



MINUTES OF THE CITY OF WEST JORDAN COMMITTEE OF THE WHOLE MEETING

Thursday, December 3, 2020 - 6:00 p.m.
Approved January 13, 2021

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

COUNCIL: Christopher McConnehey, Chair (absent); Kelvin Green, Vice-Chair; Zach Jacob (joined at 6:33 p.m.), Chad Lamb (absent), David Pack, Kayleen Whitelock, and Melissa Worthen

STAFF: IT Director Robert Allred, Council Office Director Alan R. Anderson, Traffic Engineer Bill Baranowski, Community Engagement Director Tauni Barker, Police Lieutenant Richard Bell, Police Lieutenant James Bigelow, Mayor Dirk Burton, Public Works Director Brian Clegg, Civil Litigator Attorney Paul Dodd, Assistant Planner Mark Forsythe, City Planner Larry Gardner, Utilities Manager Tim Heyrend, Community Development Director Scott Langford, Chief Administrative Officer Korban Lee, IT Administrative Assistant Rachel MacKay, Fire Chief Derek Maxfield, Senior Planner Ray McCandless, Assistant City Attorney Duncan Murray, Capital Projects Manager Dave Murphy, Parks Division Manager Dave Naylor, City Engineer Nate Nelson, IT Manager Michael Oliver, Senior Planner Kent Page, Economic Development Director Chris Pengra, Assistant City Attorney David Quealy, Council Office Clerk Cindy Quick, Administrative Services Director Danyce Steck, Assistant City Attorney Jared Tingey, Police Chief Ken Wallentine, and City Attorney Robert Wall

PUBLIC: Dick Kunz, Alexandra Eframo, Bryon Prince, Christopher Gamvroulas, Jeremiah Tello, Susie Becker, and Rich Sonntag

1. CALL TO ORDER

Vice Chair Kelvin Green called the Committee of the Whole work session to order at 6:02 p.m., and read a Notice of Declaration regarding electronic meetings without an anchor location due to COVID-19 dated November 12, 2020, and effective for 30 days.

2. BUDGET DISCUSSION

a. Introduction

Council Member Worthen, Chair of the Budget and Audit Committee, reported the Budget and Audit Committee had been working on priorities for the upcoming budget cycle. Budget priorities identified by the Council in January of 2020 were: community engagement; aesthetics; long-term plan; communication; regional influence; and economic development. The following budget priorities were identified by the Council through email communication during November of 2020: employee retention; road maintenance; public safety – west-side, technology; reserve levels (General Fund, CIP Fund); and economic development.

Administrative Services Director Danyce Steck showed General Fund ending balances from FY2016 – FY2020, with a FY2021 estimate. She shared a comparison of general fund reserves for several cities in the area. West Jordan had a General Fund Reserve balance of \$11 million (19% of General Fund revenues) in FY2020. Responding to an electronic poll, Council Members answered the following questions:

- What is the “right” amount of reserves?
 - Response: 100% (4 Council Members) in favor of 25% or \$15 million

Council Member Whitelock asked if the current Council would be able to put something in place to prevent future Councils or Mayors from spending reserves built up by the current Council. Ms. Steck responded the Council could enact a reserve fund balance policy with a specified minimum. Council Member Whitelock said she would want to enact a adopt fund balance policy. Chief Administrative

Officer Korban Lee clarified that a future Council would be able to change any policy enacted by the current Council.

Ms. Steck explained her revenue assumptions for the upcoming budget cycle, and showed a comparison of 2020 property tax rates in many northern Utah cities. (Council Member Jacob joined at 6:33 pm)

- How much revenue does the Council want to dedicate to CIP?
 - Response: 100% (4 Council Members) in favor of 3% or \$1.8 million
- Does the Council support minimal inflationary property tax increases? (1%=\$153,000)
 - Response: 60% (3 Council Members) indicated “Yes”, 40% (2 Council Members) indicated “No”

Council Member Whitelock said she would be able to support a minimal inflationary property tax increase but would not want implementation to occur in 2021 because of the financial impact the pandemic had on many households, and because 2021 was a Council election year. She clarified that she was in favor of residents paying the same monetary amount in property tax to the City in 2021 as they paid in 2020. Council Member Jacob said he believed locking in the same payment amount would unfairly advantage some residents, and disadvantage others more than the current system. He said he was in favor of locking in a rate rather than a monetary amount. Ms. Steck agreed that locking the rate would be the same as an inflationary increase.

Council Member Pack acknowledged that no one wanted to run for office in a year with a property tax increase but commented that the Council was there to do the best for the citizens. He said kicking the can down the road did not accomplish anything good. Council Member Pack suggested an independent committee look at the data and make a recommendation to the Council and suggested using an inflationary index for property tax increases, fees, and employee compensation.

