

KAYSVILLE CITY COUNCIL  
WORK SESSION  
May 1, 2026

Minutes of a special Kaysville City Council work session held on Friday, May 1, 2026, at 9:00 a.m. at Kaysville City Hall, 23 East Center Street, Kaysville, Utah.

Council Members present: Mayor Tamara Tran, Council Member John Adams, Council Member Mike Blackham, Council Member Abbigayle Hunt, Council Member Nate Jackson, and Council Member Joshua McBride

Staff Present: City Manager Jaysen Christensen, Finance Director Maryn Nelson, Deputy Finance Director Paker Godwin, City Recorder Annemarie Plaizier, Fire Chief Paul Erickson, Police Chief Sol Oberg, Parks and Recreation Director Cole Stephens, Public Works Director Josh Belnap, Power Director Brian Johnson, Information Systems Manager Ryan Judd

**REVIEW AND DISCUSSION OF THE TENTATIVE FY 2027 BUDGET**

City Manager Jaysen Christensen opened the budget work session by reviewing new state requirements related to Truth in Taxation. He explained that municipalities are now required to provide notice at their first meeting in May if the proposed budget includes a property tax increase. Although the City Council had not yet reviewed or voted on the proposed budget, staff's recommended budget included a property tax revenue increase of 31.24%, generating approximately \$1.795 million in additional revenue. Mr. Christensen emphasized that this represented the same dollar amount increase approved by the council during the previous budget cycle but ultimately not implemented due to procedural issues identified by the state. He noted that staff intended to ensure full compliance with all Truth in Taxation requirements this year, including holding a hearing dedicated exclusively to the Truth in Taxation process.

Finance Director Maryn Nelson shared remarks regarding long-term planning and financial stewardship. She compared budgeting decisions to planting a tree for future benefit and emphasized the importance of making responsible decisions today to support future needs. Ms. Nelson stated that the proposed budget focused on necessary projects, goals, and services intended to enhance residents' quality of life while maintaining long-term stability and sustainability.

Mr. Christensen expanded on those comments by discussing the city's mission and responsibility to preserve quality of life for both current and future residents. He noted that while municipalities must be fiscally responsible, they also provide essential services such as public safety, parks, and infrastructure that cannot be evaluated solely on profitability. He reviewed the budget schedule, explaining that the work session was intended to serve as the second and potentially final budget work session before presentation of the tentative budget the following week. He outlined the timeline for adoption of the tentative budget, public hearings, and a potential Truth in Taxation hearing in August if approved by the council.

Mr. Christensen reviewed the primary objectives guiding development of the budget, including maintaining operations, supporting employees, and investing in capital infrastructure. He

explained that the previous budget work session had focused primarily on the General Fund, while this meeting would focus largely on enterprise funds before returning to General Fund items later in the meeting.

As part of an overview of the proposed budget impacts, Mr. Christensen explained that the proposed property tax increase would result in an estimated increase of approximately \$14.80 per month for the owner of a home valued at the state's estimated average Kaysville home value of \$690,000. Mayor Tran clarified that utility rate increases approved the previous year were separate from the property tax discussion. Mr. Christensen confirmed that the figures being presented related only to property taxes and that proposed utility rate adjustments would be discussed later in the meeting.

Council Member Blackham questioned the use of the state's average home value estimate, noting that many homes in his area were valued significantly higher. He requested that future presentations include examples showing impacts at multiple home values so residents could better understand how proposed increases would affect them. Council Member Hunt suggested including lower-value examples as well. Staff agreed to provide additional valuation scenarios in future budget materials.

Mr. Christensen then reviewed proposed enterprise fund fee adjustments, explaining that staff was recommending increases to several utility rates to maintain the long-term sustainability of those funds and ensure that operating costs, infrastructure maintenance, and future capital needs could continue to be met. Based on average household consumption and the proposed property tax increase, staff estimated that the combined impact of all proposed tax and utility rate adjustments would be approximately \$25.01 per month for the average resident.

The council then discussed proposed improvements to the city operations center. Mr. Christensen reviewed previous discussions regarding the facility, noting that the existing operations center was constructed in the early 1990s and no longer adequately met the city's operational needs. Earlier concepts had contemplated a comprehensive facility replacement estimated at approximately \$39 million, but staff had since reduced the scope to a project estimated at approximately \$6.4 million. The revised proposal would expand the existing building, provide additional workspace, add covered equipment storage, and address other operational deficiencies. Mr. Christensen also noted that the city had received notice from the state requiring upgrades to the fuel island to meet current regulatory standards. The project was estimated to cost approximately \$500,000, with compliance required by January of the following year.

