrument tracked within the centralized Debt Service Fund. This interfund transfer repays the upfront capital utilized to systematically retrofit Orem's entire municipal streetlight network with energy-efficient LED bulbs, an initiative that continues to yield substantial utility cost-reductions for the district.

To offset rising regional energy delivery costs and self-fund the ongoing system maintenance, the tentative budget proposes a modest utility rate adjustment. The street lighting fee assessed to local households will transition from $3.28 to $3.36 per month, representing a 2.4% rate increase that will be added directly to residents' standard monthly municipal utility statements.

Commercial entities and local business owners, however, operate under an entirely separate payment framework. Rather than paying a recurring monthly utility fee, businesses pay their lighting district assessment as a single, upfront annual fee of $40.32, which is automatically integrated into their mandatory yearly business license renewal statements.

Ms. Millett moved to accept, by resolution, the Special Service Lighting District Fiscal Year 2026-2027 Tentative Budget and to set a public hearing to adopt the final budget on June 9, 2026, at 6:20 PM, **seconded** by Ms. Muhlestein. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

ADJOURN

Mr. Killpack moved to adjourn, **seconded** by Ms. Gale. Those voting yes: Karen McCandless, Chris Killpack, Crystal Muhlestein, Jeff Lambson, Jenn Gale, LaNae Millett and Quinn Mecham. The motion **passed.**

(These minutes were created with the help of AI)

PASSED and APPROVED on this 26th day of June 2026.

Karen McCandless, Mayor

ATTEST:

Teresa McKitrick, City Recorder

COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT
Mayor Karen McCandless	☑	☐	☐	☐
Chris Killpack	☑	☐	☐	☐
Crystal Muhlestein	☑	☐	☐	☐
Jeff Lambson	☑	☐	☐	☐
Jenn Gale	☑	☐	☐	☐
LaNae Millett	☑	☐	☐	☐
Quinn Mecham	☑	☐	☐	☐