KAYSVILLE CITY COUNCIL
WORK SESSION
April 11, 2025

Minutes of a special Kaysville City Council work session held on Friday, April 11, 2025, at 8:06 a.m. in Kaysville City Hall at 23 East Center Street, Kaysville, UT.

Council Members present: Mayor Tamara Tran, Council Member John Swan Adams, Council Member Mike Blackham, Council Member Abbigayle Hunt, Council Member Nate Jackson, Council Member Perry Oaks

Staff Present: City Manager Jaysen Christensen, City Attorney Nic Mills, Finance Director Dean Storey, Power Director Brian Johnson, Parks and Recreation Director Cole Stephens, Public Works Director Josh Belnap, Community Development Director Melinda Greenwood, Fire Chief Paul Erickson, Police Chief Sol Oberg, Deputy Finance Director Maryn Nelson, Paralegal Chelsie Fromeyer

OPENING

Mayor Tran opened the work session and welcomed everyone present.

REVIEW AND DISCUSSION OF THE TENTATIVE FY 2026 BUDGET

City Manager Jaysen Christensen opened the budget work session by thanking Finance Director Dean Storey and Assistant Finance Director Maryn Nelson for their extensive efforts in preparing the proposed budget. He explained that today's meeting was a continuation of Fiscal Year 2026 budget discussions and noted that the next work session—focused on enterprise funds—was scheduled for April 25. Mr. Christensen also reviewed the overall budget timeline, stating that the tentative budget would be adopted at the second City Council meeting in May, followed by a public hearing at the first meeting in June. If the Truth in Taxation process were pursued, the final budget adoption would occur in August.

Referencing the city's mission statement, Mr. Christensen emphasized the importance of balancing both present and future needs while minimizing the financial burden on residents. He highlighted three primary areas of budget consideration: operations, employee compensation, and capital needs. He then outlined the current budget gap and the proposed approach to address it. The city began the FY 2026 budget process with a projected General Fund shortfall of approximately $3.8 million. To close the gap, staff proposed a combination of three strategies: a $1.4 million property tax increase through Truth in Taxation (equivalent to approximately a 26% increase), the deferral of various expenditures, and the use of $919,000 from the city's fund balance. Mr. Christensen noted that the deferred expenditures included previously requested staff positions and departmental needs—many of which had already been delayed for multiple years. Originally, four new positions were requested for this budget cycle, but that number was later reduced to just one.

Mr. Christensen clarified that the city's fund balance is intended to support one-time expenses rather than ongoing operational costs. He identified several items proposed for funding from reserves in FY 2026, including public works vehicles, a Parks and Recreation truck, a pole camera for the police department, a restroom locking system for city parks, Barnes Tower concrete and bleacher upgrades, and Phase 1 of the cremation garden in the cemetery. He also noted that the city is projecting relatively flat revenues this year, with a modest $212,000 increase in sales tax and significant declines in areas such as building permits, making the current budget cycle particularly challenging.

He added that if the proposed Truth in Taxation measure is implemented, Kaysville's property tax rate would rise from 13th to 9th among the 15 cities in Davis County—assuming no other cities raise their rates. The estimated monthly increase for the average Kaysville household (valued at $650,000) would be just under $12. When combined with proposed water and electric rate increases, along with pass-through cost increases in sanitation and sewer services from external providers, the total estimated monthly increase for the average household would be $20.59.

Council Member Adams inquired about a breakdown of the specific expenditures contributing to the proposed $1.4 million tax increase. Maryn Nelson responded that a full list of departmental expenditures and deferrals was included in the presentation. Council Member Blackham followed up by asking for clarification on the $3.8 million figure. Ms. Nelson explained that the amount reflected the initial department requests before staff collaborated to reduce expenses, defer projects, and propose a combination of fund balance use and tax increases to close the remaining gap.

The session then continued with a deeper dive into departmental budgets, beginning with the Administration department.

Assistant Finance Director Maryn Nelson reviewed the Administration budget, explaining that each department's presentation would include capital and operating expenditures, along with deferred requests. She first highlighted several capital requests proposed for funding through the city's fund balance: a PolarTech AC testing machine for the Fleet Department, a shared Public Works truck purchase, and a new Parks and Recreation service truck. These expenditures were identified as one-time purchases appropriate for fund balance use.

For operating expenses, Ms. Nelson detailed several key increases within the Administration budget. One was the continuation of a lobbyist contract, partially offset by a cost-share agreement with Symphony Homes. Three IT-related requests were also included: a $5,000 website update carried over from the previous year, a $15,000 file storage and management system to address growing legal and police department data needs, and $15,000 in additional IT support to accommodate increased computer equipment and user demand. Ms. Nelson also noted the estimated election costs for the year, which are required in this cycle and have been budgeted accordingly.

