

KAYSVILLE CITY COUNCIL
WORK SESSION
April 25, 2025

Minutes of a special Kaysville City Council work session held on Friday, April 25, 2025, at 8:10 a.m. in Kaysville City Hall at 23 East Center Street, Kaysville, Utah.

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, Finance Director Dean Storey, Power Director Brian Johnson, Parks and Recreation Director Cole Stephens, Public Works Director Josh Belnap, Fire Chief Paul Erickson, Police Chief Sol Oberg, Deputy Finance Director Maryn Nelson, City Recorder Annemarie Plaizier, Drinking Water Manager Jared Tubbs

OPENING

Mayor Tran opened the work session and welcomed those in attendance.

REVIEW AND DISCUSSION OF THE TENTATIVE FY 2026 BUDGET

City Manager Jaysen Christensen began the session by outlining the timeline for the FY 2026 budget adoption. He noted that a public hearing would be held on June 5. While the General Fund budget would be finalized in August to allow for a Truth in Taxation hearing, the City anticipated adopting other budget components, such as enterprise funds and compensation plan, by June 19. He clarified that the focus of the current work session would be enterprise funds—specifically the water and power funds—with particular attention to a new financial modeling tool, Waterworth, intended to aid in rate setting and long-term financial planning.

Deputy Finance Director Maryn Nelson presented the water fund model using the Waterworth platform. The model was based on actual FY24 data and projected FY25 budget figures, assuming an annual increase of 2.5% in both revenues and expenses.

Public Works Director Josh Belnap further explained the composition of operating expenses, which included core staffing and routine maintenance but excluded special projects and equipment purchases. He noted that contracted services, such as water procurement, and upcoming capital projects were also included in the model. According to projections, the city’s primary revenue source—water service sales—would remain flat under current rates and would likely fail to meet operational expenses by 2026 or 2027.

The revenue section of the model also incorporated developer contributions, non-operating revenues, grants, and other operating income. Even after factoring in ARPA (American Rescue Plan Act) funds allocated to the 200 North Road Project in 2026, projected revenues were not expected to keep pace with expenditures. The model projected that the water fund balance would

fall below the 25% reserve threshold by 2027 and enter negative territory by 2028, signaling long-term financial sustainability concerns.

Council Member Jackson inquired why the year 2027 was identified as a concern in the financial model instead of earlier years. Maryn Nelson explained that the city's reserve threshold was intended to function as an emergency buffer, which was projected to be breached by 2027.

Council Member Blackham proposed that the ARPA funding allocated for 2026 might provide enough financial relief to justify postponing a rate increase. In response, Finance Director Dean Storey emphasized the importance of assessing the model with a long-term, ten-year outlook rather than focusing solely on short-term relief. Council Member Adams advised caution in implementing rate increases prematurely, recommending that long-term averages be considered as a more reliable basis for decision-making.

Mrs. Nelson highlighted that a primary cost pressure in 2026 was the 200 North water project, which would be only partially funded through ARPA grants. She reiterated that the city's financial goal was to generate enough revenue to cover all categories of expenses. Despite the availability of ARPA funding, the financial model indicated that cash flow would be insufficient to meet even basic operational costs, much less capital improvement expenses, if rates remained unchanged.

Council Member Adams asked whether an increase in water rates could be used to offset the city's broader \$3 million general fund budget gap. Staff clarified that enterprise funds, such as the water fund, are separate from the general fund and operate with independent revenue streams and budgets. As a result, adjustments to enterprise fund rates would not alleviate the general fund deficit. Mr. Christensen acknowledged the importance of maintaining adequate reserve levels.

The discussion shifted to compensation and its effect on the water fund. Mr. Storey pointed out that wage increases directly influenced operating expenses. Mr. Belnap added that salaries for water department staff were paid from the water fund, not general fund property taxes. However, he noted that some employees had their time allocated proportionally across multiple funds, depending on the nature of their work.

Mrs. Nelson then presented a scenario involving a 15% annual water rate increase. Even under this scenario, the city would continue to draw down its reserves through 2028. A projected decline in 2031 was attributed to the anticipated construction of a major capital project—a new water storage tank.

Council members discussed various rate increase schedules. A 15% increase was projected to raise the average residential water bill by approximately \$5 to \$6 per month. Mr. Belnap noted that the city had experienced ongoing rate increases from Weber Basin Water District—approximately 10% annually—due to that district's infrastructure upgrades. He added that these external increases had not yet been passed on to Kaysville residents in recent years, which had added to the city's financial pressure.

