KAYSVILLE CITY COUNCIL
WORK SESSION
May 21, 2026

Minutes of a special Kaysville City Council work session held on Thursday, May 21, 2026, at 4:10 p.m. at Kaysville City Hall, 23 East Center Street, Kaysville, Utah.

Council Members present: Mayor Tamara Tran, Council Member John Adams, Council Member Mike Blackham, Council Member Abbigayle Hunt, Council Member Nate Jackson, and Council Member Joshua McBride

Staff Present: City Manager Jaysen Christensen, Finance Director Maryn Nelson, Deputy Finance Director Paker Godwin, City Recorder Annemarie Plaizier, Val Starkey, Laurene Starkey

REVIEW AND DISCUSSION OF THE TENTATIVE FY 2027 BUDGET

Mayor Tamara Tran opened the budget work session.

City Manager Jaysen Christensen reviewed the state-required notice regarding the proposed property tax increase, noting that recent changes in Utah law required the notice to be displayed at each budget meeting. He explained that staff had continued refining the proposed budget since the previous work session and had reduced the proposed property tax revenue increase to 17.59%. Mr. Christensen also reviewed the budget schedule, explaining that a public hearing on the tentative budget was scheduled for June 4, the City Council would be required to make a final budget decision by the second meeting in June, and any Truth in Taxation hearing would occur at the first meeting in August if necessary.

Mr. Christensen reviewed the city's budget priorities, including maintaining operations, supporting employees, and investing in capital infrastructure to sustain expected service levels. He also summarized the estimated financial impact on residents, explaining that, based on the current proposal and the average assessed home value of approximately $690,000, the estimated increase in property taxes would be approximately $10.11 per month. When combined with proposed fee adjustments, the total estimated monthly impact to the average household would be approximately $20.32. Finance Director Maryn Nelson clarified that the percentage shown on the state-required notice represented the increase in property tax revenue rather than the actual tax rate increase, explaining that the two figures were calculated differently under state requirements.

Mr. Christensen explained that following the previous work session, staff had focused primarily on identifying additional reductions in the budget to lessen the proposed property tax increase. He stated that department heads had worked collaboratively to identify projects and expenditures that could be reduced, deferred, or eliminated. He also announced that the city had received a commitment from an anonymous donor to contribute approximately $281,000 toward specific city projects. He explained that some of those projects had already been removed from the proposed budget while others had been under consideration for reduction, allowing the donation to offset costs that otherwise would have been funded by city resources. In addition, staff had reviewed available fund balances in several restricted funds, including the Municipal Building Authority and debt service funds, to identify opportunities to reduce General Fund support.

Ms. Nelson presented an updated budget worksheet comparing the previous proposal with the revised budget recommendations. She explained that the combination of departmental reductions, use of available fund balances, and the anonymous donation reduced the proposed property tax rate increase from 21.97% in the tentative budget to approximately 14.38%. Mayor Tran sought clarification that the revised 14.38% represented the current proposed tax rate increase, rather than the earlier tentative figure, and Ms. Nelson confirmed that staff's additional work had produced the lower proposal. Council Member Adams confirmed that the revised calculation included the donor-funded projects.

Council Member Blackham questioned the continued use of fund balance despite the reduced tax proposal, expressing concern that the city would still be relying on reserves. Ms. Nelson explained that the additional fund balance being used came primarily from the Municipal Building Authority and debt service funds, which had been established specifically for debt repayment. Based on discussions with the city's auditors, staff believed it was appropriate to use those existing reserves because those funds were intended to pay debt obligations rather than accumulate long-term balances. She explained that available balances would be used to cover certain debt payments during Fiscal Year 2027, including payments associated with City Hall, the police station, ambulance, and other financed equipment, reducing the amount that would otherwise need to be transferred from the General Fund.

Council Member Blackham asked how those obligations would be funded in future years once the available reserves had been exhausted. Ms. Nelson explained that the projected Fiscal Year 2028 budget reflected a substantially larger projected property tax increase because deferred costs and one-time fund balance usage would eventually need to be replaced with ongoing revenues. She noted that postponing expenditures or using reserves reduced the immediate tax impact but shifted those funding needs into future budget years.