Two requests in this department were deferred: a new fleet service truck and Arctic Wolf, a cybersecurity protection tool. While the latter would enhance the city's network security, the state is still evaluating a potential free option. If that becomes available, the city could opt in at a later time.

Council Member Oaks inquired whether the city could reduce election costs by avoiding a primary election but was informed by Finance Director Dean Storey that a primary is required if a threshold number of candidates file. Mayor Tran noted that the only exception would be if the city adopted ranked-choice voting, which Council Member Oaks dismissed as an undesirable option.

Ms. Nelson then briefly reviewed two additional funds. She stated that $1.4 million in American Rescue Plan Act (ARPA) funds were designated for a water project scheduled in FY 2026. In the Municipal Building Authority (MBA) Fund, the city continues to pay off bonds for the police station and city hall. She confirmed that debt service for Pioneer Park had been retired, and that the Fire Department's fire truck debt is now handled under a separate debt service line. A new ambulance and other equipment, such as a lawnmower, were included in the upcoming debt service obligations for FY 2026.

City Attorney Nic Mills presented the sole full-time position being requested citywide in the current budget: an Assistant City Attorney. He explained that the city's legal caseload has grown substantially and now includes approximately 3,500 prosecution cases annually, nearly double the average handled by cities with only one attorney. He noted that most comparable cities either have two attorneys in-house or contract out prosecution services. Mr. Mills stated that the proposed position would provide critical redundancy, improve responsiveness, and enable the city to maintain a consistent legal presence at Planning Commission meetings, which he described as essential due to frequent and complex land use matters. He added that the position would allow the city to prosecute Class A misdemeanors internally—cases such as stalking and protective order violations—which currently receive limited attention when handled by the county due to prioritization of higher-level felonies.

Council Member Blackham questioned whether a contracted prosecutor might save costs and avoid benefit obligations. Mr. Mills responded that while contracted services may appear more cost-effective at face value, they do not provide the same level of service. He emphasized the value of ownership, continuity, and proactive issue resolution that come with in-house legal support. When Council Member Blackham asked whether the estimated cost included benefits, Ms. Nelson clarified that the figure presented was a net cost after eliminating the current part-time legal clerk position. The gross cost, including benefits, was approximately $170,000 annually. When asked whether a future paralegal or additional staff would be necessary, Mr. Mills responded no, noting that many cities operate effectively with just two attorneys and a single support staff member.

In further discussion, several staff and council members expressed support for the new position, citing increased demand, delayed responses, and missed opportunities for in-house legal resolution. Public Works Director Josh Belnap emphasized the efficiency and value of immediate legal access during negotiations and project management. Fire Chief Paul Erickson noted the city had already saved money by eliminating a $20,000 Lexipol policy service, relying instead on Mr. Mills' support. Community Development Director Melinda Greenwood explained that her department frequently requires legal input on development agreements, code enforcement, and business licensing—but cannot always get timely help due to limited staffing.

Council Member Hunt raised the idea of using a contractor to offload lower-priority tasks while retaining Mr. Mills as the primary contact. Mr. Mills responded that doing so would likely eliminate any cost savings due to the need for multiple contracts and would still lack the responsiveness and commitment of an in-house hire. Mayor Tran and Council Members Adams and Jackson echoed support for the position, referencing previous budget discussions on the same issue. Council Member Jackson asked for a real-world example of the value of in-house counsel, and Mr. Mills described a recent case in which a damaged vehicle claim was quickly resolved before escalating into formal litigation—an outcome that would be difficult under a contract model.

Multiple department heads noted that ready access to legal counsel helps prevent larger issues from developing and that personnel across departments frequently seek informal guidance from Mr. Mills—support that would likely be unavailable under a contract model. Police Chief Sol Oberg and other public safety representatives also raised concerns about the lack of responsiveness from contract prosecutors who often work other full-time jobs.

Council Member Oaks expressed appreciation to staff for prioritizing this position above other deferred requests, emphasizing that Kaysville residents expect a certain level of service that cannot currently be met under existing conditions. Council Member Hunt reiterated general support for the hire and sought clarification on potential contract-based alternatives—specifically, whether Mr. Mills could remain the primary contact while contracting out the assistant attorney work that is currently taking his time. Mr. Mills responded that such an arrangement would likely require two separate contracts: one for a prosecutor and another for support at Planning Commission meetings and other city support. He concluded that this approach would result in higher costs without providing the same value as an in-house hire.