The council explored options for funding the upcoming water storage tank project, including the possibility of bonding. Dean Storey explained that any bond issued would be revenue-backed. Council Member Blackham asked whether the city could monetize unused water shares, but staff clarified that Kaysville obtains water access through Weber Basin Water Conservancy District

contracts and does not hold independent, transferable water rights.

Maryn Nelson presented a hybrid funding model that combined water rate increases with bond financing to better stabilize long-term cash flow. Council Member Oaks expressed concern that larger rate increases might be needed in the future and asked about current interest rates for municipal bonds. Mr. Storey responded that the city's existing bonds were issued at rates below 2%, but that new bonds would likely be subject to rates between 4% and 4.5%. Josh Belnap added that the city had submitted cost estimates to the State Revolving Loan Fund, which could provide lower interest rate options.

The discussion then turned to the pacing and prioritization of water system upgrades. Dean Storey stated that the city had deferred several capital projects in recent years to preserve cash reserves. He emphasized the importance of reversing this trend through proactive, long-term planning to prevent falling further behind in system upkeep. Josh Belnap explained that due to budget constraints, water infrastructure projects were typically spaced out over time. While some recent investments had upgraded tanks and pump stations, this had limited the city's ability to complete routine waterline replacements. He reported a growing backlog of needed replacements and noted that over 100 water leaks had been repaired in the previous year, with repair costs continuing to rise.

Council members discussed optimizing the size and timing of future rate increases and bonds to address infrastructure needs while minimizing financial strain on residents. Council Member Oaks inquired about the source of repayment for bond debt. Maryn Nelson confirmed that debt service would be paid from utility rate revenues. Council Member Blackham questioned the necessity of a 15% rate hike, proposing instead a 5% increase, particularly if paired with bond financing. Mrs. Nelson used the Waterworth model to demonstrate several scenarios, including a one-time 15% increase followed by annual 5% adjustments combined with bonding. Even with these changes, projections showed reserves would dip around 2030 due to the cost of the water tank project.

The council considered consolidating planned bond issuances originally scheduled for 2026 and 2030 into a single, earlier bond to potentially reduce borrowing costs. Josh Belnap identified several neighborhoods—such as those near Knights Way and Bishops Street—as high priorities for waterline replacements due to worsening pipe conditions. He explained that crews were frequently forced to use repair bands to temporarily fix damaged lines, a practice that was becoming unsustainable. Residents in those areas had expressed growing frustration over repeated short-term repairs. Mr. Belnap stressed that ongoing delays would only increase long-term repair costs and heighten risks to public safety and system reliability.

Council Member Adams recommended developing visual tools to help communicate the reasoning behind proposed rate increases to the public. Council members supported presenting Weber Basin's historical rate trends in tandem with the city's capital improvement needs to better illustrate the challenges.

Josh Belnap reminded the group that the city had absorbed multiple years of Weber Basin rate increases without passing them on to customers, limiting Kaysville's capacity to fund routine maintenance and capital replacements. Staff confirmed that simply matching Weber Basin's rate hikes would not generate sufficient revenue to address the city's full water infrastructure needs.

There was general support for issuing a larger bond earlier to take advantage of lower interest rates and meet immediate infrastructure needs. Staff committed to consulting with bond counsel to ensure compliance with IRS regulations related to the holding of unused bond proceeds. The council expressed interest in including a bond issuance in the FY26 budget to help close funding gaps and support high-priority water system projects.

Josh Belnap reiterated the urgent need for capital investment in the water system, emphasizing the importance of constructing a new water storage tank to ensure sufficient fire suppression capacity amid ongoing community growth. He reported that a considerable portion of recent fire department responses were tied to water-related incidents, further underscoring the infrastructure's role in public safety.

Council Member Hunt asked about the city's ability to manage multiple capital projects simultaneously. Josh Belnap responded that recent staffing adjustments in the Public Works Department had improved the department's capacity to oversee and execute multiple projects at once. Council members collectively stressed the importance of transparency if the city pursued bonding, recommending that a detailed list of proposed projects and associated costs be clearly communicated to the public.

Dean Storey proposed a tentative plan to implement a 10–15% water rate increase in the current fiscal year, followed by bonding in FY26. This approach aligned with the assumptions built into the Waterworth financial model and would support long-range fiscal planning. Council Member Adams expressed support for a smaller initial increase—closer to 10%—particularly considering the upcoming Truth in Taxation hearing and anticipated public scrutiny.

Council Member Adams also asked about staff retention in the water department, specifically whether any key personnel were underpaid or at risk of leaving. Josh Belnap confirmed that some critical staff members had received job offers from other entities, raising concerns about the city's ability to retain experienced personnel in a competitive labor market.

