

SOUTH JORDAN CITY
STRATEGIC PLANNING MEETING

October 12, 2021

Present: Mayor Dawn R. Ramsey, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Jason McGuire, Council Member Don Shelton, Council Member Tamara Zander, CM Gary Whatcott, ACM Dustin Lewis, City Recorder Anna Crookston

6:15 P.M.

A. Welcome, Roll Call and Introduction – *By Mayor Dawn R. Ramsey*

Mayor Ramsey welcomed everyone present. At this meeting, they are looking at high level strategic priorities for the next year.

B. Invocation – *By Assistant City Manager, Dustin Lewis*

Assistant City Manager Lewis offered the invocation.

C. Dinner Served

Dinner served before meeting started.

D. Discussion: Strategic Priorities, Revised Strategic Goals and Objectives, and future action items for FY 2022-23.

City Manager Gary Whatcott said since everyone here already has experience, he is hoping to discuss some big questions now before getting too far into the budget. This way they can pinpoint the budget process based on what happens with these specific discussions.

Assistant City Manager Dustin Lewis said during planning they looked at four large categories that need to be addressed, the first one is compensation and getting everyone's thoughts on it. The city is having a hard time filling positions, especially with Public Works employees; they just lost one of their managers to go be the deputy director in another city. There is one other city trying to take another one of our lead workers from us, along with an improvement district that is trying to take one of our very seasoned people from us. In terms of compensation, do we want to be in the top third of cities, in the top half; do we want to compare to the cities that are taking our employees, to cities that are the same size and population, cities with the same structure of government as us. Do we maintain the benefits we have, give up on any benefits to pay more in salary; what balance are we looking for. At the end of the day 70% of our budget goes to the employees.

Council Member Patrick Harris said compensation addresses certain problems, but it does not solve them. Compensation doesn't solve the issue of having a good employee with an

opportunity in another company for a higher position we don't have. An increase in pay doesn't really solve that problem and we need to understand that there are lots of opportunities for good employees out there, just bumping up someone's pay isn't enough when they want that higher level position; we can't have unlimited managerial positions. What bothers him is when one of our employees takes a lateral move, from South Jordan to somewhere else, to make more money.

ACM Lewis said this is the issue they're having with Public Works right now, the other places are paying \$1.00 to \$1.50 an hour more and our maintenance workers are going to places like West Jordan to do the same job for higher pay. This is why we had to raise the salaries of police officers, too many were making that lateral move.

CM Whatcott said our philosophy up to this point has just been to be average. We've picked certain cities to compare to, mostly that was based on them having similar job titles. We haven't gone as far to say we're going to be an average of the top 10 cities or a specific city; our average has been taken from cities lower, the same and higher than us and this has brought the average down. Our starting pay for a maintenance worker with Public Works is around \$18.00 an hour. Looking at the positions of Maintenance I, II, III, Lead, Manager, and then the directors above that, if you just bump the bottom up you end up with a smaller gap between the level III worker and the Lead; you have to raise that one up and it just keeps moving up. We can't just fix the bottom without going through the whole system. Over the years we've been following that average, but with jobs that aren't balanced we've adjusted those and tried to adjust internally and make them work. We're in a different place now because of city size and the job market changes over the last two years, we are now competing with entry level jobs. To try and get skilled labor to come and work for us at \$18.00 an hour isn't happening. For a long time, what kept people in government was solid retirement, great benefit packages; those things overcompensated for taking less in pay because the security was valued higher. Some of that is still there, however the retirement packages are less, most cities have higher deductible insurance plans whereas South Jordan still has a choice. Workers today don't comprehend the idea of working somewhere 30+ years to get retirement benefits, they really aren't seeing past five years in the future.

Council Member Shelton asked if you can opt out of the benefits with the city.

CM Whatcott said no, you cannot opt out of the retirement benefits.

Council Member Zander asked if we could change the terms for new entry people.

CM Whatcott said most new people are choosing the high deductible plans anyways. We recently had a 19 year employee leave us to go to Riverton for an Assistant Director position with their Public Works Department which made sense as a career move. Our staff is still fairly young, so the opportunities for upward mobility are fairly limited. What's going to give us more mobility is community growth and having more jobs, however there will still be only one director. Should we try to compete at a little higher level instead of taking the average, should we be selective about the communities we choose to work against.

Council Member Zander asked what cities are scouting our employees. She feels like our staff is better trained than other cities, they are treated better, so of course they are targets.

CM Gary Whatcott said Midvale has had a lot of turnover and everyone is stealing the tenured employees.

ACM Dustin Lewis said our neighboring cities like Draper, Sandy, West Jordan, Riverton, Herriman, Murray do it the most. We lost an Associate Director that went to Midvale and became the Director, he reached back and stole one of our good people to be his Associate. Now, because they know our people, they are taking the laterals to fill their maintenance positions.

Council Member Brad Marlor said most companies are saying they are desperate for anyone to hire. They keep raising their pay and this all boils down to competition. We have to be willing to compete to keep employees. Everybody else is doing it and either we push back and compete or we're going to lose good employees.

Council Member Jason McGuire asked how we keep from just having bidding wars, because we upped our pay for our police and then other cities did too; we can't just be upping the price.

Council Member Marlor said the inflation rate this year was around 4.72%, that's going to be the rate for 2021. When we started years ago the city was losing police officers, the council wasn't willing to raise their pay so we were training them and they were leaving.

ACM Lewis asked where we want to be in that competition.

Council Member Marlor said we should be in the top third.

Council Member Zander asked where we are with the police pay.