Mayor Tran asked whether the city had explored opportunities to partner with the state regarding fuel facilities. She shared information from discussions with other municipalities at a Utah League of Cities and Towns conference, where some cities allowed state vehicles to use municipal fueling stations and, in return, benefited from lower fuel costs through state purchasing programs. Chief Paul Erickson noted that some cities, including Ogden, participate in similar arrangements. Staff indicated that the possibility had not yet been explored but agreed it was worth investigating. Mr. Christensen stated that staff would look into potential opportunities for collaboration.

Mr. Christensen then reviewed how the operations center project could be financed. If bonded over a 20-year period, the annual debt service would be approximately \$463,000. He explained that the costs would be allocated among city departments and funds based on their use of the facility. Staff

had analyzed departmental usage to determine an equitable distribution of costs. Mr. Christensen emphasized that most of the debt service would be assigned to enterprise funds rather than the General Fund and would therefore be supported primarily through utility rates rather than property taxes.

The discussion then shifted to the electric utility fund and long-term financial planning. Mr. Christensen introduced the Waterworth financial model, which is used to forecast future operating, staffing, infrastructure, and capital costs. He explained that the model helps staff evaluate whether future revenues will be sufficient to sustain the utility and maintain healthy reserves. The projections showed that, without future rate adjustments, electric fund reserves would eventually be depleted. Staff therefore recommended a 5% revenue increase for the electric fund.

Mr. Christensen explained that the proposed adjustment would generate approximately \$1.049 million in additional revenue, while the city would still need to use approximately \$738,000 in electric fund balance to support operations and planned improvements. He emphasized that the increase was intended to maintain long-term sustainability and continued investment in infrastructure rather than build reserves.

Power Director Brian Johnson reviewed the primary factors driving electric utility costs. He explained that one of the city's highest priorities is replacing aging direct-buried electrical wire throughout the system. Much of the wire had exceeded its intended lifespan and was beginning to experience increasing failures and burnouts. The city had already begun a multi-year replacement effort and was nearing completion of a conversion to a more efficient 7,200-volt system. Additional funding would allow the city to continue replacing the most problematic sections of wire, including areas that experienced multiple outages during the previous year.

Mr. Johnson also discussed plans to upgrade overhead feeder lines connecting substations to accommodate growth and increased electrical demand. Additional projects included construction of a battery control house at the West Substation, which currently lacks backup controls and battery systems available at the city's other substations, and replacement of the damaged vinyl fence surrounding the Burton Lane Substation with a more durable concrete fence. Mr. Johnson noted that repeated vandalism had resulted in ongoing repair costs for the existing fence. He also explained that a portion of the proposed increase would provide flexibility for future power purchase costs associated with participation in the Extended Day-Ahead Market (EDAM) and changes in regional energy markets.

Mayor Tran asked which projects were already underway and which represented new expenditures. Mr. Johnson explained that the direct-buried wire replacement program and ongoing conductor upgrades were already in progress, while the battery control house and concrete fence projects were new proposed expenditures.

Council Member Blackham expressed concern regarding the cumulative impact of electric rate increases and questioned why additional increases were needed after prior rate adjustments. He asked staff to provide a clearer explanation of how previous increases had been used and what benefits residents had received. Ms. Nelson explained that the electric fund had relied on approximately \$1.3 million in fund balance during the current fiscal year and that the proposed increase would reduce, but not eliminate, future reliance on reserves.

Public Works Director Josh Belnap noted that many infrastructure projects and system improvements had been deferred for years due to funding limitations and that departments were now addressing aging infrastructure, regulatory requirements, and operational improvements that could no longer be postponed. Council Member Blackham reiterated that he wanted clearer information showing how prior increases had been spent and how those expenditures benefited residents.

Mayor Tran agreed and emphasized the need to better communicate the value of infrastructure investments to both the council and the public. She stated that residents often see only increased utility bills and may not understand the projects, improvements, and reliability benefits funded by those increases. She suggested using visual examples and project summaries to better explain utility investments.

Mr. Johnson responded that many completed projects and accomplishments had been documented in the department's annual report and noted that several significant infrastructure improvements had already been completed using previously approved funding. Council Member McBride asked whether the proposed projects were primarily growth-related or maintenance-related. Mr. Johnson responded that both factors were contributing, noting that significant development on the west side of the city had increased electrical demand and required upgrades to feeder lines and system capacity.