Maryn Nelson presented the Power Fund financial model using the Waterworth platform, explaining that it mirrored the approach used for the Water Fund. The assumptions built into the model included three consecutive years of 10% rate increases, followed by 5% annual increases thereafter. A formal reserve target of \$8 million was used, based on recommendations from the Utah Associated Municipal Power Systems (UAMPS) and consistent with industry standards. Despite this target, projections indicated that the Power Fund's reserves would fall below the \$8 million threshold by FY26 and become negative by FY28.

Dean Storey clarified that, unlike the Water Fund, the Power Fund had an established reserve policy, and the \$8 million target represented a cash reserve minimum meant to provide financial stability. Maryn Nelson noted that a primary driver of increased expenditures was the city's wholesale power contract with UAMPS. While the model assumed a conservative 2.5% annual cost increase for power purchases, she cautioned that actual increases could exceed that estimate.

Power Director Brian Johnson outlined the department's capital priorities, citing two major substation projects and the need for transformer replacements as immediate infrastructure needs. He added that the city might consider issuing bonds within five to six years to invest in local power generation capacity for peak shaving, which could help reduce long-term operating costs.

Council Member Adams questioned the necessity and basis of the reserve target. Staff explained that the model was designed for reserves to fluctuate around the target level to manage risk, rather than build excessive surpluses. The council also examined alternative rate scenarios, including a flat 5% annual increase, which resulted in faster depletion of reserves and raised concerns about the city's financial risk exposure.

Council Member Blackham asked why the Power Department did not appear to pay a franchise fee to the General Fund. Mr. Storey confirmed that the department did in fact contribute approximately \$1 million annually through a franchise fee, which equated to about 6% of revenue. During this discussion, the council also briefly explored the potential implementation of a transient room tax as a mechanism to regulate and capture revenue from short-term rental activity.

Maryn Nelson reviewed the Power Department's capital improvement project list and noted that overall cost increases in the power fund were more manageable compared to the water fund. A 10% rate increase would result in an estimated \$10 monthly increase for the average residential power customer. She added that approximately \$1.3 million of the fund balance was planned to support upcoming capital projects, with the largest financial pressure continuing to come from rising UAMPS payments.

The council then shifted focus to the Storm Water Fund. Josh Belnap described a major infrastructure replacement project planned at Holmes Creek. Maryn Nelson reported that a 20% rate increase would be necessary to sustain operations in the storm water utility, which would equate to an increase of approximately \$1.60 per household per month.

The council reviewed remaining utility funds, including the Sewer, Pressure Irrigation, Sanitation, and Recycling programs. In the Sewer Fund, staff reported that a pass-through rate increase from the Sewer District would result in an approximate \$3 monthly increase to customer bills.

Rates for Pressure Irrigation were projected to remain flat. Sanitation rates were expected to increase slightly due to pass-through costs from Robinson Waste and Wasatch Integrated Waste. The maximum monthly impact of these sanitation-related increases was estimated at approximately \$0.65 per household. Josh Belnap noted that a \$17,000 monthly diversion incentive was currently helping to mitigate the impact of sanitation cost increases.

Josh Belnap also mentioned that the city was pursuing a grant for recycling carts to support the long-term sustainability of its recycling program.

Council Member Adams estimated that the combined effect of all proposed utility rate increases—including water, power, storm water, sewer, and sanitation—could raise the average household utility bill by approximately \$17 to \$22 per month. He cautioned against implementing such increases on an annual basis and recommended a phased, strategic approach to utility rate adjustments.

Mayor Tamara Tran agreed with the need to avoid sudden spikes in utility costs and stressed the importance of implementing moderate, consistent increases over time. The council expressed general consensus in support of a gradual and predictable rate strategy to provide stability for both residents and long-term planning.

The council took a break at 9:35 a.m. and reconvened at 9:51 a.m.

Jaysen Christensen resumed the budget discussion by reminding the council that the original budget review identified a \$3.8 million deficit, which had since been reduced to approximately \$1.6 million. Staff proposed closing the remaining gap through a combination of strategies: implementing a property tax increase through the Truth in Taxation process, utilizing city reserves, and deferring all additional personnel requests except for one—the addition of an Assistant City Attorney. In response to feedback from the April 11 meeting, staff also re-evaluated project priorities, drawing attention to renewed interest in a proposed shared-use gymnasium with the Davis School District. Dean Storey presented preliminary funding options for this and other potential capital projects.