Community Development Director Melinda Greenwood presented her department's budget requests, clarifying that she was not seeking any new staff positions beyond the previously discussed Assistant City Attorney. She reiterated a \$200,000 request from the previous year to fund a comprehensive update of the city’s land use code, describing the existing code as outdated and lacking definitions, which makes interpreting and applying zoning regulations difficult. Ms. Greenwood emphasized that although her department was functioning better than in past years, its daily workload—including application processing, code enforcement, and counter assistance—left little capacity for a full code overhaul without external assistance. She explained that while minor code updates could be made incrementally, a comprehensive update would be a major undertaking likely to span a full year and would require engagement with a consultant to ensure technical accuracy, legal compliance, and community involvement through Planning Commission and City Council review processes.

Ms. Greenwood also noted that she had requested a \$18,000 business license fee analysis to determine whether the city’s current fee structure sufficiently recovers associated costs, but the request was deferred in favor of conducting the study internally. She explained that business licensing involves staff time across multiple departments, including fire inspections, software systems, and administrative reviews. She believed the fees were significantly underpriced and said better data would allow the Council to decide whether to increase fees or continue subsidizing them through the General Fund. Ms. Greenwood suggested the analysis would pay for itself over time through more appropriate cost recovery and noted that fees for some services, such as fire inspections, were likely too low. Chief Erickson confirmed this concern. Ms. Greenwood expressed optimism that the fee analysis would be completed internally over the next few months by Finance Director Dean Storey and his department.

Additionally, Ms. Greenwood reported that the department had received a \$15,000 grant from the Division of Water Quality to help cover a required General Plan update related to water resources.

However, she anticipated that the total cost of this effort could exceed the grant amount due to the need for water modeling and coordination with outside agencies such as Weber Basin Water. The grant is reimbursement-based, meaning the city must initially cover costs before receiving repayment.

Mayor Tran asked whether the proposed Assistant City Attorney could specialize in land use law and contribute to the code update, or whether Planning Commissioner Wilf Sommerkorn—who had already reviewed city code in a volunteer capacity—could be contracted to complete the update at a lower cost. Ms. Greenwood and Mr. Mills responded that while in-house legal staff could assist, the scope and technical complexity of a full code rewrite were better suited to experienced outside consultants who specialize in harmonizing land use codes across municipalities. Mr. Mills added that such consultants possess deep familiarity with statutory requirements and evolving practices across Utah cities. Ms. Greenwood noted that hiring Commissioner Sommerkorn as a consultant could create a conflict of interest with his Planning Commission role, likely requiring his resignation from that position.

Mayor Tran and Council Member Jackson expressed general reluctance toward high-cost studies, with the Mayor asking whether portions of the work could be scaled down or phased in to reduce costs. Ms. Greenwood reiterated that piecemeal revisions—such as updating only the sign code—could still be costly and that a comprehensive approach would be more effective. She explained that the process would include ongoing collaboration between staff, the consultant, and the Planning Commission, with Council input welcomed for key areas and final approval. Council Member Jackson requested clarification on how interactive the code update process would be and was assured by Ms. Greenwood that the outcome would be tailored to Kaysville through back-and-forth drafting, review, and incorporation of city-specific policies. Mr. Mills emphasized that the high cost reflected the extensive work required to customize code language while ensuring alignment with state law and best practices.

Turning back to business license fees, Council Member Jackson discussed the potential to quickly recoup costs by raising fees to better reflect actual service expenses. Ms. Greenwood emphasized her desire to bring accurate financial data to the Council to support an informed policy decision. Even doubling the current average fee—from about $65 to $120—would, she believed, be a reasonable and justifiable adjustment. Chief Erickson added that he had submitted a comparative fee schedule based on data from nearby cities such as Layton, Syracuse, and Farmington. Mr. Storey confirmed that the Finance Department plans to complete the business license fee study internally within the next three months, once a new finance staff member is in place. Council Members Hunt and Jackson expressed support for removing the analysis from the deferred list and prioritizing its completion, viewing it as an important step in closing revenue gaps and reducing taxpayer subsidies.

Police Chief Sol Oberg presented the proposed Police Department budget, noting that personnel costs had increased by approximately $300,000. He clarified that most of the department's expenses are fixed and not easily adjustable, with significant cost increases driven by technology needs, particularly software. The largest budgetary increases were attributed to software subscriptions, which are critical to daily law enforcement operations.

