APPROVED MINUTES OF THE CITY OF WEST JORDAN
CITY COUNCIL COMMITTEE OF THE WHOLE

Thursday, June 4, 2020 - 5:30 p.m.
Approved July 8, 2020

This meeting was held electronically via Zoom and streamed on West Jordan's YouTube channel
base location at City Hall 8000 S Redwood Road • West Jordan, UT 84088

BOARD: Chris McConnehey, Chair; Kelvin Green, Vice-Chair; Zach Jacob (joined at 6:00 p.m.), Chad Lamb, David Pack, Kayleen Whitelock, and Melissa Worthen (left at 7:35 p.m.).

STAFF: Alan R. Anderson, Deputy Council Office Director; Korban Lee, CAO; Danyce Steck, Finance Director

CALL TO ORDER
Chair McConnehey called the meeting to order at 5:30 p.m.

BUDGET DISCUSSION
Danyce Steck presented the Mayor's proposal for the FY 2021 Budget: 24% Revenue ($2.3 million); 44% Expense ($4.3 million); 32% Reserves ($3.2 million). She acknowledged that the Committee had expressed a desire to alter the percentages. At the May 28, 2020 meeting, the Committee requested discussion of overtime, outside committees, operational cost reductions, Council contingency, and the City website.

Ms. Steck presented FY 2021 Budget expenses reduced by Staff since the May 28 meeting in the categories of 'overtime' and 'operational cost reductions' totaling $342,552, and reported that $50,000 for Police Department training was restored to the Budget.

- **Outside Committees**

Ms. Steck stated the Arts Council was allocated $66,150 in the FY 2021 Tentative Budget. Committee Member Whitelock emphasized that every City department was asked to accept budget cuts, and stated that the Arts Council needed to be approached about reductions before a decision was made. Committee Members Worthen and Whitelock agreed that all outside committees should be approached about budget reductions.

Committee Member Lamb commented that cutting relatively small amounts from outside committees would not result in the substantial reductions needed. Committee Member Green responded that if other departments were accepting cuts, outside committees also needed to accept reductions. Committee Member Whitelock suggested requesting each of the outside committees to submit a budget with a 5-10% reduction. Ms. Steck agreed to reach out to outside committees with that request.

- **Council Contingency**

Committee Member Whitelock said she would be willing to cut the attorney expense from the Council Contingency Budget if the City Attorney's Office agreed to assign an attorney to the City Council.

Chair McConnehey said he would prefer for the Council Contingency Budget to increase to maintain ability for Council control. He suggested moving economic development funds to the Council Contingency Budget to ensure Council collaboration. Ms. Steck responded that the Council maintained control with approval of budget amendments. Chair McConnehey repeated that he would prefer the Council to remain engaged in economic development.

Committee Member Worthen said she believed the Council Committee should consider a 10% budget reduction just like other departments. Committee Member Green said he would like to see a list of unfunded budget requests that could be funded if money became available. He said he believed the Council Committee needed an operational contingency to allocate to operational needs as they arise. Ms. Steck commented that contingency funds were already coming from reserves for the FY 2021 Budget. She said departments did not submit lists of unfunded requests for FY 2021 because of the direction to cut their budgets.

Committee Member Lamb agreed with a suggestion made by Korban Lee to shift a position from the City Recorder Office to the City Council Office to provide support, and reduce the Council Contingency Budget by half, since a portion of the funds were included in the Contingency Budget to pay for Council Office support. Committee Member Worthen agreed. Committee Member Whitelock suggested a closed session for continued discussion. Committee Members Whitelock and Worthen repeated the belief that Council Contingency Budget should be reduced.

Four Committee Members indicated approval for reducing the Council Contingency Budget from $150,000 to $100,000. Committee Member Pack said he would prefer to define Council Office staffing before deciding how much to cut from the Contingency Budget. Korban Lee suggested the Committee cut the Council Contingency Budget by 10% to show solidarity with other departments, with further discussion about staffing at a future meeting.

Committee Member Green suggested cutting the Council travel budget by 10%. The Committee unanimously agreed with cutting the Council Contingency and the travel budget both by 10%.