Dean Storey also introduced potential uses for the old Kaysville Library building, including its conversion into a civic or community facility such as a museum or art gallery. He outlined two bond financing options for the project—a 15-year or 20-year sales tax or Municipal Building Authority (MBA) lease revenue bond—estimating that annual property tax impacts would be approximately \$17 or \$15, respectively. Council Member Oaks questioned the value of preserving the old library and expressed concern that the project would not generate revenue and may be underutilized. He emphasized prioritizing other infrastructure projects he viewed as more essential, including a west-side fire station, improvements to the city operations center, and the proposed gymnasium project.

Council Member Adams supported preserving the historic building, citing its cultural and long-term historical significance. He suggested allowing voters to weigh in on the bonding question and referenced prior public support for retaining the library structure. He also proposed using approximately \$50,000 in annual RAMP (Recreation, Arts, Museums, and Parks) funds for the project, arguing this approach would enable broader preservation goals.

Council Member Blackham stated that the library building did not serve a core city function and should not be prioritized over essential infrastructure such as water systems or emergency services. Mayor Tran responded that while some cultural investments may not be essential, they are meaningful, especially to residents outside the traditional family demographic, and could help build a sense of community. She noted student interest in a local museum and suggested the building could serve as a flexible community space for events, classes, or gatherings.

Council Member Oaks reiterated his concern regarding the high project cost and low revenue potential, while Council Member Adams countered that RAMP funds could be more impactful if used on a landmark preservation effort rather than smaller projects. Parks and Recreation Director Cole Stephens confirmed that while cities like Layton had allocated RAMP funding toward projects such as the Ed Kenley Amphitheater, Kaysville could consider revising its process to earmark a portion of RAMP funds specifically for historic preservation.

Council Member Jackson pointed out the broader community value in preserving the building and questioned what purpose the land would serve if the structure were demolished. Council Member Hunt expressed support for saving the building due to its potential to strengthen community identity. She also indicated a willingness to proceed with planning efforts.

Cole Stephens informed the council that an earlier FFKR assessment had identified major structural deficiencies in the library building, though it had not specified how to address them or the associated costs. He stated that future restoration efforts could involve reconstructing the interior while preserving the historic exterior stonework. Council Member Blackham explained that the existing stonework would need to be removed to install a waterproof membrane—an essential step to address persistent water intrusion. He added that this requirement would significantly raise construction costs. He noted that even five years ago, the estimated cost for restoration was approximately \$2 million and that without engineered plans, current cost estimates remained speculative but likely higher.

Mayor Tran reported that while developers and contractors had shown interest in the site, none could commit to participation or cost estimates without clearer direction from the council. She emphasized that the topic had been under discussion for nearly a decade and that a decision was overdue. Cole Stephens confirmed that no funding was currently budgeted for the project. He stated that architectural or engineering services to generate more precise cost estimates would require approximately 8–10% of the total project value—around \$200,000 for a \$2 million project. The council briefly discussed whether to reengage firms previously involved in the project or consider new consultants.

Jaysen Christensen added that construction professionals would require detailed plans before offering reliable cost estimates. The council then shifted its focus to the proposed shared-use gymnasium project with the Davis School District.

Dean Storey presented preliminary financial details for the gymnasium, which would support city recreation programs in partnership with Davis High School. He proposed funding the project with sales tax revenue bonds using either a 15- or 20-year amortization schedule. The recommended structure would split annual debt service between property tax revenue and RAMP funding. Based on early estimates, the property tax impact was projected to be approximately \$25 to \$30 per household annually. Mr. Storey noted that more refined information would become available following upcoming meetings with project architects scheduled in the coming weeks.

Cole Stephens informed the council that while no recent updates had been received, project architects previously indicated that more information regarding the proposed shared-use gymnasium would be available by early May. Dean Storey added that, in addition to bond financing, the council could consider using existing fund balances to help fund the gymnasium. These sources could include allocations from the RAMP fund, the capital projects fund, and park impact fee revenues.

Council Member Blackham raised concerns about the long-term sustainability of relying on sales tax revenue, asking whether sales tax growth had kept pace with expectations and how the city would ensure consistent coverage of ongoing bond payments. Dean Storey clarified that while sales tax would serve as collateral for the bonds, actual debt service payments would be made using property tax revenue and RAMP funds. This structure would reduce financing costs without directly tying general sales tax collections to bond repayment.

Dean Storey confirmed that the General Fund already absorbed most of the city's sales tax revenue. Cole Stephens added that the RAMP board had begun earmarking funds specifically for the

gymnasium project, with \$260,000 allocated in the current year alone. Mr. Storey explained that this pre-allocation contributed to the current balance levels in the RAMP fund.