CM Whatcott said South Salt Lake and Sandy just went \$1.00 more than us with their police pay, but we are in the top 5 in Salt Lake County.

ACM Lewis said Salt Lake City has come out and said they will always be the top payer, so their employees love seeing a city like Sandy jump ahead of them because they know they'll be matched.

CM Whatcott said it all depends on if the culture is right here. Nobody around us has better equipment, we have a good fleet, give people the right tools to do their jobs. We have seven openings in Maintenance, but the current employees have said many people don't realize what a good thing we have here including the support from your administration, the kind of equipment we have, newer facilities. We are a newer city and we have newer stuff, better conditions, but our population base is also better than some of the surrounding areas. When all of that is factored in, the current employees agree it's not worth one to two dollars an hour to leave. If new employees see this and realize how good the environment and culture is here, they aren't going to jump ship for a dollar or two; however, if it's more than a couple dollars difference that starts to look more enticing. If we can change our mindset and think of where we are today, a bigger and larger organization than ever before, and stay in that top five, it's a better spot for us. This mindset has to be citywide though, or we're in trouble.

Council Member Shelton asked if we should then be in the top five of Salt Lake County, across the board.

Mayor Ramsey said when it comes to our size of city in Salt Lake County there is Salt Lake, West Jordan, West Valley, Sandy and us. Millcreek is still smaller than us, Taylorsville is also close but not as big.

CM Whatcott said we lose one here and there to places like Provo, but that instance was only because the employee lived down there. We also lost one up north to Ogden because they moved up there. We can't prevent those situations, but right here where we are, he thinks we are in a good spot.

Council Member Zander asked how we are in relation to our Public Works.

ACM Lewis said we are down towards the bottom fourth probably when it comes to our maintenance workers.

CM Whatcott said in relation to Salt Lake County we are on the lower end, but we are average when compared to similar cities. Overall, we are in the middle but we also use non-Salt Lake County cities in our average like Layton and Orem, since they are similar in size.

Council Member Shelton feels we should be averaging against our neighbors and those that are taking our employees.

CM Whatcott said we just spent \$1.4 million on one department, one time, and we have to fix that because we don't have ongoing revenue for that. We have 500 employees citywide, that means we are now talking about \$4 million or more dollars.

Council Member Marlor said the problem with not compensating the lower level employees is that if we keep losing them we never get any tenured employees, which costs us more down the road.

CM Whatcott mentioned our Parks Department. If you average the salaries there they are probably the lowest because every time they move up they slide over and take a lateral and move across. We can't grow internally, like was mentioned previously, because no one will stay; they get three to four years of experience and then leave because we are so far below the surrounding areas on pay. Parks employees also get tired of mowing the grass, so when there's a maintenance worker in water or the streets they move over, even though all our maintenance workers make the same range of pay across departments. For the first time this year we started adding water districts to our average calculations because they are taking our people, and those districts typically pay more. He's worried about this in our Water Department because everyone will want to migrate to water since it pays more. In some ways it's good for Public Works Director Jason Rasmussen to have everyone on these equal platforms because if he needs to make moves he can do that without costing the city a lot of money, but externally water departments tend to pay a little higher than streets, parks or sanitation workers. Working in the water department is

actually harder and more complicated because there are a lot of certifications required, the water goes to the public and there is more skill required.

ACM Lewis said we have the same challenges in other areas as well. For example, we can't come close to competing with the private sector with IT jobs, and we probably never will. We need to find the right fit candidates who want to be a part of our organization

CM Whatcott said we had an Electrician job open for nine months and the person finally came from Salt Lake City. The right person finally saw the job announcement and didn't feel it was worth commuting out there anymore when they live here. He was willing to take less to come and be closer to home, be away from an environment that he didn't love.

ACM Lewis has had employees from other cities reach out to him and ask what we have available because they want to work here. The problem is, when they find out the jobs available and the pay they are no longer interested because they don't want to take a pay cut. They wanted to come here, but we can't match what they are already making.

Mayor Ramsey said people can't afford to take a pay cut these days and they don't have to, there are jobs everywhere.

Council Member Harris said everyone is having these conversations about losing employees. The companies and cities that don't get this right will lose employees and have a tough time refilling those positions.

CM Whatcott said the cost of turnover is real, the retraining process and downtime. We have seven maintenance workers, four street workers are gone; that means that what those four people were doing isn't getting done. All summer we've had four vacancies, that means twice as long to respond to a pothole complaint; all the ramifications come down to service, we are not providing the same level of service as when we are full. Every new hire has bad habits and other things we need to retrain, which leads to unproductive time that costs more money. He understands employees leaving for a promotion, but when we lose them just because we aren't competitive it's a different story.

Council Member Marlor said we know what the situation is, so how do we deal with it.

CM Whatcott asked if we're going to compare ourselves to the right group.

Council Member Shelton asked if we feel Salt Lake County is the right comparison.

Council Member McGuire and CM Whatcott agreed that we should be comparing to cities in Salt Lake County.

ACM Lewis said we don't lose too many to Davis County. We lose very few to Utah County but that's usually for a real reason, like being closer to family.

Mayor Ramsey said times have changed and Salt Lake County is who we need to compare ourselves against, rather than sister cities like Layton and Orem who might be the same size.

ACM Lewis said we haven't lost anyone to Layton in a long time, but they're a match because they are the same form of government with the same population and demographic; however, they are not our competition.

CM Whatcott said Layton also typically pays less.

ACM Lewis said we want to be in the top five, which is also the top third.

CM Whatcott said we are already there with Police and Fire, and a few other jobs of ours are competitive.

ACM Lewis said our Finance jobs are close to that range already.