Council Member Worthen said as a citizen she would rather deal with small increases every year than less frequent large increases. Council Member Whitelock said she understood the City should not kick the can down the road, but said she was not in favor of implementing a property tax increase in a Council election year because of the many different increases the Council had already needed to impose over the last few years. Council Member Worthen said she believed 2021 was going to be financially difficult for many people and said she would be in favor of waiting a year to adopt an inflationary property tax increase.

Council Member Jacob said he believed holding the property tax rate constant would prevent the Council from needing to impose larger increases down the road and would be a responsible move for the Council to make, even in a Council election year. Council Member Worthen said she felt the issue should be viewed with the immediate needs of the citizens in mind rather than from an election perspective.

Ms. Steck commented that the City received significant federal assistance to help reduce impact of the pandemic on citizens. She suggested riding through the next year with that resource, pushing an inflationary property tax increase out a little further knowing the Council was supportive of the general idea. She said she agreed with the suggestion to put a committee together to look at data and make recommendations.

Mr. Lee pointed out that Council elections were every odd year, and asked if the Council would support an inflationary property tax increase every even year. Council Member Whitelock said she believed a small increase every year would be better for the citizens; she just did not think 2021 was the right year for implementation. Council Member Worthen said she agreed.

Mr. Lee asked if the Council would be interested in issuing a truth-in-taxation statement every year, even if the Council did not implement an increase, to get citizens used to the idea. Council Member Whitelock

repeated her belief that 2021 was not the right year to begin because people had already dealt with so much.

Council Member Pack said he believed small increases every year were less impactful than occasional large increases. Vice Chair Green said he agreed an incremental increase was often more palatable. He spoke of concern for homeowners, particularly elderly, if property values were to exceed the inflationary rate. Vice Chair Green said he did not think he was in favor of implementing an increase in 2021 given ongoing uncertainties citizens were dealing with.

- Does the Council support a minimal inflationary property tax increase for the upcoming fiscal year?
 - Response: 40% (2 Council Members) indicated “Yes”, 60% (3 Council Members) indicated “No”

Council Member Jacob pointed out that with two Council Members absent, the survey results regarding an inflationary property tax increase were inconclusive.

- Is the Council interested in discussing the 5% utility transfer (FY2021 = \$2,469,625)?

Council Member Pack commented that the previous utility transfer became a political issue and said he would be in favor of discussing a policy decision. Council Member Jacob said he was opposed to the previous utility transfer, and said he agreed it needed to be a policy decision, not a way to occasionally plug a hole in the budget.

Ms. Steck said Staff suggested the utility transfer in the FY2021 budget cycle as a proposed policy that would provide a steady and stable revenue stream to the General Fund and alleviate the need for large property tax increases. If the utility transfer were removed from budget calculations, a 16.14% property tax increase would be needed in the next budget year.

Council Member Jacob said he believed it would be difficult to defend utility rates if the utility transfer were treated like an on-and-off switch. Vice Chair Green said he agreed the utility transfer should not be turned on and off. He said he philosophically viewed the water utility transfer as treating the water system like any other utility – collecting a utility franchise tax to compensate the City for use of right-of-way and roads.

Council Member Whitelock said she felt the utility transfer was a good policy decision when she voted in favor. Council Member Worthen said she agreed.

- Which parts of employee compensation are Council Members expecting to reinstate?
 - Merit/Steps (\$1,000,000)
 - Cost of living adjustments 2.7% (\$1,000,000)
 - Career ladder (\$60,000)
 - Sick leave buyout (\$60,000)

Administrative Services Director Steck explained that the sick leave buyout (up to 3 days per year) reduced the City’s long-term liability for sick leave. She explained that career ladders provided an opportunity for employees to improve skills and certifications and move up positions, and said she knew the Steps plan was important for public safety employees. Council Member Whitelock commented that employees in the private sector did not necessarily get merit/step increases or cost of living adjustments just because they stayed with a company another year. She said she struggled with the idea. Ms. Steck responded that steps were important in public safety for employee retention and mentoring.

Responding to a question from Council Member Whitelock, Ms. Steck said she believed the City could fund all four employee compensation items in the next fiscal year. She pointed out that employee retention would save the City money in the long-run. Council Member Pack said he wanted to honor City employees, and said he believed the City should fund the compensation items if Ms. Steck believed they would fit in the budget. Ms. Steck said the compensation items would be difficult to sustain long-term if the Council were not willing to implement an incremental property tax increase. Mr. Lee said he was confident the City would lose employees if some form of merit and cost of living increase were not regularly provided.