Council Member Blackham expressed hesitation about depending heavily on RAMP funds, noting that the program's continuation requires voter reauthorization every ten years. Dean Storey acknowledged this concern but emphasized that since sales tax would be used only as a security mechanism—not a funding source—it would provide financial flexibility while minimizing interest costs.

Dean Storey then presented another proposed capital project for council consideration: a remodel of the city's operations center, including the construction of covered storage for equipment. To fund this effort, staff recommended issuing utility revenue bonds, which would be repaid through increases to the city's utility rates. Debt service payments would be distributed across the water, storm drain, and power enterprise funds. Mr. Storey clarified that these increases would be in addition to the other utility rate adjustments previously discussed. The bond could be structured with either a 15-year or 20-year amortization schedule.

Council Member Oaks asked whether the old library building could be repurposed for office space. Cole Stephens confirmed that the structure, as a city-owned facility, could potentially be adapted for a variety of municipal uses, depending on future city needs and priorities.

Jaysen Christensen then presented a list of previously deferred budget items. He noted that none of these items were included in the current proposed budget, but that staff had identified several as higher priorities based on prior council input. These included funding for an Assistant City Attorney—already incorporated into the budget associated with the proposed 26% property tax increase—the shared gymnasium project, and an additional police sergeant position. Mr. Christensen stressed the importance of reaching a decision on the gymnasium project soon, as the Davis School District was ready to begin construction later in the year.

Council Member Blackham expressed that he felt that the original direction was to approve only one new position. Jaysen Christensen responded that it appeared other council members disagreed with that limitation. Council Member Hunt clarified that she supported the addition of at least one more police sergeant and acknowledged she may not have communicated that strongly in earlier meetings.

Jaysen Christensen explained that comparing staffing requests across departments was difficult but emphasized that the need for an additional police sergeant stood out due to the lack of supervisory coverage during night shifts. He referenced a recent officer-involved shooting in Farmington as a reminder of the risks to less experienced officers working without supervision during high-risk situations.

Police Chief Sol Oberg provided further context, explaining that the current schedule sometimes placed newer officers on shifts without direct supervision. He emphasized the importance of having trained supervisors available during complex or high-risk calls. Both Chief Oberg and Mr. Christensen noted that Kaysville's per capita patrol staffing was below regional norms. Chief Oberg added that although senior officers—designated as Officer 3 or Master Officer—often informally assumed leadership roles, asking them to act as sergeants without compensation or authority created a leadership gap and contributed to morale concerns. He stated that while some

senior officers could fill in temporarily, a formal supervisory structure was essential for both accountability and safety.

Council Member Blackham questioned whether existing senior officers could be officially designated as supervisors and whether shift scheduling could be adjusted to increase supervisory coverage without creating new positions. Chief Oberg responded that while some scheduling adjustments were already being made, the department's size and 24/7 operational needs limited flexibility. He reported that the patrol division included 14 officers and two sergeants tasked with covering the entire city at all times. Detectives and School Resource Officers (SROs) occasionally assisted, but SROs were restricted by school contracts and often unavailable during the summer months due to vacation usage. Chief Oberg explained that promoting an officer to sergeant typically came with a 5% salary increase and that promoted officers would continue to perform patrol duties in addition to administrative responsibilities, including report reviews, disciplinary oversight, and training coordination. He noted that while other public safety positions—such as SROs—had been added in recent years with outside funding, the patrol division had not seen any staffing increases. Chief Oberg estimated that one additional sergeant would increase supervised shift coverage from roughly 50% to 75%, while adding two would achieve full coverage.

Council Member Blackham expressed continued concern about the long-term fiscal impact of additional staff and suggested that the Assistant City Attorney role could instead be fulfilled through contracted legal services. He also asked whether internal reorganization could improve police shift coverage without adding new positions. Jaysen Christensen responded that comparisons to other cities demonstrated Kaysville had significantly more residents per patrol officer, reinforcing the argument that new positions were needed.

Council Member Jackson asked about the effects of current workloads on officer morale and mental health. Chief Oberg stated that the burden was considerable. Officers frequently worked extended shifts, participated in required training, and filled unstaffed roles such as school crossing guard positions. He stated that expanding the force would reduce fatigue-related concerns and provide more consistent scheduling, especially as training requirements had become more demanding.

Council Member Blackham asked if there were other alternatives to hiring. In response, Josh Belnap and Council Member Adams pointed out that department heads had limited their staffing requests for years and that the city had not approved any new full-time positions for at least two years. Fire Chief Paul Erickson confirmed that his department had not added staffing in even longer. He described challenges with supervisory coverage in his department, noting that a young leadership team and continued reliance on overtime had contributed to operational strain. He reported that overtime expenditures had already reached \$400,000 in the current fiscal year.