Chief Oberg identified specific operational increases, including the rising costs of ammunition and Taser replacements, both essential for maintaining readiness and officer safety. A one-time cost of

$7,000 was included for an alternative to polygraph testing called Converus, as polygraph testing is becoming increasingly unavailable due to a decline in qualified professionals. Additionally, the department requested a $5,000 allocation for a new software platform to improve reverse-911 emergency notifications. The current system has failed to reliably notify residents, sometimes sending alerts to incorrect locations or omitting recipients entirely. After six months of internal testing, staff believe the proposed system will offer improved reliability.

To help balance the budget, several items were deferred, including a drone that could support search efforts for missing persons and provide aerial surveillance during high-risk operations. Chief Oberg explained that the drone would improve efficiency in various scenarios—such as locating lost children or dementia patients, monitoring accident scenes, or enhancing situational awareness in remote areas—but it was excluded from the current budget due to cost constraints. Other deferred items included a storage shed at the Bountiful shooting range to house training equipment, which is currently transported back and forth.

The department also reduced its typical vehicle replacement request this year. Instead of requesting the usual number of new patrol vehicles, the department proposed replacing aging service rifles and purchasing suppressors to reduce officer hearing loss during firearms use. Chief Oberg noted that many of the department's rifles are approximately 20 years old and are beginning to show signs of deterioration. He explained that suppressors help mitigate long-term hearing damage, which has become a growing source of litigation in law enforcement, and that the department was able to secure favorable pricing. The department plans to trade in the old rifles to help offset the cost of the new ones. Council Member Adams inquired about the suppressors and potential resale of old firearms, and Chief Oberg confirmed that the rifles would be traded in as part of the purchase.

Council Member Hunt requested more information on the projected use of the drone. Chief Oberg estimated that the equipment could last five years or more and described various levels of potential deployment depending on how proactively the department chose to use it. If limited to missing persons, it might be deployed only a few times per month, but broader use in traffic incidents and remote area responses could increase deployment frequency and improve both response times and overall efficiency.

Council Member Adams also asked about ongoing costs for items like ammunition, which Chief Oberg confirmed were included under operational costs. He noted that costs for ammunition and other recurring supplies have increased significantly.

Fire Chief Paul Erickson followed with the Fire Department's presentation. He echoed the Police Department's situation, reporting a similar increase in operational expenses. He stated that most of the department's budget increase was due to unavoidable inflationary pressures. He estimated a 13% overall budget increase and cited specific examples of price hikes: personal protective equipment (PPE) for a new firefighter has risen from $4,000 to $6,800, and firefighter boots have increased from $565 to $620 over the past year.

Chief Erickson also discussed the escalating maintenance costs for fire vehicles. He reported that labor rates for vehicle repairs have risen by 35% since 2023, with shop rates at some vendors now exceeding $220 per hour. Because in-depth repairs require certified technicians, the city must outsource most of this work. In the past calendar year, the city spent approximately $149,000 on fire vehicle maintenance, including a $38,000 annual maintenance visit for one engine—of which $25,000 was labor alone. These examples illustrate how inflation and vendor costs have significantly impacted the department's budget.

Due to budget constraints, the department did not include any major discretionary requests and deferred the addition of a Deputy Fire Chief, despite ongoing need. Chief Erickson stated that although the position is warranted, the department was prioritizing the proposed Assistant City Attorney instead. He also noted that Kaysville is currently the only city in Davis County without representation at county-level emergency management meetings, as he had stepped back from this role due to staffing limitations. He warned that without active participation, the city could be at a disadvantage in the event of a regional emergency.

Mayor Tran asked whether the city's emergency management representative must be a professionally certified emergency manager. Chief Erickson clarified that while certification is helpful, it is not required; other cities assign the responsibility to staff from departments such as public works or law enforcement. Various council members and staff discussed possible options, including assigning the role to an existing city employee, though capacity issues across departments were acknowledged.

Council Member Jackson asked whether any current city employee could absorb the emergency management role. Chief Erickson responded that most employees are already managing multiple responsibilities, making that difficult. He suggested that the representative should at least be familiar with the city's public safety operations.

Public Works Director Josh Belnap presented the Public Works Department portion of the General Fund budget and explained that it only covers a subset of street-related expenses—such as signage, snow removal, equipment, and wages—while major capital projects and broader road maintenance are funded through separate sources like the Road Fund. He noted that expenditures for street operations are highly variable and largely dependent on weather and external conditions. For example, FY 2023 saw unusually high snow-related expenses, whereas the current year's mild weather led to reduced spending. However, Mr. Belnap warned that increasing costs for fuel and vehicle repairs—which have risen 20–35% over the past five years—continue to strain the budget.

