MINUTES OF THE CITY OF WEST JORDAN
FAIRWAY ESTATES SPECIAL SERVICE
RECREATION DISTRICT MEETING

**Tuesday, May 09, 2023 - 6:00 PM**
**Approved June 14, 2023**

Thomas M. Rees Justice Center
8040 S Redwood Road
West Jordan, UT 84088

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# FAIRWAY ESTATES SPECIAL SERVICE RECREATION DISTRICT

## 1. CALL TO ORDER

***COUNCIL:*** Chair Christopher McConnehey, Vice-Chair Pamela Bloom, Kelvin Green, Zach Jacob, David Pack, Kayleen Whitelock, and Melissa Worthen

***STAFF:*** Council Office Director Alan R. Anderson, Policy Analyst & Public Liaison Cassidy Hansen, City Administrator Korban Lee, Economic Development Director Chris Pengra, Administrative Services Director Danyce Steck

Board Chair McConnehey called the regular meeting to order at 6:10 pm. He apologized for technical difficulties with the audio and zoom. He asked Board Members to log into zoom in order to see the slides.

## 2. BUSINESS ITEMS

### a. *Work session to discuss Fairway Estates Special Service Recreation District Annual Budget for FY 2024.*

Administrative Services Director Danyce Steck presented a brief history of the district which was established August 5, 1986. The district initially had 56 residential parcels spanning 7.97 acres. The 2022 assessed value was $24,227,800 with a taxable value of $13,325,290. The average lot size in the district is .14 acres. The purpose of establishing the district was to provide larger open spaces due to the small size of the lots. The average assessed value of properties in the district is $431,620, with an average taxable value of $237,391 and an average property tax of $182 per year.

The district provides maintenance for three separate parks totaling 1.23 acres. These parcels are owned by the district but have no public benefit. District funds are used to pay a landscape contractor, water, and electricity, however there is no charge for administrative overhead of the district.

In 1997, district residents paid approximately $107 in property tax. There was a 67.2% increase in 2006 due to rising costs, followed by a 1.5% increase in 2010. The proposed budget is not sufficient to maintain reserves at the current level. Over the past four years, between four and five years' worth of tax collections have accumulated in reserves. Danyce explained that if the district requires $10,000 for maintenance and has $50,000 in reserves, there is ample money for reserves. However, initially services were not charged for, resulting in a buildup of reserves. This year there has been a significant increase in maintenance and utility costs, almost doubling the budget. Property tax revenue is not enough to cover the expenses, necessitating a tax increase to generate revenue needs.

Three scenarios were presented for the board's consideration:

- Scenario A – increase the property tax by 25% and continue using approximately one year's worth of reserves over the next five years.
- Scenario B – maintain a minimum reserve value of $11,000 and gradually reduce the use of reserves from 40% to 5% over the next four years.
- Scenario C – exhaust all reserves, creating a dramatic 175% property tax increase in 2026, followed by a 5% increase each year thereafter.

Costs per month were mentioned, similar to an HOA fee.

Board Member Whitelock expressed discomfort with not increasing the tax in the proposed budget and requested alternative scenarios. Residents had expressed a preference for smaller incremental increases rather than a large one.

Board Member Green inquired about the utility costs and the last competitive bidding process for the service contract. Utility Manager Isaac Astill responded that the utility costs included two meter systems and power for park maintenance. The contract was competitively bid four years ago with a 4% increase. It was noted that the contractor holds the state contract, providing competitive costs, and had been renewed for five years.

Board Member Jacob sought clarification on the district's distinction from a homeowners association (HOA) and expressed the feeling that it should be an HOA rather than being taxed by the city. Board Member Green responded that dissolving the district was not possible. Danyce proposed selling the district to themselves and reaching an agreement with the HOA, where the city owns the property but the HOA is responsible for its maintenance, potentially involving an HOA manager.

Board Member Green suggested holding a neighborhood meeting and community outreach before making a decision. He noted that an incremental tax increase would result in a higher cost per month when compared to the 175% increase. Board Member Worthen, Whitelock and Jacob supported the idea of a neighborhood meeting. Danyce emphasized the need to decide by June 14th whether to go through the truth in taxation period this year. Board Member Green proposed conducting the meeting and surveying residents to gather their input. Board Member Jacob suggested that after the neighborhood meeting and survey, the board should make a policy decision on the most fair approach. Board Member Green wanted long-term input from residents in the district on how to proceed. Board Member Worthen agreed, she felt seeking feedback from residents in the neighborhood would be valuable in making a decision.

Chair McConnehey summarized the three scenarios: Scenario A anticipated a 25% increase in the coming year, Scenario B involved no increase this year but gradually reduced use of reserves, and Scenario C had no increase for a few years but required a 175% increase in 2026. He expressed support for Scenario A and suggested posting a public hearing with that option. He recommended a 25% increase as the decision for June 14th and then proceeding with meetings to gather residents' thoughts, with the possibility of adjusting the increase amount later. He believed this approach provided the most flexibility to move forward this year instead of postponing the decision until the next year.

Board Member Whitelock agreed that the decision was primarily up to the board but emphasized the importance of hearing from the residents. She suggested providing cake and water during the meeting, which Board Member Green supported. He believed that proposing Scenario A, holding a neighborhood meeting, and conducting a public hearing was a good option.

Danyce confirmed their intentions and assured preparedness for the truth in taxation process and neighborhood meetings. Chair McConnehey requested that she present long-term scenarios and gather perspectives from the residents as well.

Board Member Green suggested asking residents if they would like to fill board member positions instead of having the board members fill the positions. Chair McConnehey expressed curiosity about this idea but raised concerns about the city's exposure. Board Member Green acknowledged the hesitation but believed that city staff would still support the board, considering it a valid option. Danyce felt that if residents desired to be board members, three board members might yield better results than seven.

Board Member Pack voiced support for not delaying decisions and noted that Scenario C had the lowest cost per month. He preferred Scenario B and emphasized the need for public input. He advocated for a smaller jump in taxes and lower monthly payments.

Council Office Direction Alan Anderson mentioned the possibility of using Qualtrics for a survey prior to the neighborhood meeting.

Chair McConnehey summarized that the board's consensus was to proceed with the truth in taxation process and hold public meetings using all available methods.

## *3. ADJOURN*

**Board Member Green moved to adjourn the meeting. Chair McConnehey seconded the motion.**

Chair McConnehey reported receiving a text from Mayor Burton that they could skip the video and introduction of the budget for City Council meeting that evening due to technical difficulties they had experienced. He proposed reconvening in City Council meeting to receive the budget.

**Chair McConnehey called for a vote on the motion. All voted in favor and the motion passed unanimously (7-0).**

The meeting adjourned at 6:52 pm.

*I certify that the foregoing minutes represent an accurate summary of what occurred at the meeting held on May 9, 2023. This document constitutes the official minutes for the City of West Jordan Fairway Estates Special Service Recreation District meeting.*

Cindy M. Quick, MMC, Secretary

Approved this 14th day of June 2023