Chief Oberg stated that he originally requested the sergeant positions in 2020, but the proposal had been deferred multiple times to accommodate other budget priorities. He recalled that in 2021, although the city had approved public safety wage increases, new positions were again postponed. Mayor Tran added that neighboring cities routinely approved new departmental positions each year, whereas Kaysville had maintained a more conservative staffing approach. She noted that call volumes and service complexity—including ambulance response and mental health calls—had increased, necessitating more personnel to maintain effective service levels.

Council Member Blackham acknowledged the concerns but reiterated his belief that it was a higher priority to fully fund rising employee health insurance premiums rather than expanding staff. Mayor Tran responded that increasing staff would support existing employees by distributing workloads more evenly and helping to alleviate burnout.

The council engaged in a discussion about balancing compensation and staffing needs. Council Member Adams asked Chiefs Sol Oberg and Paul Erickson whether employees might prefer slightly lower raises in exchange for hiring additional personnel. Council Member Hunt objected to this framing, calling it an unfair trade-off, while Council Member Oaks viewed it as a valid budget consideration. Chief Erickson responded that since the city aimed to bring salaries to within 5% of the market average, that goal should be prioritized. Council Member Adams suggested that targeted wage increases—rather than across-the-board raises—would be a more effective way to correct disparities for underpaid employees. He advocated for elevating employees below the 5% benchmark rather than uniformly applying increases.

Jaysen Christensen emphasized that both competitive wages and adequate staffing were essential for retaining talent and maintaining service levels. He warned that underinvestment in either could lead to higher turnover and reduced applicant pools. Josh Belnap echoed this sentiment, stating that new employees should be seen as long-term service assets. He noted that in the fire department, the absence of a secondary leadership position created a significant vulnerability if the fire chief were unavailable.

Chief Erickson compared Kaysville's fire department staffing to that of Syracuse, which has a chief, deputy chief, fire marshal, and three battalion chiefs, whereas Kaysville has only a chief. He noted that Kaysville is the only fully paid department in the area without a second-in-command.

Council Member Hunt stressed the need to prioritize public safety departments like police and fire, warning that continued underinvestment would lead to burnout and turnover. Council Member Oaks acknowledged the difficulty of forcing department heads to choose between critical needs and asserted that funding decisions ultimately fall to the council.

Jaysen Christensen shared his own ranking of staffing priorities based on department feedback: assistant city attorney, one police sergeant, deputy fire chief, and a second police sergeant. In terms of facility needs, he prioritized the gymnasium project first, followed by the library restoration and the operations center remodel.

Council Member Blackham expressed concern about the financial impact of approving multiple new positions in a single year alongside rising utility rates. He advocated for adding one new position per year to avoid overburdening residents. Chief Erickson pushed back, stating that prior delays in adding staff had already created operational strain and amounted to fiscal irresponsibility.

Jaysen Christensen then presented a slide showing the estimated tax impact of adding one police sergeant and constructing the gymnasium. Council Member Blackham noted that the projected impact would raise Kaysville's ranking by eight positions on the Davis County property tax scale, which he found excessive. Mr. Christensen clarified that the projection assumed no rate increases from other cities, which was unlikely given widespread cost increases and organizational changes.

Mayor Tran added that cities throughout the region were grappling with similar staffing and financial challenges. She noted that while the discussions were difficult, they were necessary across all municipalities.

Council Member Adams requested clarification on the financial impact to residents. Maryn Nelson confirmed that the proposed property tax increase would cost residents approximately \$15.71 per month, covering both the police sergeant and gymnasium project. She stated that including a second sergeant or deputy fire chief would raise the monthly increase to over \$17 per household, or roughly \$206 annually.

Council members discussed the merits of deferring some hiring decisions. Council Member Adams proposed that if the city could restore service agreements with Fruit Heights, the associated revenue could fund a Deputy Fire Chief position in the future. Council Member Oaks inquired about the possibility of promoting internal candidates temporarily. Chief Erickson explained that while some employees had the necessary certifications, most lacked the experience and tenure to qualify for higher-level leadership roles.

The council discussed whether expanded training could help develop leadership candidates more quickly. Chief Erickson reported that the department had already increased training and education budgets, but available programs—especially in-state—were limited, and required time in service remained a barrier.