Council Member Jackson requested additional clarification regarding the budget worksheet and the relationship between the various tax increase figures presented during recent work sessions. Ms. Nelson explained that the current 14.38% proposal reflected all reductions identified by staff and included the effects of the departmental cuts, donation, and fund balance adjustments. She further explained that certain items removed from the current budget, such as the Deputy Fire Chief position and other deferred expenditures, were shown separately because they would likely need to be funded in future fiscal years. Council Member Jackson also asked questions regarding the inflation categories included in the budget, and Ms. Nelson began explaining the distinction between inflationary costs carried forward from the prior fiscal year and new inflationary increases proposed for the upcoming fiscal year.

Council Member Blackham questioned whether the inflation amount shown in the budget represented inflation for the city's entire operating budget rather than only the portion funded by property taxes. Ms. Nelson explained that the inflation figure reflected increased operating expenditures within the General Fund, including items such as personnel costs, overtime, equipment, and other operating expenses, rather than being calculated solely from property tax revenues. Council Member Blackham expressed concern that discussions surrounding Truth in Taxation often referenced inflation and questioned whether the inflationary costs attributed to property taxes alone would be lower. Ms. Nelson explained that the property tax rate increase and the inflationary expenditure calculations were based on different methodologies, with the tax rate being calculated from certified property values rather than directly mirroring the percentage increase in expenditures. Council Member Hunt sought clarification regarding whether the property tax increase should necessarily match the inflation rate, and staff explained that the two calculations were not directly comparable because they were based on different formulas established through the property tax system.

Mayor Tran noted that increasing costs for equipment and other operational expenses contributed significantly to the city's budget pressures. Assistant Finance Director Parker Godwin added that many operational costs had increased at rates exceeding general inflation. Council Member Jackson confirmed that the inflation figures under discussion applied only to the General Fund and did not include enterprise funds such as the power utility. Ms. Nelson also reviewed the three primary changes staff had made since the previous work session: increasing the use of available fund balances, identifying additional departmental reductions and deferred expenditures, and incorporating the anonymous donation. She explained that approximately $173,000 of the donation would replace projects already included in the tentative budget, allowing those General Fund expenditures to be removed, while the remainder of the donation would fund projects that had already been eliminated from the proposed budget. Mayor Tran requested clarification regarding the difference between the total donation of approximately $281,000 and the $173,000 reflected in the budget adjustments, and Ms. Nelson explained that only the portion replacing budgeted expenditures directly reduced the proposed tax increase.

Council Member Hunt then asked questions regarding the Municipal Building Authority and debt service fund balances, seeking to better understand why those funds had accumulated reserves and whether maintaining those balances served an ongoing purpose. Ms. Nelson explained that the balances had grown primarily through the allocation of interest earnings over time. She stated that while allocating interest to those funds had not been improper, staff no longer believed it was necessary for funds whose sole purpose was to make debt payments. Mr. Christensen added that previous administrations had viewed those balances as a financial cushion that could potentially be used to retire bond obligations early or provide flexibility during financially difficult years. However, after discussions with the city's auditors, staff concluded that maintaining significant reserves in those funds was unnecessary and that using those balances to reduce the current property tax proposal was appropriate.

Council Member Jackson asked for the current balances in the affected funds, and Ms. Nelson reported that the Municipal Building Authority fund held approximately $565,000 while the debt service fund held just over $98,000. Council Member Hunt also requested an explanation of how interest earnings were allocated among the city's various funds. Ms. Nelson explained that although the city maintained a single bank account, its accounting system tracked individual fund balances separately. Interest earned on the city's total cash balance was proportionally allocated to each fund based on its share of the overall cash balance. She further explained that because the Municipal Building Authority fund balance exceeded the amount needed for the current year's debt payment, approximately $250,000 would remain after the planned use of those reserves. Ms. Nelson acknowledged that using the available fund balances was a one-time solution and remarked that, while it involved shifting available resources to reduce the immediate tax increase, staff believed it was appropriate given the city's current financial circumstances. Mr. Christensen agreed, noting that the recommendation was intended to minimize the proposed Truth in Taxation increase while recognizing that the available fund balances could only be used once.