Council Member Jackson asked about the deferred $200,000 allocation for sidewalk repairs. Mr. Belnap and Ms. Nelson clarified that the figure had been suggested during a prior strategic planning session, with examples from other cities like Farmington and South Weber used as benchmarks. Council Member Blackham strongly advocated prioritizing sidewalk repairs, citing a personal family injury and multiple community reports of falls. He argued that sidewalk hazards are directly harming residents and should not be deprioritized in favor of items like ordinance updates.

Mr. Belnap provided additional context, noting that the city increased sidewalk repair funding from $35,000 in FY 2025 to a recommended $45,000 in FY 2026. He acknowledged that sidewalk repair is currently the homeowner's responsibility under city ordinance but suggested that this policy may no longer be practical or defensible. Staff have begun exploring a potential shift in responsibility to the city, which could reduce liability and improve outcomes. He also described the current approach to concrete hazard mitigation, including annual hiring of a contractor to grind down minor sidewalk lips—cuts that cost between $300 and $400 each, depending on severity—and the city's reimbursement program for homeowners who replace unsafe sidewalk segments.

Council Member Jackson supported increasing funding for sidewalk repairs and emphasized the need for clearly designated sidewalk funds, not ones buried within broader road projects. Council Member Hunt suggested partially restoring the $200,000 for sidewalk repairs previously marked as deferred. Mr. Christensen agreed to reevaluate funding options based on feedback, which might include using fund balance or making a modest adjustment to the proposed tax increase.

Council Member Oaks asked staff to weigh the priority of sidewalk repairs against other deferred items from various departments. Mr. Christensen stated that he viewed safety-related items as high priority and confirmed that sidewalk repairs stood out as a strong candidate for reallocation.

Mr. Christensen reviewed a series of net-neutral personnel adjustments, including the elimination of a Power Department Locator position and the upcoming retirement of the Power Department's Resource Service Manager, Bruce Rigby. His duties would be absorbed by existing staff, and a new meter technician would be hired in his place. Meanwhile, a new Maintenance Worker III position would be added to the Water Department.

Mayor Tran asked whether the recent fluoride-related legislation would impact staffing needs. Mr. Belnap responded that since Kaysville purchases all its water from Weber Basin, which manages fluoride treatment, there would be no direct impact on city operations.

Mr. Belnap then transitioned to the Road Fund. He highlighted a $3 million grant awarded through Davis County's third-quarter transportation funds, which will be used for road-related costs on the 200 North reconstruction project. These funds are limited to reimbursing road infrastructure expenses and cannot be applied to utility upgrades associated with the same project. Other ongoing road projects include the Mutton Hollow and 200 North corridors, which will proceed into construction in the coming fiscal year. Additionally, the city reengaged its consultant on the Crestwood project in March 2025 to resume design work based on earlier council input. Mr. Belnap explained that once the design is completed, the city intends to hold the project in reserve until funding and timing align for construction.

Mayor Tran and council members expressed appreciation for the progress being made on visible road improvements, even if not at the pace some residents might prefer. Mr. Belnap noted that Kaysville's average Remaining Service Life (RSL) of roads has improved significantly—from 9.2 at the start of the road utility initiative to 12.1, surpassing the recommended minimum RSL of 10. He emphasized that, while not always noticeable in individual neighborhoods, this metric reflects meaningful, citywide infrastructure progress.

Parks and Recreation Director Cole Stephens presented his department's proposed budget, which includes oversight of parks, recreation programs, city events, and city-owned facilities. He reported modest increases in both operating and capital costs. The primary drivers for higher operating costs were aging infrastructure and the need to outsource specialized work—such as pruning mature trees—due to a lack of in-house expertise. Additional cost increases stem from the department's continued focus on water conservation. Mr. Stephens highlighted a project to xeriscape park strips around city facilities, beginning with the fire station. Although the project has been deferred for several years, it remains a priority to support the city's long-term conservation goals.

The department also proposed installing city banners along Main Street as part of a branding initiative discussed during the February strategic planning meeting. While the Power Department would continue to install the banners, Parks and Recreation would manage the visual assets, hardware, and replacements. Capital requests included locking doors for restrooms citywide (at approximately $1,500 per door) in response to vandalism and transient use; replacement of deteriorating concrete around the Barnes Park Tower due to safety concerns; and maintenance upgrades to the cremation garden in the cemetery.

Mr. Stephens explained that some projects which would typically appear as departmental capital requests were instead funded through the RAMP (Recreation, Arts, Museum, and Parks) tax this year, helping reduce pressure on the operational budget. He noted that RAMP funds are planned to be used for projects such as the Ponds Park pavilion remodel and Barnes Park Tower restroom improvements, even though some could arguably qualify as regular maintenance costs rather than RAMP-eligible enhancements. The department also continues to manage the cemetery perpetual care fund, with a recent $750,000 cemetery irrigation project coming in under budget at $600,000. The leftover funds will remain reserved for future cemetery-specific improvements.