Council Member Adams asked whether hiring full-time firefighters could reduce overtime. Chief Erickson confirmed that eight full-time employees per shift would reduce reliance on part-time staff, though many part-time personnel were career firefighters from other departments. He highlighted the contribution of part-time firefighter Brent Law, who brought significant institutional knowledge to the team.

As a short-term measure, Council Member Adams proposed offering a one-time bonus to department heads such as Chief Erickson for shouldering additional duties due to staffing shortages. He suggested this bonus be issued outside of base salary to avoid creating long-term pay obligations. Chief Erickson appreciated the suggestion but emphasized that the core issue was the need for additional personnel, not supplemental pay. He also raised concerns about pay compression between captain and chief ranks, which would constrain the city's flexibility when creating new leadership roles.

The conversation returned to the police department, where Chief Oberg reported that lieutenants were regularly contacted outside of scheduled work hours due to the lack of sergeant-level supervision. He noted that this placed an unfair burden on salaried employees who were not compensated for being constantly on call.

Council Member Adams revisited the idea of interim bonuses as a short-term gesture of appreciation. However, Council Member Hunt expressed concern about temporary fixes, arguing that acknowledging the need for more personnel without addressing it directly was ineffective. She emphasized that if the city recognized the need, it should act rather than defer with incentives.

Council Member Hunt reiterated her strong support for adding at least one police sergeant. While she also acknowledged the need for a Deputy Fire Chief, she ranked it slightly lower. She

expressed concern about the rising tax burden on residents during a period marked by economic uncertainty, layoffs, and federal cutbacks. Still, she stated she could not support a budget that failed to adequately fund essential public safety services. Regarding the gymnasium, she noted that the project felt rushed, though she acknowledged the city's need for recreational infrastructure. She expressed a preference for a regional recreation district, like the one in South Davis, but acknowledged that pursuing such an option could take years.

Jaysen Christensen reiterated that the goal of the meeting was to determine whether the council was comfortable including both the police sergeant position and the gymnasium in the tentative budget. He clarified that some figures may shift based on final project estimates. The council then discussed whether to hold an informal roll call vote to gauge consensus.

Cole Stephens emphasized the urgency of finalizing the city's shared-use gymnasium partnership with the Davis School District, calling it a now-or-never opportunity. He explained that Kaysville currently has no indoor recreation facilities of its own and relies entirely on school gyms, which are increasingly unavailable. Mr. Stephens noted that if the city chose not to participate, it could further strain its relationship with the district, particularly considering a previously withdrawn gymnasium partnership at Centennial Junior High. He clarified that while the gym would be unavailable to the public during school hours, it would be used in the evenings and on weekends for city-run programming such as Junior Jazz basketball. The lack of indoor facilities, he added, had prevented the city from offering adult and senior recreational programs.

Council Member Blackham expressed concern that joint-use facilities in other cities, like Farmington, were often underutilized. Cole Stephens responded that the gym would generate revenue through programming, which could offset operating costs, including part-time staffing.

Jaysen Christensen added that even if a future northern Davis County recreation district were created, such districts typically focused on aquatics or specialty facilities—not gymnasiums. Since most cities already had gyms, Kaysville's facility would remain valuable regardless of future developments. Cole Stephens referenced a 2021 Y2 Analytics survey in which Kaysville residents identified a recreation center as the most desired amenity and indicated willingness to pay increased property taxes to support it.

Mr. Christensen noted that including the gymnasium in the budget could provide a visible and tangible benefit to residents, complementing the less visible but essential investments in public safety, and helping build broader support for any tax increase.

Council Member Jackson expressed support for both the gym and staffing proposals. He also noted that past councils had deferred necessary tax increases, leading to the current challenges, and warned that further delay would only pass financial burdens on to future leaders. He recommended exploring new revenue options, such as hiring an intern or student to assist with economic development efforts.

Mayor Tran agreed and argued that well-staffed services and attractive infrastructure send a strong message to prospective businesses and investors. She supported using interns to help strengthen public messaging and keep momentum going.

Mayor Tran expressed her support for including both the gym and the police sergeant position in the tentative budget and advocated for adding the Deputy Fire Chief position, citing years of deferred staffing. Council Member Adams echoed this support.

Council Member Blackham requested a clear, itemized straw poll rather than grouping the decisions together. He stated he supported the gymnasium but opposed adding a sergeant position.

Council Member Oaks supported the gymnasium and the police sergeant gymnasium and was inclined to support the deputy fire chief, citing concerns about being under-staffed

Council Member Jackson supported the gym and the sergeant and was open to the deputy fire chief position.

Council Member Hunt strongly supported the sergeant position, the gymnasium, and the deputy fire chief position, expressing discomfort about potential consequences from deferring these personnel positions another year. That's another year without needed police coverage.