The discussion continued with a detailed review of the departmental reductions identified by staff to further reduce the proposed property tax increase. Ms. Nelson explained that department heads had reviewed their General Fund budgets line by line to identify expenditures that could be deferred or reduced for one year. Mr. Christensen emphasized that the list was not presented in order of priority but represented a collaborative effort by departments to find practical savings. He reviewed several examples, including eliminating the employee safety incentive program after the city's workers' compensation insurer discontinued its reimbursement program, reducing the city manager's travel and conference budget, decreasing office supply and professional services budgets within the Police Department, reducing information technology expenses due to lower-than-expected costs, postponing certain cemetery equipment purchases, eliminating the employee holiday party and other employee recognition expenses for the year, and reducing spending on books, subscriptions, and professional memberships. Mr. Christensen explained that many of the reductions reflected conservative budgeting assumptions or deferred purchases rather than permanent service reductions. Police Department professional services were also reduced based on expectations of lower hiring activity because the department was currently fully staffed.

Council members asked several questions regarding specific reductions. Council Member Jackson inquired about the cemetery equipment reduction, and Ms. Nelson explained that the cemetery superintendent believed a less expensive piece of equipment could be purchased for the new cremation garden while still meeting operational needs. Ms. Nelson noted that the cremation garden project was nearing completion and that related fees would be incorporated into the upcoming consolidated fee schedule, with future sales potentially helping fund additional phases of the project. Council Member Jackson also asked about reductions to books, clubs, and memberships, and staff clarified that these primarily consisted of professional association memberships and industry subscriptions used by various departments. Council Member Adams commented that periodic reviews of subscriptions and memberships were beneficial to ensure the city was not continuing to pay for services that were no longer providing value. Ms. Nelson responded that department heads regularly monitored their budgets and worked closely with the Finance Department to ensure expenditures were properly coded and reviewed throughout the year. Mayor Tran commended staff for the thorough review, noting that the exercise had been valuable regardless of the budget outcome.

Ms. Nelson then reviewed the projects selected by the anonymous donor for funding. She explained that three of the donated items had originally been included in the tentative budget, allowing approximately $173,000 in General Fund expenditures to be removed, while the remaining donated projects had already been eliminated during earlier budget discussions. Council members expressed appreciation for the donor's generosity, noting that the contribution focused on practical city needs rather than highly visible projects. Ms. Nelson stated that the donor had specifically requested that the funds be used for practical improvements that would directly benefit the city and its residents.

The discussion then shifted to projects still proposed to be funded through General Fund balance. Ms. Nelson explained that the remaining use of fund balance included several one-time projects, such as water conservation landscaping at the fire station and upgrades to the city's fuel management software. Council members discussed how actual project costs would be handled if final bids were lower than the budgeted estimates. Mr. Christensen explained that once actual costs were known, staff would return to the City Council with recommendations regarding the use of any remaining funds. Council Member Jackson asked whether project estimates had been intentionally rounded upward, and staff explained that while estimates were conservative, any unused funds would remain available for future council direction rather than being automatically spent.

Council Member Adams asked about variables that could still affect the proposed property tax rate before budget adoption. Ms. Nelson explained that sales tax receipts lagged by approximately two months and therefore would not be available before budget adoption, but updated certified property values from the county were expected within days. She noted that if the city's certified valuation increased, the proposed property tax rate could decrease further while generating the same amount of revenue. Council members expressed hope that the updated valuation would allow for an additional reduction in the proposed tax rate. Ms. Nelson also clarified that one of the Police Department reductions involved postponing the purchase of a second police canine while retaining the department's existing canine program. Council members concluded this portion of the discussion by complimenting staff and department heads for their extensive efforts to identify reductions and requested that updated valuation information be shared with the council as soon as it became available. Council Member Adams also asked staff to provide additional information illustrating how changes in revenue or expenditures translated into changes in the proposed property tax rate to assist the council in evaluating future budget adjustments.

Council Member Blackham requested that staff display the detailed budget worksheet so he could better understand how the revised budget changes affected individual department expenditures. He expressed concern that certain departments, particularly the Police Department, appeared to have experienced significantly larger budget increases than could be explained by inflation alone. Referring to several years of budget data, he observed that police expenditures had increased substantially despite the council's efforts to limit new positions and control spending. Ms. Nelson explained that personnel costs represented the largest driver of the Police Department budget and that the department's larger workforce meant that cost-of-living adjustments, step increases, and market adjustments resulted in greater dollar increases than in smaller departments. She also noted that the department had taken on additional responsibilities and programs over time, including the canine program and additional equipment needs, while also responding to increasing regulatory requirements and operational demands.