Mayor Ramsey said Bluffdale told her again that they are still trying to get our CFO, Sunil Naidu. She has told them to leave him alone, but they are still trying and vocal about it.

Council Member Shelton asked if these compensation changes will end up being \$3 to \$4 million extra per year.

CM Whatcott said he doesn't have the exact amount, but the amount would be in that range. As we prepare our budget we are also left with waiting for what happens with the legislature. We are hoping the taxing structure doesn't modify because that could be dangerous, but if it did, all the cities would be in the same boat.

Council Member Marlor said the legislature doesn't care because if it changes they'll just raise taxes, they just want us to raise them instead.

Mayor Ramsey was presenting a panel to the Bigger Kansas City Chamber who brought about 170 people to Salt Lake for an exchange. There was a member of our House on there and someone in the audience asked a question and went through the taxes that we have in Utah; the audience member commented that for a fairly red state we have a lot of taxes. The representative agreed and said he believes the income tax is too high and that we are looking at dropping it from 4.95% to 4.75% this next session. There would be a decrease in that tax from the state while every city is clamoring to keep their heads above water and she thinks we are going to see all our cities have no choice but to raise property taxes.

CM Whatcott has spoken to his counterparts in the southern parts of Salt Lake County, everyone made that police raise with one time money. Salt Lake did that very strategically, they kept it under wraps and waited until the very end when everyone had passed a budget, and then they popped out their number. No one had time to react in the normal budget process and everyone reacted with one time money. He has heard people are using ARPA, however that isn't what it was for; some used savings and that will have to be made up next year. He thinks everyone bordering us will have to raise taxes for that police raise anyways.

ACM Lewis asked what everyone wants their tax philosophy to be. We did the tax increase back in 2007, we did one in 2017 for the building; we haven't ever really captured incremental change along the way. Do we want to continue to do it in big jumps so this next year we take a big jump and then don't do anything for a while. Do we take a moderate jump and then every year do Truth in Taxation to capture the increase. Do we want to consider implementing fees as neighboring cities have a public safety fee, a monthly parks fee; how do we want to generate those revenues.

Mayor Ramsey said West Valley does a Truth in Taxation every year, Ogden City hasn't had a Truth in Taxation in 20 years and when they did theirs it was steep. Riverton prides themselves on not charging property taxes, but they charge fees. Herriman has a Parks fee, they charge fees along with their property tax. Politically, if it sits well with people they charge fees for everything, but they are still paying the same thing.

Council Member McGuire asked if they just charge fees, do they still have to go through the Truth in Taxation.

CM Whatcott said when Herriman and Riverton moved their Police Departments (PD) over, they were part of the new PD district that had its own separate mill levy, its own taxing authority. When they brought their police over they each created their own Police District that is separate from their General Fund tax. When they raised their fees for police, they raised the mill levy for the district. On your tax notice you would have the district for PD Herriman, its own mill levy, and then a number.

Council Member Marlor asked if that would be like ours where you see Salt Lake County, then public library.

CM Whatcott said yes, just another thing on the city's tax notice. However, as a city, they can say "here's your General Fund tax, it has no PD or Fire in it."

Mayor Ramsey said that way they don't have to raise the General Fund property tax to fund their Public Safety because it's separate.

CM Whatcott said they charge \$25 a month for parks in Herriman.

Mayor Ramsey said its \$21 a month in Highland for their road fees, there are several cities now charging road fees. It's still taxpayers paying the money, but it seems to be more palatable to people when they realize that it is specifically for something like streets or public safety. When the Jordan School District raised their property taxes two years ago they made no secret about it being 100% to pay teachers more because they were losing teachers. Lots of communities are going to fees instead of raising the property taxes in their general fund, they are just separating out the fees. People prefer to see how much they are paying for police, parks, etc., it is separated out and different from the General Fund.

CM Whatcott said when they raised taxes in 2017 the average property tax increase was \$11.85 per year, not a month. From that raise we generated \$500,000 in new funds, that's it.

Council Member Marlor said that is a drop in the bucket compared to what we're talking about with \$3 to \$4 million. To compete with other cities we also have to compete with their fees. We need to decide where we need the money and raise taxes along with any fees that are added, we will be able to say that our fees are in line with everyone else who are charging taxes and fees.

Mayor Ramsey likes the idea of pulling it out separate because it shows people where their money is going, rather than it going into a general fund. It is transparent to show what everyone is paying for each item, like Public Safety.

Council Member McGuire said that's what the Jordan School District had to do to get their loan passed. Their first time it was just a lump sum and everyone wanted to know where the money was going, so they had to itemize.

Council Member Shelton asked if we would have to do a Truth in Taxation to raise the amount for a Public Safety district, but we wouldn't if it's a fee.

CM Whatcott said no, it would show up on everyone's water bill as a fee.

Council Member Zander asked how that is accomplished.

CM Whatcott said the fee would be collected into the general fund.

Council Member Zander asked when Herriman added these fees.

CM Whatcott said the park fee has been there for a while, almost back to when they were incorporated.

ACM Lewis said when Midvale gave up their police and fire, they didn't lower their property tax; they kept it and then implemented new fees for their police and fire. Residents thought they were going to save money, but property taxes stayed the same and now they had new fees.

CM Whatcott said Taylorsville did what Herriman and Riverton have done, they created a district for their police and transferred the same amount the residents were paying to Unified Police Department (UPD) to themselves; they kept it at that level. Those residents didn't see much difference because on the bottom line of the property tax bill it's about the same amount, just instead of going to UPD it said Taylorsville Police District.