Mr. Stephens reviewed other approved RAMP projects, as determined by the RAMP committee during their recent meeting. All submitted projects—except for two—received full or partial funding. The committee declined a request from the Historic Preservation Commission for additional plaques, citing a prior award for plaques that are still awaiting installation. A second request from Mercy Housing for playground equipment at Francis Peak Apartments was deemed ineligible because the playground is not owned by the city. A partial award was granted to the Kaysville Historic District for signage, with funding limited to brown-colored street signs that will be mounted on existing poles. Public Works will assist with installation.

The council then briefly discussed the future capital project to enhance the trail and streetscape around Quail Crossing and 950 West, near the new park-and-ride. Mr. Stephens explained that this project, originally scheduled for FY 2028, had been moved up to FY 2026 and would be funded through UDOT-provided West Davis Corridor trail enhancement funds. However, the design process is complicated by jurisdictional issues, as portions of the trail area fall outside Kaysville City boundaries. The project will require consultant-led engineering design for landscape, park, and streetscape improvements.

Several larger facility projects remain deferred. These include the Kaysville Operations Center (OP Center) expansion, the restoration or redevelopment of the historic library building, and the completion of the Trapper's Field Park design. Although design work for each is either completed or in progress, funding limitations prevent immediate action. Mr. Stephens and Mr. Christensen emphasized that while progress is being made in design, construction timelines remain uncertain.

The council's attention then turned to the Kaysville Junior High gymnasium partnership with the Davis School District. Mr. Stephens and Mr. Christensen explained that the county is moving forward with gym construction, and this represents the city's one opportunity to participate in the effort. The council agreed that the gym should remain a top priority among deferred items. Council

Member Blackham described the project as the most impactful for Kaysville residents. However, final cost figures and funding agreements are not yet available.

Mr. Christensen said he had recently contacted the school district to explore partnership options, including the possibility of the city contributing a portion of RAMP funds annually for the next 20 years. The district responded that such an arrangement was unlikely to meet their financial needs. Further discussions are planned, and city staff are also exploring potential land trades—such as granting the district a portion of Barnes Park, which they are considering for an amphitheater at their Catalyst Center—in exchange for reduced cost participation. The school district's tentative schedule for the gymnasium includes breaking ground in late 2025 and potentially requiring the city's first payment this fall or next spring, with additional payments through 2027. Mr. Christensen noted that if the city pursued bonding for $6 million for the gym, it would result in approximately $420,000 in annual debt service over 20 years at an interest rate of 3%. While RAMP funds could not be used directly to make the $420,000 annual payment, doing so would severely constrain RAMP funding for other projects.

Mr. Stephens noted that approximately $720,000 in RAMP fund balance has already been set aside for the gym project. Council Member Adams asked whether Kaysville's RDA (Redevelopment Agency) funds—specifically from the Smith's Marketplace area—could be used to support the gym. Mr. Christensen and Ms. Greenwood explained that such funding is not permitted. RDA and CRA (Community Reinvestment Area) funds must demonstrate a return on investment that benefits the taxing entities, especially the school district. Publicly owned facilities like libraries and gyms do not generate taxable property improvements and therefore typically do not qualify for CRA investment.

Mr. Christensen reiterated that the gymnasium project remains a high priority, and that additional information will be gathered before budget adoption to determine whether and how to include funding in the FY 2026 budget. He confirmed that an update will be provided before the tentative budget is finalized.

The city council took a break at 10:08 a.m., and the meeting reconvened at 10:23 a.m.

Following the break, the Mayor and Mr. Stephens shared light-hearted comments about the Mayor's upcoming ceremonial first pitch at the June 10 Ogden Raptors baseball game, which coincides with the city's transition from the Junior Bees to the Junior Raptors as its affiliated youth baseball program.

City Manager Jaysen Christensen began the next portion of the meeting with a discussion on health insurance and employee compensation. He reminded the council that the city had received a proposed 25% rate increase from University of Utah Health Plans due to a spike in recent claims, including several high-cost "shock claims." Although the increase was not entirely unexpected, it prompted the City's broker to seek bids from other providers. Three insurers responded—Cigna, PEHP (Public Employees Health Plan), and United Healthcare—while several others declined due to the City's high claims history.