Council Member Blackham stated that he would appreciate receiving a future breakdown showing what specifically had contributed to the department's budget growth over the past several years. Mr. Christensen suggested that comparing budgeted amounts with actual expenditures might provide additional context, noting that departments such as the Police Department had occasionally operated below budget because of vacancies, resulting in lower actual expenditures than originally budgeted. Council Member Blackham acknowledged that actual expenditures were important but remained interested in understanding the underlying factors driving the overall budget increases. Council Member Adams agreed that the increases warranted additional review and observed that comparing budget trends over multiple years raised reasonable questions about the causes of the growth.

Mr. Christensen added that although the Police Department had added only one new sergeant position in recent years, inflation had significantly affected the cost of maintaining the department's fleet, equipment, and other operational needs. Council Member Jackson agreed that rising costs for equipment, parts, and supplies likely contributed to the increases but supported providing a more detailed breakdown for the council's review. The discussion also expanded to Information Systems, where Council Member Adams questioned a substantial increase in that department's budget. Ms. Nelson explained that Information Systems had experienced increased costs related to new technology requirements, cybersecurity measures, firewalls, network infrastructure, and other regulatory and operational upgrades. She noted that the combined budget figures included both ongoing operating costs and one-time capital expenditures.

Council Member Adams asked staff to distinguish between recurring operational costs and one-time capital purchases when reviewing department budgets. Ms. Nelson explained that the budget was already divided into personnel, operating, and capital categories, with capital intended to capture one-time purchases such as equipment, vehicles, and facility improvements. Using the Police Department as an example, she noted that the department's capital budget included projects such as Emergency Operations Center improvements, parking lot gate replacements, technology upgrades, body camera systems, and other one-time purchases, some of which were funded through dedicated revenues or the anonymous donation rather than ongoing General Fund revenues. She explained that once those one-time projects were completed, those costs would not recur in future budgets. Council Member Adams stated that separating recurring expenditures from one-time capital projects would help the council better evaluate long-term budget growth. Ms. Nelson responded that staff had attempted to present the budget in that format during earlier work sessions and offered to review those distinctions again in greater detail outside of the meeting if council members desired additional explanation.

Council Member Blackham compared the city's budgeting challenges to other governmental entities that maintain expenditures within available revenues. He explained that his goal was for the city to align ongoing expenditures with recurring revenues before adding new projects or expanding services. He stated that once the city's operating budget was supported by existing revenues, the council could then evaluate individual capital projects and determine whether additional tax increases were warranted for those specific needs. Council Member Adams agreed that department heads had presented legitimate future infrastructure and equipment needs, but questioned at what point the city should decide that it could not continue raising revenues and should instead look for other ways to fund or delay expenses. Council Member Jackson also expressed concern with funding new items, such as the proposed concrete work at Barnes Park, a second police canine, and a police drone, when the city was still working to align revenues and expenditures.

Mr. Christensen stated that the issue ultimately came down to two primary options: either increase revenues to support the desired level of service or reduce services and expenditures to match existing revenues. He used the Barnes Park sidewalk project as an example, explaining that staff had identified the project because the sidewalks were old, heavily used, and had been ground down for many years, but the council could decide to continue deferring the work if it preferred. Council Member Blackham said he hoped the city could reach a point where ongoing revenues covered the base budget, allowing the council to evaluate proposed projects separately and decide whether additional revenue should be raised for those specific needs.

Council Member Adams asked whether departments with fee-based services could identify revenue increases to help pay for related needs, such as recreation fees helping support park improvements. Ms. Nelson explained that recreation programs already track revenues and expenses and that fee adjustments are reviewed through the consolidated fee schedule. Mr.

Christensen cautioned that fees must be tied to the cost of providing a specific service and cannot simply be increased to generate general revenue. He suggested that future budget reviews could begin earlier and include smaller council committees working with staff on specific areas, such as fleet, parks, public works, enterprise funds, or personnel, before recommendations were brought back to the full council.

Mayor Tran questioned whether service reductions were necessary when the city was not experiencing significant population growth or adding many new positions, and Mr. Christensen responded that many budget increases were driven by inflation, regulatory requirements, and rising costs rather than service expansion. Ms. Nelson noted that the tentative budget had already reduced expenditures and lowered the proposed fund balance use, and Council Member Blackham said that if similar discipline continued for several years without adding new expenses, the city could be in a stronger financial position.