ACM Lewis said if the council wants to do this they can start to work on it and bring it back when they go through the budget process. They would go over what it would look like and how they would structure it, how much it would be; however, they need to know if that's the path they want to go down.

Council Member Marlor has mentioned several times, year after year, that it would be easier for residents if we just held a Truth in Taxation hearing every year, even if we are holding the rate the same. We let the residents know where we are and tell them when we aren't raising, and what we're losing because of that.

CM Whatcott said even if we hold the rate flat, there is still an increase for the city.

Council Member Zander agrees with Council Member Marlor, but to go that route they would have to do a ton of educating the public.

Council Member Marlor said he has enough money that a small increase like the last one isn't going to hurt him, but if he's on a fixed income and suddenly taxes are raised and it will be \$100 per year (which is what many cities have done), people on fixed incomes will be hit very hard. It makes more sense to him that we let the public know we have to keep up with this and we can't let it go for 20+ years and then have a huge jump.

Council Member Zander asked if we're better off with a fee or holding our tax rate; either way they are going to pay more.

Council Member Marlor thinks that is a separate topic. He believes we need to segment this thing because it's another way we are competing with our sister cities.

Council Member Zander asked if we are going to do this with small tax increases or a fee based method like Herriman.

ACM Lewis said there are two parts, do we do the property tax in jumps, or are we consistent with it; Council Member Marlor is suggesting to be consistent with it. The second part is do we add fees, we could do a combination.

CM Whatcott said the tax raises would be less if we are raising fees as well.

Council Member Marlor said the salaries will probably have to be raised every year to compete, this is going to be warfare from now on. If we aren't competing we will lose.

Council Member Harris asked how much longer we have until most Baby Boomers retire.

ACM Lewis said we have about seven to eight years left.

CM Whatcott said in his mind, we aren't competing with elected officials in other communities who have tried to disguise the taxation issue by adding fees. We have been really forthright and honest the whole time by showing the mill levy and what people are buying with their taxes. In fact, in the last few years in the Focus articles we've written about this, we keep telling everyone their property taxes don't pay for police and fire. We aren't laying fees underneath to try and distract, we've been really candid, but other cities aren't being that open about it by putting fees in place and then being able to say they didn't raise taxes; they are still charging their residents more money.

Council Member McGuire asked if there is a Truth in Taxation type thing for fees. If not, it makes it more flexible to react to the situation. He doesn't like the idea of fees, but it seems like it is a tool that would allow us to react better.

Mayor Ramsey said there are 18 communities, mostly in Utah County, currently collecting a fee for roads.

CM Whatcott said that fee is being challenged legally.

Mayor Ramsey said it is, she received a very long phone call from another elected official asking if she would try to help the state with legislation to make it okay to charge those fees because those communities are struggling; they don't have the money and their streets need help. Provo has not stopped collecting the fee, even with the pending legislation in other cities.

CM Whatcott said Pleasant Grove has not stopped charging it either.

Mayor Ramsey said communities are using fees to keep their heads above water with different projects. Libertas has sued one of the cities that are collecting fees for transportation.

CM Whatcott said a lot has to do with their methodology and how they are charging the fees. Businesses are being charged a higher rate than residential and they are complaining because that seems unfair. They are challenging that it's arbitrary and not based on any science or facts.

Council Member Shelton said if a legislator does anything they will come down on fees because they'll recognize it's a tax.

Council Member Marlor said we should talk about districts and maybe do one or two to begin with. He thinks those should be Parks and Public Safety.

Council Member Harris is nervous on doing fees, he really appreciates transparency and doesn't want to disguise anything. If the legislature does start to crack down on fees, as a city we are so much better off if we can say we never participated in that game when all the other cities did. He would rather be able to say we never went down that road because people are going to have to answer for doing that. If we think the districts make sense in there, then that's the best option in his opinion.

Mayor Ramsey would only be comfortable doing the districts.

CM Whatcott said if they were truly transparent about it, whatever fee they collected through the district would be taken out of the general fund. They would set the mill levy for Parks, it is no longer general, it is its own fee and it stands on its own as the district. The General Fund then should go down but it can't because we've been too conservative.

Council Member Marlor still thinks there should be an annual Truth in Taxation for each district; you start with one, dismiss that one and move into the next district as a board and talk about each

one and whether or not they need to be raised. Once you set that precedence, the first year will be rough, but everyone will see how it's done. Previous councils didn't want to raise taxes for all the water issues, finally we had to raise taxes and the only way that was done was by having a council that was willing to stand up and get it done.

Council Member Harris said that on the flip side, if this happens every year there will be people who choose to run for the council on the platform of lower city taxes and it's going to take it to an extreme with a reseating of the council members and possibly reversing the whole trend that we are looking at of a steady and moderate pace. He's not worried about his seat, but looking at long term needs of the city it has to be done in a way that residents see it as moderate.

Council Member Marlor is interested in his point, but if we don't raise taxes we lose all the good employees and then we have lower municipal service level; pretty soon the residents get upset and throw us out.

Council Member Harris said every year we go through the process to evaluate the financial needs of the city. To go in there and say what we are going to do year after year when there is an election cycle every two years doesn't make sense when it can change at any point. He thinks we should explain what we are doing this year since so many things can change when elected officials change. Forty years ago we would have never thought the situation would look like it does today, things shift and need to be re-evaluated every year. If down the road things continue to go the way they are going we may have to do another Truth in Taxation the following year. He doesn't want to decide now that they are going to have one every year.

Council Member Marlor said other cities are already doing this, and he believes we will see that is going to be a trend in the future because it's easier to show the public where we are every year with our finances. How many people are coming to our budget meetings right now, when we approved the final budget there was no one who came to comment.