Council Member Worthen pointed out the Council had already indicated employee retention/compensation as a top priority, and suggested letting Staff put together a recommendation of what that should look like.

Vice Chair Green asked what growth rate would be sustainable and reasonable to expect for the budget. Ms. Steck said she believed it was clear the Council was wanting a sustainable long-term plan, which was her goal, and the goal of the Mayor and Mr. Lee as well. Vice Chair Green said he believed a measured approach was needed.

- What services are the Council Members expecting to reinstate?
 - Response: Facilities maintenance – 4 Council Members
 - Parks maintenance – 3 Council Members
 - Staffing (as justified by department needs) – 3 Council Members

Chief Administrative Officer Lee emphasized that he would not be interested in restoring a service or position just for the sake of restoring it. He said administration would be analyzing and looking closely at what was needed to most effectively and efficiently provide necessary services. Vice Chair Green expressed the opinion that service level to the citizens should be the priority.

Administrative Services Director Steck showed a CIP Fund reserve comparison (West Jordan FY2020 balance = \$2.5 million), and asked the following question:

- What is the “right” amount of CIP reserves?
 - Response: \$1,000,000 – 1 Council Member
 - \$5,000,000 – 1 Council Member
 - More than \$5,000,000 – 3 Council Members

Council Member Jacob commented that choosing the right amount of capital reserves was difficult. Responding to a question from Council Member Pack, Ms. Steck explained Sandy City’s policy of never touching their 11% General Fund reserves, and using CIP reserves for required maintenance. Vice Chair Green said he believed the West Jordan CIP reserve balance should be higher than \$2.5 million. Mr. Lee commented that Sandy City always estimated revenues conservatively, with any amount over the estimate going to CIP reserves.

- What revenue sources do Council Members want dedicated to CIP, General Fund savings at year end, or General Fund budgeted transfer?

Administrative Services Director Steck recommended starting small if the Council wanted to budget an intentional transfer to CIP. Council Member Whitelock said she would want to budget a modest intentional transfer, with General Fund savings at year end also transferred to CIP. Council Member Worthen said she agreed. Vice Chair Green said he believed the Council should intentionally budget a transfer to CIP, even if the City could only afford a very small amount to start. Council Members Pack and Jacob said they agreed the allocation should be intentional.

Council Member Worthen reviewed the priorities indicated by Council Members in a survey during November 2020: (1) employee retention; (2) road maintenance; (3) public safety – west-side, technology; (4) reserve levels – General Fund, CIP Fund; (5) economic development. Council Members discussed that technology should possibly have its own bullet point between (3) and (4), pushing economic development off the “top 5”.

Referring to water rates, Council Member Whitelock stated she did not want residential water users subsidizing commercial water users. Council Member Pack said he agreed it would be nice for users to pay for what they were using, but recognized that it may not always be 100% level.

Going back to budget priorities, Council Member Jacob said he would move economic development to the top of the priority list, because economic development funded everything else. Council Member Whitelock said she agreed.

Vice Chair Green asked each Council Member if they wanted anything added to the list. Council Member Pack said he would want to ensure restricted funds remained restricted, such as funds set aside for the art center. Council Member Whitelock said she agreed with Council Member Pack, and said she wanted administration to consider all the items on the list as priorities, not necessarily in any order of importance. Council Member Worthen said she believed the funds set aside for the art center should be used to keep the City’s financial foundation stable rather than letting it sit in an account.

Council Member Jacob said he would really like the City to be able to do zero-based budgeting, building a budget from zero and justifying everything. He said he believed the biggest priorities should be funded first (public safety), with the Council going to the residents to justify tax increases for whatever was unfunded at the bottom of the list.

Referring to the art center, Council Member Green said the City had the money, and could be creative to get more money if needed. He said citizens were going to need things to feel good about when the pandemic was over, and said he would rather build the art center sooner than later. He suggested using RDA funds to help with aesthetics and maintenance. Council Member Green spoke of the need to fund wellness measures for first responders.

Mr. Lee thanked the Council for their willingness to schedule extra meetings to discuss the budget, and thanked the Budget Committee for all their work.

3. ADJOURN

Council Member Worthen thanked everyone for their contributions and **moved** to adjourn the meeting. Council Member Whitelock seconded the motion. All voted in favor and the motion passed unanimously. The meeting adjourned at 9:02 p.m.

I, Cindy Quick, hereby certify that the foregoing minutes represent an overview of what occurred at the meeting held on December 3, 2020. This document constitutes the official minutes for the West Jordan City Council Meeting.

Cindy M. Quick, MMC
Council Office Clerk

Approved this 13th day of January 2021