Council Member Adams confirmed support for all three proposals.

The informal consensus supported including the gymnasium, one police sergeant, and tentative support for the deputy fire chief in the tentative FY26 budget.

Jaysen Christensen transitioned to a review of employee compensation, including merit and cost-of-living adjustments (COLA). The proposed budget included a 2.5% COLA and a 0–3% merit increase, consistent with prior practices. Council Member Adams questioned whether the city could adjust the total compensation to align with other cities offering higher COLA increases. He proposed using the savings to target compensation increases for employees still paid below market rate in order for Kaysville to remain competitive in the job market.

Dean Storey referenced a past year when the city issued a 6% general increase and used an additional 2% for underpaid positions. Council Member Adams proposed a similar model, reducing the total increase to 4.5% and using the roughly \$130,000 saved to raise wages for employees within 3% of market.

Maryn Nelson confirmed it would cost about \$325,000 to bring all below-market employees to parity. Council Member Adams suggested pursuing incremental progress this year. Council Members Jackson and Hunt supported reviewing the cost breakdown for different market benchmarks.

Josh Belnap expressed strong support for prioritizing compensation, stating he would forgo his own merit increase if it benefited others, especially those still under market. He emphasized the value of long-term staff investments. Mr. Belnap noted that many employees are already at the top of their pay grades and rely solely on market adjustments to see increases, making those adjustments especially important. Chief Erickson added that while morale and turnover in his department were currently low, reducing market adjustments could negatively impact retention. Council Member Oaks suggested staff determine the best breakdown of the proposed 5.5% increase.

Chief Oberg warned that reducing market adjustments would undermine recruitment, especially for public safety. Mr. Christensen echoed the concern, noting that employees at the top of their range rely on COLA for wage growth. Adjusting market-only compensation could erode trust and morale.

Council Member Adams estimated that a 1% reduction in either the proposed merit or COLA could free \$80,000, enough to bring a larger portion of the 29 under-market employees closer to parity. Maryn Nelson reiterated that to bring everyone fully to market would cost \$325,000, but the incremental approach could raise many to within 3%.

Mayor Tran and Maryn Nelson warned against shifting away from the city's progress of reaching more competitive pay levels, emphasizing the importance of maintaining consistency in the city's compensation approach. Dean Storey warned that altering the merit structure year to year introduces uncertainty and inconsistency for employees, which could damage trust. Chief Oberg added that losing trained staff due to compensation gaps incurs greater costs in training, overtime, and recruitment.

Council Member Adams ultimately proposed keeping the 5.5% total compensation adjustment but requested a scenario analysis showing the effect of reducing merit or COLA by 0.5% and reallocating that to under-market positions. He asked that department heads receive detailed projections to evaluate the impact on their teams.

Council Member Blackham stated a preference for preserving COLA over merit increases, as COLA addresses inflation directly. Chief Erickson added that employees who have maxed out on merit increases don't benefit from that pool, but Maryn Nelson clarified that merit is not budgeted for topped-out employees.

Council Member Adams requested data showing how reallocating \$40,000 from merit could impact below-market employees. Council Member Jackson asked if critical positions could be prioritized. Jaysen Christensen cautioned that even well-meaning changes to compensation structures often result in unintended morale issues.

Council Member Adams asked about what the State of Utah and other public employers are providing for COLA and merit. Maryn Nelson responded that Utah Retirement Systems (URS) was offering a 2.9% COLA, and Social Security had set theirs at 2.5%.

The group discussed increasing salary ranges (pay caps) without immediately adjusting wages to allow future growth and improve morale. The idea received general support as a low-cost method to remain competitive.

Council Member Blackham asked how an additional \$180,000 in compensation would affect Kaysville's tax rate position. Maryn Nelson replied that it would place Kaysville between Woods Cross and West Bountiful, though changes in peer cities could shift those rankings.

Jaysen Christensen concluded by confirming staff had the direction needed to finalize the tentative budget, including the Deputy Fire Chief, one Police Sergeant, and the gymnasium project, along with the 5.5% total employee compensation package (3% merit, 2.5% COLA).

Maryn Nelson asked whether any additional meetings would be needed before the May 15 city council meeting, where the tentative budget would be presented. The council confirmed that no further meetings were necessary. Council Member Adams voiced concern that updated gymnasium figures might not be ready by May 15. Jaysen Christensen acknowledged that while staff hoped to have the data, it was not guaranteed. Council members agreed that follow-up budget discussions could occur after the tentative budget adoption.

The meeting adjourned at 12:07 p.m.