Council Member Harris said he just can't forecast what the new tax rates are going to look like, he just wants to take it year by year and realize that if the trend continues we'll have to do it the next year.

Council Member Marlor said the last time taxes were raised, had it not been for one individual, they would have had next to no one. That same individual might do the same thing if they raise them again, even if it's just another small amount. In 2007 there was next to no one at the hearing.

CM Whatcott said we can't do what we have been doing, not ever raising taxes for years and years, as it catches up to you. Our taxation laws are set up with the intention of us raising taxes, and you can't run a static rate. We ran on growth because of new businesses and our sale tax base grew, we took advantage of that. For many years we didn't have to rely on property tax because of sales tax growth, new money coming in that was reliable. We have leveled off on that now, retail has changed, so we aren't going to see the big box stores anymore, it is a different retail market today. Relying on sales tax isn't sustainable for the future as a good tax plan.

Mayor Ramsey said the legislature plans to take that away from us this year anyways.

CM Whatcott said when the economy has a disruption in it, one of the first things that drops is sales tax. Our sale tax revenues are strong but the property tax revenue is not, which make things unbalanced. We need to better balance the way we are collecting, whether that's fees or checking tax policy every year and understanding where you are with each type of tax. Riverton is opening a Costco next year and that's going to hit us. Our number one grocery store was the District, since the Harmon's in Riverton opened that has dropped significantly.

Mayor Ramsey said the Harmon's in Riverton is now the number one franchise in the country.

Council Member Zander said she believes the Smith's in Daybreak is the highest producing Smith's in the state.

Council Member McGuire said that they need to decide if the council wants to set a Public Safety district.

Council Member Zander asked what that would entail.

CM Whatcott said the city boundary would be the district. In that district they would look at the police costs and set a mill levy to generate revenue based on what you need to run that department.

Council Member Shelton asked if that would include everything, not just salaries.

Council Member Zander asked what districts we currently have.

CM Whatcott said we don't currently have any districts in our city. Everything is collected by one property tax currently.

ACM Lewis said they can go back now and figure that out, show them what it would look like and prepare it for an upcoming budget work session.

Council Member Harris said if we do Truth in Taxation we set up two different districts, one for Public Safety and one for something else; the thought is that taxpayers like to know specifics of where their dollars go when they are paying more money, like the School District proved. The finances are the same, but people like to know where their money is going rather than just more money going to a General Fund.

ACM Lewis said it's more transparent when it's broken down.

Council Member Zander said this sounds like fees.

Council Member Harris said the difference is that you have to have a Truth in Taxation hearing, it's just a different line item on your property tax bill.

Council Member Zander asked to clarify that if it's a district we do Truth in Taxation, but if it's a fee we don't; either way we're showing specifically where it's going. She'd like to know what the strengths and weaknesses are of a fee over a district.

Council Member Marlor said that if you had two districts and then the general fund, this is an opportunity to segment and explain to the public that we had to bump up our public safety people; that raise cost us \$1.5 million and we feel like we need to be transparent and show everyone what it's costing us in the city for Public Safety. We would do the same thing for Parks and say we just inherited a large amount of acres in Daybreak and we need to be able to fund those parks. This allows us to show what we need and raise the mill levies on all three segments. That would give us an opportunity to fully disclose what this all costs to run.

Council Member Zander asked if we do these districts and one collects \$500,000 (just for ease of numbers) and the other one collects another \$500,000, that's \$1 million additional funds. Our General Fund still collects the same amount so we really have increased our budget by \$1 million. We haven't lowered the General Fund because we're still collecting the same amount.

CM Whatcott said the taxpayers are still paying the \$1 million, it's just going to different "buckets."

ACM Lewis said now they can know exactly what portion of their taxes goes to each section of the city, whether it's Public Works or Public Safety.

Council Member Zander said she doesn't see the difference, other than having to do Truth in Taxation, between creating a district and just adding a specific fee.

Council Member Marlor said the big difference is that when we talk about our property tax it will compare better with some of the sister cities who are allocating differently than we are. He predicts it will look like our property tax has gone down, even though we segmented and raised more money in another way. Whether it's through a district or fees he feels it is more transparent.

CM Whatcott likes the taxing districts because they hold elected officials accountable for where the money goes. A fee can be adjusted at any point, in any way; a tax has to go through a special process that requires notice and all that, which makes it more transparent.

Council Member Zander said either way we are accomplishing the same things, it's just a matter of which tool we want to use to do it. The district is more cumbersome, requires more public input, more exposure, but the end result is still the budget increase.

Council Member Harris likes the district idea and says if you're going to do it you should own it and defend it. That's their responsibility as council members, versus trying to find a way around it to keep it quiet.

Council Member Marlor said when you call it a fee you can do whatever you want with it, he doesn't like that and many other attendees agreed.

Mayor Ramsey said when she's asked what the hardest part about being mayor is, her answer has always been not just the responsibility to levy a tax, but the obligation to do so. Raising taxes is the hardest thing there is. She doesn't want to do it, she doesn't like what it currently costs in taxes; however, she agrees that people need to know. People love living here and she doesn't want people to think that a change in their quality of life is because of our growth. We aren't losing employees because we're growing, we're losing employees because we aren't charging enough money in taxes to pay to keep everything taken care of. To do it, she likes the idea of pulling it out itemized, the idea of people being able to see what it will cost for Public Safety and that the money can actually cover Public Safety; that has never been an option. It's going to be brutal, she's not excited about doing it but we need to own it and people need to know. If we stand up to defend the reality of it and if people want to fight it, ask them what they want us to get rid of; how many officers would they like us to get rid of, how long they want to wait if they have to call 911. She is a fan of the districts with transparency, because she likes to be able to see how much we are paying for each individual item, especially Public Safety.