- **City Website**

Ms. Steck explained the need for an improved City website, and requested the Council approve a one-time budget expense for the City website out of the IT Fund. The cost was estimated to be $100,000-$120,000; the FY 2021 Tentative Budget set the allocated amount at $150,000 to provide contingency. Committee Member Pack said he assumed an improved website would save the City money in reduced staff time. Ms. Steck agreed.
Committee Member Green said $120,000 seemed like too much. He emphasized that change orders to increase the cost should not be allowed. Chair McConnehey said it would be nice to be able to quantify the benefit that such a significant expenditure on the City website would bring. Mr. Lee said he would put together an operational analysis of what a new website would provide. Chair McConnehey commented that the Committee could use better agenda management software in addition to a better website.

A majority of the Committee indicated support for the expense reductions proposed by Ms. Steck. A majority of the Committee indicated support for the department budgets as proposed.

- **Reserve Levels**

Ms. Steck stated that if revenues remained at $54,143,679 then, after the expense reduction of ($243,551), use of reserves would be $2,827,961, which would be 11.4% less than the FY 2021 Tentative Budget use of reserves. A majority of the Committee agreed with using $2,827,961 in reserves for FY 2021.

- **Revenue – Utility Transfer, Property Tax Increase, Revenue Estimate Adjustment**

Ms. Steck showed that a 5% utility transfer would produce the same amount of revenue as a 15.5% property tax increase. She presented the following pros and cons of both options:

Utility Transfer	Property Tax Increase
Pros:	**Pros:**
Less financial impact to residents	Truth-in-taxation process encourages public communication and education
No property tax increase	Property tax is a stable revenue source and does not fluctuate with weather patterns
Consumption tax	
Tax-exempt properties provide revenue for services (airports, schools, churches, other gov't)	
Cons:	**Cons:**
Perceived as a hidden tax	Financial impact to residents
Resident concern about source of funds	Required tax based on property value vs consumption
	Tax-exempt properties immune from increase

Mr. Lee commented that a utility transfer would strengthen the franchise tax portion of the General Fund revenue base. Ms. Steck explained that rates for sewer, storm water, and solid waste utilities would all be increased by 5%. She stated the utility transfer would, in essence, be rent for using City-owned property to provide services in the right-of-way.

Committee Member Jacob said he believed it was important for the public to fully understand the proposed utility transfer. The Committee and Staff discussed possible public education efforts.

Committee Member Jacob said he would like the City to adopt an ongoing policy to hold the property tax rate stable, with a truth-in-taxation hearing when necessary. Committee Member Green said he did not disagree philosophically, but pointed out that the utility transfer in FY 2021 would result in savings for a majority of utility users. Given the uncertain economic times, he said he was not in favor of a property tax increase in FY 2021.

Committee Member Worthen stated she was in favor of a utility transfer and not a property tax increase in FY 2021. She left the meeting at 7:35 p.m. Committee Member Whitelock said she would not support a property tax increase in FY 2021.

Chair McConnehey said he was not in favor of a utility transfer, and would prefer a property tax increase in FY 2021. He commented that the utility transfer would affect tax exempt entities, said he believed they were designated tax exempt for a reason, and said he felt the City should not try to circumvent the tax exempt status with a utility transfer. Acknowledging that a majority of the Committee appeared to support a utility transfer, Chair McConnehey said he did like that

the utility transfer would have less financial impact for residents. He agreed with the desire to establish an ongoing policy to hold the property tax rate even.

Four Committee Members indicated support for a utility transfer and not a property tax increase for FY 2021. Committee Member Jacob stated he supported good property tax policy, but would not support a property tax increase in lieu of a utility transfer in FY 2021.

Ms. Steck summarized that the FY 2021 Budget would move forward with a utility transfer, expenditure cuts proposed, and $2.8 million in reserves. She presented consolidated fee increases, and answered questions from the Committee.

HIGHLANDS SPECIAL ASSESSMENT AREA
For the Highlands Special Assessment Area, Committee Member Green proposed:

- Keeping the rates as they stand today (remove the proposed increase from the Tentative Budget); and
- Prepare a report to evaluate the current level of service, financial needs of the district and any other relevant elements. The report should include:
    - Brief History
    - Service Provided
    - Historical Revenues/Expenses
    - Financial Projections
    - Any other pertinent information

A majority of the Committee indicated support for the proposed direction to Staff.

ADJOURN
At 7:57 p.m., Committee Member Whitelock moved to adjourn the meeting. Committee Member Green seconded the motion, which passed by unanimous vote (6-0).

I, Cindy Quick, hereby certify that the foregoing minutes represent an overview of what occurred at the meeting held on June 4, 2020. This document constitutes the official minutes for the West Jordan City Council Committee of the Whole meeting.

Cindy M. Quick, MMC
City Recorder
Approved this 8th day of July 2020