Ultimately, the University of Utah agreed to lower its proposed rate increase from 25% to 16%. PEHP submitted a slightly lower bid, which could save the City approximately $60,000 annually; however, their plan included slightly less favorable benefits and would require switching providers—a disruption that staff determined was not justified by the modest savings. Additionally, frequent plan switching could make the City less attractive to insurers in future years. City administration recommended remaining with University of Utah Health Plans for one more year and marketing the plan again next year in hopes of receiving more favorable offers, assuming the City's claims improve.

Mr. Christensen and Mr. Storey emphasized that while PEHP has a close relationship with Utah Retirement Systems and a local presence, switching insurers would create a significant disruption for employees and may not be worth the relatively small cost savings. Employees currently pay 15% of their premiums, and under the 16% total increase, a family plan would see an employee's share rise by about $50 per month. Mr. Christensen noted that while this increase is difficult, it is not unusual and is in line with cost pressures across the broader healthcare market.

Discussion then turned to the broader issue of compensation. Council members debated the trade-offs between adjusting the City's share of insurance premiums versus increasing cost-of-living adjustments (COLA) or merit pay.

Council Member Adams asked whether the City could consider shifting to a 90/10 cost share, where the City would pay 90% of premiums, to alleviate the burden on employees. Mr. Storey said staff would analyze the cost difference and report back. Mr. Christensen added that such changes come with trade-offs, particularly when balancing other budget priorities, and emphasized that 85/15 has been a long-standing and regionally competitive standard. Council Member Adams questioned whether increased City contributions to health insurance could be more equitable than merit-based raises, given the cost variance of merit pay across salary levels. Melinda Greenwood countered that not all employees use the City's insurance, so benefits like health insurance don't serve all employees equally.

Mayor Tran clarified that employees are not absorbing 15% of the 16% premium increase; rather, they continue to pay 15% of the overall premium, including the increase.

Council Member Adams asked staff to calculate what it would cost the City to adjust its cost-share ratio to 90/10, suggesting that it might be a more equitable way to ease the burden on employees without significantly impacting the budget. Mr. Christensen agreed to provide that analysis in a future update.

On compensation more broadly, Mr. Christensen reviewed the city's proposed FY2026 salary adjustments. The recommended increases include a 2.5% market (or cost-of-living-style) adjustment, and a 3% merit raise, consistent with prior years. Mr. Christensen explained that these adjustments are intended to maintain Kaysville's competitive position relative to neighboring cities. The city aims to keep most positions within 5% of the average wage for similar roles in comparable cities.

Council Member Blackham asked about the significant increases in personnel budgets reported by the police and fire departments and sought clarification on whether these reflected broader citywide personnel increases. Ms. Nelson explained that these increases encompass all personnel-related costs within those departments, including benefits, market adjustments, merit raises, and baseline pay.

Chief Erickson and Chief Oberg clarified that their departments account for a large portion of city personnel—police have 34 sworn officers, 3 civilian employees, and 30 crossing guards, while fire has 23 full-time firefighters and an additional 17 part-time or support positions—so the magnitude of their increases is proportional.

Mr. Christensen emphasized that the city's current merit system—adopted in place of a previous step system—has generally functioned as a consistent 3% annual increase for most employees, based on performance and their position within the pay range. He noted that employees who consistently receive merit increases typically reach the maximum salary within about 10 years.

Council Member Adams raised concerns about whether the merit system retains its intended purpose of performance-based differentiation if most employees receive the full 3% each year. Police Chief Oberg and Fire Chief Erickson responded that performance evaluations are still used to differentiate awards, but it is more difficult to withhold merit increases when compensation is already below market and other cities are offering significantly higher pay increases.

Chief Erickson expressed frustration with the city's compensation policy, stating that targeting 5% below the average wage of comparator cities is demoralizing and undermines recruitment and retention—particularly when nearby cities like Syracuse recently implemented 15–28% wage increases. He reported that 19 of 23 full-time Kaysville firefighters are currently paid below the median wage for their positions.

The council discussed whether the city's practice of targeting below-median compensation should be reevaluated. Chief Oberg added that while he has no issue withholding merit raises for underperformance, it becomes more difficult when employees are already underpaid compared to peers in other cities. This, he said, puts department heads in a difficult position when trying to retain talent and enforce accountability.

Mr. Christensen affirmed that the city's current policy is to adjust salaries that fall more than 5% below the market average but acknowledged that ongoing market pressures and staffing needs may require the policy to be reassessed. He noted that recent market shifts, particularly among fire service agencies, were placing added strain on the existing compensation model. Council Members Hunt and Adams observed that while the City had made progress bringing positions within 5% of the median, continued adjustments may still be necessary.