CM Whatcott said this way when our officers need a raise, we aren't going through the General Fund, we're going to the Police District and it's its own entity.

ACM Lewis said right now we sacrifice somewhere else for those raises.

Council Member Zander asked to clarify, if we did a Police District and three years from now we say we need more, would we go back into a Truth in Taxation and raise it incrementally. How is a district established, is it based on your home's value.

CM Whatcott said yes, but you're just raising it for the police. The mill levy is based on the value of your home and property taxes, you will pay a certain amount of mills worth a certain amount of dollars.

ACM Lewis said for instance, if we need \$1 million to run our Public Safety, they will look at what they need to charge everyone, based on all the property values, to generate that much money.

Council Member Zander asked if that then is more equitable than a fee. A fee is the same for everyone in the city, however with a district someone with a \$1 million home will pay more than someone whose home is valued at \$200,000.

Council Member Marlor said that with a fee, it doesn't mean that money is actually going to the department that it is specified for.

ACM Lewis said a fee just goes into the big pot of money and can be used for whatever they see fit from the General Fund.

Council Member Harris said he sees a conflict down the road with fees, he doesn't want to get tangled up with all that. He wants to be able to have our residents know and say that South Jordan didn't get tangled up in that mess that so many other cities have.

CM Whatcott said we do have to be careful. In Herriman, for instance, if you read their literature it says their taxes are “X, Y and Z.” If you just isolate the city and show their tax rate, it looks lower. However, when you add their other taxing entities on there they are number two in the valley; they are the highest behind Salt Lake City in actual property tax costs. He likes our attitude we’ve always had, being transparent and up front with everything, showing everyone what their taxes are and what they’re buying.

Council Member Harris wants to be able to tell the story. If he is going to vote yes for it, he wants to be able to sit in front of the residents and say he didn’t want to raise taxes, but this is the reality and this is what it costs right now. He wants to be able to explain his story.

Council Member Marlor wants to say he doesn’t want to raise taxes, but he wants to keep these employees; these employees do a better job than if we lose them and have to keep hiring.

Mayor Ramsey said it costs more in taxes to keep rehiring people who aren’t as good.

ACM Lewis moved on to the next topic of discussion that has been briefly discussed recently, how green do we want to be? How much do we want to embrace an electric fleet? How aggressive do we want to be in regards to water conservation? Water conservation will be a big deal next year in how we develop the code that goes with that. How will we fund projects; when we build our next rounds of facilities does the council want them planning for the LEEDS Certification or not? We talked about all this a few weeks ago, but we need to know what the council’s philosophy is going to be when it comes to being green.

CM Whatcott said we know being green costs money. There is a social responsibility for it, but how much can we handle at one time. We need to look at hybrid fleet cars and all that, but the critical piece that we are looking for is hiring people. Do we want to go green and hire new people; that’s a huge jump. He understands the social aspects of being green, and there are ways we can do it; however, jumping into fleet or buildings to go green is a big number.

Council Member Harris said when he thinks of green he wonders what the difference is between an F-150 and Ford Explorer Hybrid. When the car is stopped and running its engine it’s running on the battery instead of the engine, but what is the cost difference between those two vehicles. He doesn’t think it makes sense to go full electric, but are there certain scenarios where you’re close to breaking even and we can start getting a little green in there. If the costs aren’t close to breaking even, if in fact the data shows it’s a lot cheaper to have the Ford F-150 than the Explorer, then he thinks we say we don’t have the extra money to do this because we’re already raising taxes as it is.

CM Whatcott said if they’re okay with the data, then he’s okay with that. We have looked at this a number of times and the data doesn’t show it yet, but it eventually will. Right now is not the time to jump in with both feet. There are ways to inch our way into it, like our fleet pool cars. It doesn’t matter if you get into a Nissan Leaf or a Toyota Corolla to go to a meeting in Salt Lake. The issue is that our police cars take so much abuse.

ACM Lewis said we aren't set up for an all-electric police car. When we send an officer home at night, he doesn't have the infrastructure to charge at home. We have to invest in the infrastructure on the other end to charge that car so he's ready for duty the next day. What happens if that officer moves six months later to a new apartment? We have to be vigilant about what is happening in that world, adopt what makes sense when we can, but be smart about it.

Council Member Harris said we shouldn't do anything extreme. If we see an opportunity, if we can do it and it works out with economics that make sense, he thinks we should do it.

CM Whatcott mentioned what we did on the last building we built. The roof was structured to handle solar with the conduit included, so if solar is added at a later date it's ready to go; we didn't go to the full scale of a LEEDS Certified building which probably saved a ton.

Mayor Ramsey said when asked if her priority is personnel or going green, it's not even a question. As important as the environment is, personnel is the priority. She doesn't think we should even touch any additional water conservation policies until after the legislative session. One thing she is proud of, and mentioned it in the Governor's Kitchen Cabinet meeting this morning, is that some cities are working very hard on water conservation and have been for a long time. There are so many bills that have been opened, but she is not afraid of any of them because we are already doing those things. She doesn't think any of those things will hurt us as much as they will hurt other cities, but there is so much coming out of this session that she doesn't feel it's worth trying to touch water conservation policy until after the session.

Council Member Harris said if we could find one or two little things that don't cost the city much that we can do to say we are heading in the right direction, he would be for that.