Council members discussed the difficulty of relying heavily on property tax revenue when other revenues, particularly sales tax, were relatively flat or outside the city's control. Council Member Blackham stated that because property tax represented only a portion of total revenues, any shortfall in the General Fund placed disproportionate pressure on that one revenue source. Ms. Nelson agreed that the challenge was significant and noted that many cost increases, such as firefighter protective equipment, were outside the city's control. Mr. Christensen added that outside studies had identified staffing needs in areas such as police, even though the city was already operating leanly.

Council Member Hunt said she supported careful review of proposed projects but also cautioned against continually deferring needed expenditures to the point that future councils and residents would inherit larger financial obligations. She stated that while she was generally comfortable with the reductions made for the current year, she was concerned about relying on one-time funding solutions that would simply shift financial burdens to future years. Council Member Jackson agreed, noting that continued use of fund balance could place the city in a worse position if reserves were depleted. Mr. Christensen acknowledged that the revised proposal reduced the current tax impact but did so by using significant one-time resources, including fund balances, debt service reserves, Municipal Building Authority funds, and impact fees. He stated that staff had worked to lower the tax rate as much as possible for the current year, but sustainability remained a major concern. Mayor Tran thanked staff and department heads for their work to reduce the impact on residents while acknowledging that similar budget discussions would likely continue in future years.

Council members discussed the importance of being able to clearly explain budget increases to residents. Council Member Jackson stated that if council members could not explain why a department budget had increased, it created concern and made it harder to support the city publicly. Mr. Christensen agreed and said council members did not need to know every detail, but staff and department heads could help provide explanations when residents had specific questions. He noted that Kaysville continued to have one of the lower property tax rates in the county while also having limited sales tax revenue compared to other cities.

Council Member Jackson asked about transparency for pass-through fees from outside entities, such as sanitation and sewer. Staff clarified that those were fees rather than city taxes and that the city billed them on behalf of the outside entities. Mayor Tran noted that the outside entities’ meetings were public, but few residents attended. Council Member Jackson suggested it may be helpful for those entities to present information to the City Council when their rates increase.

Council Member Blackham requested information on how much revenue had been generated by the prior water and power rate increases, specifically the 15% water increase and 10% power increase. He explained that if the city was pursuing a property tax increase, he wanted to understand whether additional utility rate increases were also necessary. He stated that he preferred actual revenue data over projections to determine whether the prior increases were enough to help the funds keep up with expenditures.

Mr. Godwin explained that the water fund had budgeted approximately $2.2 million in fund balance use for infrastructure and was on track to use a substantial portion of that amount. He stated that the prior rate increase was projected to generate approximately $545,000 in additional revenue, assuming usage remained consistent. Mr. Godwin explained that while repeated increases could eventually help the fund catch up, the water fund was still not in that position and continued to rely on fund balance. Ms. Nelson compared the situation to the General Fund, explaining that the city had used fund balance for several years and needed to move away from that practice.

Mr. Godwin further explained that rate modeling helped staff evaluate future infrastructure needs and plan incremental rate adjustments instead of waiting until major infrastructure projects created significant funding shortfalls. He stated that the model used actual historical consumption and billing data to project future revenues, expenditures, and infrastructure needs, allowing staff to evaluate rates annually without requiring an outside rate study each year. He explained that the model also helped the city gradually rebuild fund balance in advance of future capital projects rather than relying on large rate increases after infrastructure failures occurred. He also explained that the proposed rate structure was designed to shift more of the cost burden to higher-use customers and commercial accounts, which staff believed had previously been subsidized in part by residential users.

Council members discussed whether it was better to increase rates incrementally or defer increases and risk larger adjustments in later years. Mayor Tran said she preferred smaller increases now rather than larger increases later, while Council Member Blackham reiterated that he wanted actual revenue data from the prior increases before approving additional rate adjustments. Mr. Christensen stated that the purpose of the model was to smooth out future needs and avoid large sudden increases.

The council discussed next steps and whether another work session should be held before or after the public hearing. Council Member Blackham stated that he preferred hearing public comments first so the council could better understand residents' concerns before considering additional budget revisions. Ms. Nelson indicated she was available to meet individually with council members to review the budget in greater detail, and Mr. Godwin offered to prepare a narrative summary explaining each department's significant expenditures and proposed projects to assist council members in responding to questions from residents. Ms. Nelson also confirmed that she would prepare a modified tentative budget reflecting the revisions discussed during the work session. City Recorder Annemarie Plaizier confirmed that the modified tentative budget would be posted before the public hearing, as required by state statute.

Following the discussion, Mayor Tran closed the meeting at 5:57 p.m.