Mr. Christensen clarified that the city's merit system still requires annual evaluations and provides opportunities for employees to grow, develop new skills, and receive raises tied to performance. He emphasized that raises are withheld in cases of poor performance, though such instances are rare

Council Member Adams asked whether department heads could selectively increase salaries for top-performing employees. Mr. Storey confirmed that department heads do have flexibility to adjust pay within council-approved salary ranges, but not beyond the established maximums. The 5% below-market benchmark applies to the top of each salary range; the bottom is set 35% lower.

Council Member Adams and Chief Erickson further discussed the difficulty of maintaining employee morale when many are underpaid relative to market averages, especially after neighboring cities have implemented substantial raises. Chief Erickson noted that while he can reallocate pay within a range, compression becomes a challenge if the overall range is not adjusted upward.

Council Member Adams questioned whether the city should maintain its current compensation benchmark—aiming to keep positions within 5% below the market average—or adjust it, proposing a shift toward keeping all positions at or above the market average (zero). Several council members, including Council Member Hunt and Mayor Tran, expressed support for reconsidering the 5% benchmark.

Mayor Tran emphasized that the city's culture and resident expectations call for excellence, suggesting that compensation policies should reflect those expectations by aiming to be above average. Council Member Blackham recalled feedback from other cities during past Utah League of Cities and Towns meetings, where Kaysville's previous salary increases were said to have negatively impacted their own wage structures. However, staff questioned whether that feedback accurately reflected Kaysville's influence and noted that some of it may have stemmed from confusion with more aggressive neighboring cities.

Mr. Storey and Ms. Nelson noted that moving from a 5% below-market benchmark to a zero-differential would affect 64 of the city's 94 classified positions. Staff cautioned that even if such a policy change were implemented, market averages shift annually based on other cities' actions, making it difficult to ever fully "catch up." They also emphasized the need to analyze the cost implications and consider whether a phased approach—such as moving positions to within 2% of the market this year—might be more sustainable.

Council members debated how to manage the associated cost increases, weighing whether to reduce cost-of-living adjustments (COLA) and use those savings to bring employees closer to the market. Staff reiterated that the city budgets by position—not by individual—and relies on average estimates for budgeting. Chief Erickson and others stressed that compensation policy impacts not only finances, but also employee morale, retention, and the city's ability to compete for talent.

Council Member Hunt requested more detailed information on the cost of raising all positions to 2% below market this year, with the goal of reaching market average (zero) the following year. Staff agreed to provide cost breakdowns for various options.

Mr. Christensen cautioned the council about the broader fiscal outlook, noting that even maintaining current service and compensation levels now requires a 26% tax increase, raising concerns about long-term sustainability. Ms. Nelson added that the proposed FY2026 budget already relies on nearly $1 million from the city's fund balance, while Ms. Greenwood warned that FY2027 could be even more challenging due to economic uncertainty and the impact of new federal tariffs on revenue.

Mayor Tran strongly advocated for continuing the city's practice of holding a Truth in Taxation hearing every year, regardless of whether a rate increase is proposed. She emphasized the importance of transparency in showing residents the true cost of city operations. The mayor noted that while the city has relied on fund balance in recent years to cover budget shortfalls, doing so without informing the public of the actual costs creates a false sense of sustainability. She likened it to turning in receipts without submitting a payment, stressing that residents deserve an accurate understanding of what it truly costs to operate the city—and that the general fund is not an unlimited reserve.

Mr. Christensen added that the next council meeting would focus on enterprise funds and potential rate increases, using updated modeling from Waterworth to assess long-term projections for water and power. He reiterated that the current budget year is already difficult and predicted that next year will be even more challenging due to increasing costs and revenue pressures. He described the situation as a "perfect storm," echoing sentiments shared in previous meetings.

Council Member Blackham expressed concern over the proposed $250 annual tax increase for a typical $600,000 home, citing the burden it would place on households already experiencing financial strain. While he acknowledged the city's need to address rising costs, he voiced discomfort with the magnitude of the proposed increase.

Mayor Tran acknowledged his concerns and emphasized that all households are being forced to make adjustments. However, she maintained that the council has a responsibility to provide the services residents expect—and to be transparent about what those services truly cost.

Mr. Belnap added that department budgets were already "bare bones," with no nonessential or luxury spending included. He reiterated that without additional revenue, the city would either need to reduce services or accept a lower level of performance and maintenance. Chief Erickson noted that many city employees come from similar financial backgrounds as residents and face the same challenges, reinforcing the shared impact of any tax increases.

Mr. Christensen concluded the discussion by commending staff for their efforts and confirmed that staff would return with updated figures and follow-up based on council feedback. He reiterated that enterprise funds and rate modeling would be the primary focus of the next meeting.

The meeting adjourned at 11:18 a.m.