Council Member Marlor agrees with Council Member Harris. If we have fleet cars we need to replace, and we know that they are cars destined for long distances, we will save a lot switching.

ACM Lewis mentioned that even our cars that are going back and forth with things like the bank and post office would be worth switching if they're up for replacement.

Council Member Marlor mentioned this would be a great option for Business Inspector vehicles as well.

Mayor Ramsey said she doesn't feel we can afford to be aggressive at this point in time.

CM Whatcott mentioned the park strip issue. He put out an Executive Order earlier this week saying we are staying our park strip ordinance for now, he will bring the council back at a later date for further discussion. He can't have KSL coming out and doing a story that someone took out their park strip, they didn't follow the complete rules and put stamped concrete down, and we're out there making them tear it out in a drought when they should have had trees in it.

Mayor Ramsey said she did get the chance on Saturday to tell the governor that the above mentioned news story has been bothering her for months, that it has been frustrating because it was inaccurate. The governor said he doesn't think he even heard the story, but he knows we

aren't doing that. We were one of the first cities to adopt new rules, we used to require grass but we changed that early on.

CM Whatcott said we may have gotten it wrong when we intended for greens and trees, but it's so complicated to enforce that we're spending all this extra time trying to enforce something that we lost control of years ago.

Council Member Marlor doesn't believe trees are right for park strips. If you want good optics, he talked his entire cul-de-sac into completely taking out their park strip and using the city to put in rocks, along with a few drought resistant shrubberies. They will be in compliance, but he's saying let's get some news coverage and use examples like this to show what happens if residents work together. In his case they have one person with a small excavator that can take out all the grass, and it won't take that long and is a lot cheaper if a few people chip in, four houses in his case. It would be a great way to get better optics on the situation.

CM Whatcott said there is a new rule coming that will be discussed more in another meeting, but he wanted to share the info and that they aren't enforcing it right now.

Council Member Shelton said he had a guy call him up and say he just flipped his strip the day before, finished it, got a code compliance letter the day of the call because he didn't put any green in it; it was all rocks. He invited Council Member Shelton to come and look at it. He went down to look at it, the resident was really proud of it. He pointed out the neighbor across the street that was all rocks, another neighbor with concrete, another with concrete and urns. How does he tell the guy he has to put his plumbing back?

Council Member Marlor said on 2200 West all he sees is stamped concrete and rocks, the entire stretch in front of his neighborhood.

ACM Lewis said this is one of the biggest controversies they have right now, and they'll have another night where they discuss it in more detail.

CM Whatcott said if they get calls, know they are staying the order until they get it figured out. If they need to send on a call, they can send it to him.

ACM Lewis said that as they are putting together the projects in the budget they will follow the Capital Improvement Project (CIP) book that they've put together so they know what's next. He asked if there were specific projects anyone felt strongly about, anything that needed extra prioritization.

Mayor Ramsey said she'd love to rebid the splash park at some point.

CM Whatcott said they are planning on that and will let everyone know what it comes back at. He is fearful that it will still be higher than desired.

ACM Lewis said they will just continue to add the next year's projects as it moves on and keep the current year projects at the front that were not completed.

Council Member Marlor said that part of the problem is, if we don't raise taxes, we might as well cut all the programs off since we won't be able to afford any of the extra projects.

CM Whatcott said they would be coming back asking what they can cut. They would have to discuss options like closing the Gale Center if they don't raise taxes.

Council Member Shelton pointed towards paving more trails that has been consistently highlighted in community surveys.

Council Member Marlor mentioned getting possible grants for trails.

Mayor Ramsey said WFRC has been working on grants for that specifically.

CM Whatcott said we have been successful in getting those grants, they are just smaller amounts at a time. He is trying to work on the senior center project and has been communicating with Chris Gamvroulas. Mr. Gamvroulas knows what we want and Mr. Whatcott asked him to get us a few renderings before this moves too far down the road to bring back to the council and see if they are willing to go with what Ivory Homes is planning. We may not be happy with what they are planning and have to figure out another plan, but we are trying to leverage what we can with what we can get. They need to think about long term strategies in regards to the Community Center, are they going to remodel it at some point? Station 61 was built in 1995, it's starting to get to a point where they need to make decisions about the building. We still have Station 65 to build in West Daybreak that needs to be put on a plan. A Public Works Facility is needed on the west side, it won't have a lot of office space as it will be more of truck and salt storage, yard space; the idea of that is not having all the time of driving back and forth through the community, especially with snow plowing as that group can stay on that side of town and not lose time going back and forth. It doesn't make sense to send a truck all the way out to U-111, only to come all the way back to Redwood Road to get salt.

Council Member Zander said it would be nice to not be paying admin and staff to sit out there either, use the combo building and put them in there.

CM Whatcott said most of the future Public Works Building would be a fenced parking lot with some sheds.

Council Member Zander said, when asked about what's important, it goes back to what Council Member Shelton mentioned and the Y2 surveys that showed priorities being trails and parks. She is proud of their hard work to get the cemetery expansion done, also that Mulligans is looking so good after their hard work on that. Our residents want to get outside, recreation is a big thing; she doesn't know what that looks like but she is happy with what we have done in the areas above. She doesn't believe that all the amenities we are spending money on are being used, and there might be some that are aging that people aren't using. She'd like to see us evaluate where our population is and isn't spending their time, and put an investment in to where they are spending their time; we don't need to put budget money into places people aren't using.

ACM Lewis said we are doing a lot of that through our priority based budgeting, looking at those numbers, staff time and money involved; we are identifying the programs that aren't really cost effective and having a widespread benefit, those programs can be eliminated to make room for the ones that are being used.

Council Member Zander gave the example of our Arts Committee, it's different than it was five years ago; they are more robust, accomplishing things like the play this week which is fantastic. On the other hand, are people visiting the Gale Center; people aren't visiting the Gale Center as numbers are down.

CM Whatcott said we also have to look at the fact that we have no venues of any sort, no outdoor venue for concerts and no amphitheater.

Council Member Zander said the Community Center just isn't designed right.

CM Whatcott said it has no backstage, it's not adequate for even a small play. It needs to be remodeled and have some money put into it; what would have been a million dollar project five years ago is now a \$5 million dollar project. These discussions will be brought back up, but he wants everyone to be thinking about them because we are behind the curve on some of these amenities. We have done some good things with sports, for our youth sports especially. We have added some trails and we want to add more, but the easy ones have been done. The hard ones are all now property issues. A lot of the old subdivision plats take the center line of those back lots to the center of the canal, so the road is an easement on top of someone's property and now we want to go in and publicly own that space which requires an easement fee if we can, or to buy it outright. Most people want you to pay them for it. Welby was easy to do with no property issues, however the rest like South Jordan Canal and Welby Jacob all have issues with property acquisition. From previous experience on 1055 West we have realized that by adding curb, gutter and sidewalk we've added value to someone's home; the discussions they went through and the amount of money paid for right-of-way over there was off the chart as these are old residents with property lines to the center of the road and it's a lot of money. There has been talk of remodeling the Community Center for probably 10 years. It still has not been done and it hasn't been made a priority, now the cost has gone way up. We do have savings from the CARES Act money, about \$4 million, that is sitting there.

Mayor Ramsey asked if that money can go towards the splash pad.

CM Whatcott said it could, but we already have \$2.7 million set aside specifically for that project. The value keeps coming in higher and they haven't done the project yet.

Council Member Zander mentioned Riverton's theater, it's an older building and they pull of the best plays.

Council Member Marlor asked if they could get a list of those big projects, then they could look at them and share their top five and know what everyone else wants during discussion.

ACM Lewis said the list will be provided in advance of the meeting, but they wanted to know if there was anything specific the council wanted pulled out to discuss ahead of time.

Mayor Ramsey is looking forward to the opportunities with the Miller Group in Daybreak. There are some good opportunities in store still for the city there and they are being explored and talked about soon; some potential opportunities there that could also be beneficial for some of the things we need here in the city too.

Council Member McGuire asked if there are things that we mentioned in our general plan that we should be trying to chip away at, things we said were priorities there we can be working on.

Council Member Marlor discussed lighting, the sidewalks that we got grants for, etc. We chipped away at that over the years, he'd like to see us get more grants for those kinds of opportunities.

CM Whatcott said we got federal money and grants for 2700 West, in front of the Wheadons; that project will be done in the spring. The last one we have no funding for right now is on 1000 West, it doesn't have sidewalks on either side of the street. That is one we are working on this legislative session to see if we can get some money.

Council Member Marlor thinks we have made some real headway in Parks and Recreation, look at the additional acreage we are getting. Now we just have to figure out how to build it out.

CM Whatcott said some of the plans for that will be in the meeting in November.

ACM Lewis asked if there is anything else major that the council wants the city staff to work in to the budget and budget meetings.

Council Member Shelton said he is worried about our police officers and mental health calls. He doesn't know if there is better training, a psychologist that coaches them through a crisis or could be with them. We have officers trained to fight the bad guys, but now they're trying to deal with irrational people who aren't necessarily bad people but are irrational at the moment.

CM Whatcott said he believes as part of the overall escalation training, mental health and Autism are being handled and included in on their regular training routines. He would be more concerned about our own employees' mental health. He thinks at least four agencies have hired mental health professionals to work inside their police departments, and it may be something we want to talk about during the budget session. Police Chief Jeff Carr has asked him about it a few times, last year he wanted to put one in the budget and it was held out, but he will probably bring it back. We can also do a contract where someone is on-call as needed.

Council Member Marlor said if they're going to be on call they should be trained like an officer, that way they can help in the practical officer sense, but they're also qualified and when we know it's a mental health crisis we have a specialist.

CM Whatcott said there is now something available where a team is trained internally, called a Peer Support Team, and those people are trained through a special program and often use

professionals to help guide them. If there is a crisis issue they invoke the team, they come out and work to debrief the officer in crisis mode. This would help with the after care, to help the officers after a crisis situation.

Council Member Shelton said he believes the majority of the calls currently are mental health issues.

CM Whatcott said the number one call they are getting right now is domestic violence.

Council Member Marlor said things like drugs are now a contributing factor where normally those people would just be an average resident. He's not running in two years, and if anyone has a right to say they aren't going to raise taxes and be involved in that at all, it could be him. However, he has everyone's backs and he thinks this is the time and we have the group that can make this work.

CM Whatcott said there will be a Compensation Committee meeting in another week, then the first or second week of November they will start their budget process. January is when they really start getting into things and making plans.

Mayor Ramsey thanked everyone for being here, it's not easy. She appreciates the chance to serve with people who are committed to doing the right thing.

E. Summarize Next Steps: Fiscal Year 2022-23 Strategic Planning and Budget.

ADJOURNMENT

Council Member Harris made a motion to adjourn. Council Member McGuire seconded the motion. The vote was unanimous in favor.

The October 12, 2021 City Council strategic planning meeting adjourned at 8:04 p.m.

This is a true and correct copy of the October 12, 2021 City Council Strategic Planning Meeting Minutes, which were approved on November 16, 2021.

Anna Crookston

South Jordan City Recorder