Council Member Adams arrived during the discussion.

Council Member Blackham expressed concern that the financial projections appeared to assume recurring future rate increases and cautioned against relying on automatic increases without fully understanding the underlying costs. Mr. Christensen acknowledged the concern and explained that the financial models were designed to help the city proactively address rising operating costs, infrastructure replacement needs, and long-term capital obligations rather than defer projects and face substantially larger increases later. Council Member Blackham responded that residents had already experienced several tax and fee increases during his time on the council and stated that he remained concerned about the cumulative financial burden on households.

Council Member Adams raised a broader policy question regarding future property tax increases and the proposed fire station project. He suggested that if voters approved a fire station bond, it might be more transparent to combine future tax increases into a single adjustment rather than implementing multiple increases over several years. He stated that residents may better understand a larger increase if it were directly tied to a visible project such as a new fire station. Council Member Blackham disagreed, stating that he could not support imposing such a large increase in a single year because most residents do not receive comparable increases in income. Council Member Adams clarified that he was attempting to understand how future General Fund needs and the fire station proposal might overlap and whether a combined approach would make sense.

Mr. Christensen noted that the discussion had shifted away from enterprise funds and into General Fund and fire station topics. He indicated that additional discussions regarding those issues would occur at future meetings and suggested returning the focus to the utility funds. He added that staff planned to revisit General Fund discussions before concluding the work session. Council Member Blackham stated that he would also like to schedule an additional budget work session to allow the council to discuss budget priorities and concerns in greater detail after staff presentations had

been completed.

The discussion then returned to the electric utility fund. Mayor Tran asked whether the city had considered implementing time-of-use electric rates to encourage residents to shift consumption to off-peak periods. Mr. Christensen explained that staff had spent considerable time preparing for a potential transition to time-of-use pricing and agreed that it could help reduce peak demand, but the city was not yet ready to implement the necessary systems. He indicated that staff continued to work toward that goal in the future.

Mr. Christensen also reviewed a proposal to eliminate seasonal electric rates and adopt a consistent year-round rate structure. He explained that the change would not significantly affect overall utility revenues but would provide residents with greater predictability by replacing separate summer and winter rates with a uniform monthly rate.

Staff then reviewed proposed adjustments to commercial electric rates. Mr. Christensen explained that Kaysville's commercial rates were lower than those charged by many neighboring cities and that staff believed commercial customers were not paying rates comparable to regional norms. As a result, residential customers were effectively subsidizing a portion of system costs. The proposed rate structure would shift a greater share of the utility revenue increase to commercial and high-demand users while minimizing impacts on residential customers. Mr. Christensen emphasized that the proposed 5% increase represented a utility revenue increase rather than a 5% increase to every customer's bill. Based on average residential usage, the typical resident would experience an increase of approximately \$0.31 per month.

Council Member Adams asked whether the city should consider increasing commercial rates beyond the levels proposed by staff, noting that some commercial customers may be less sensitive to utility costs than residential customers. Mayor Tran responded that higher utility costs are often passed through to tenants and businesses through lease agreements and operating expenses. Mr. Christensen stated that staff's recommendation was intended to bring commercial rates into alignment with comparable cities rather than exceed them.

Council Member Hunt commented that residents had expressed positive feedback regarding improvements to the city's electrical system. She stated that while residents rarely volunteered praise, many acknowledged that reliability had improved when asked directly. Council Member Hunt expressed appreciation for the work being done and agreed with earlier comments that the city should do a better job communicating infrastructure improvements and system investments to residents.

The discussion then shifted to the water utility fund. Mr. Christensen explained that staff used the same long-term financial modeling process to evaluate the sustainability of the water system, including projected operating costs, water purchases, capital improvements, and future revenues. Staff recommended a 20% increase in water utility revenue to maintain long-term financial stability. He emphasized that the 20% figure represented an increase in overall utility revenue rather than a 20% increase to individual customer bills. Based on average residential water usage, the typical resident would see an estimated increase of approximately \$1.63 per month, or about 5.2% of the average monthly water bill.

Council Member Jackson requested clarification regarding the projected revenue increases shown

in the financial model. Mr. Christensen explained that the model projected revenue increases of approximately 15% annually through fiscal year 2030, followed by lower increases thereafter, to keep pace with anticipated operating expenses, infrastructure replacement needs, and future capital projects. He emphasized that the projections were intended to provide transparency regarding long-term utility needs and were not intended to predetermine future council decisions. Mr. Christensen noted that the city faced significant future costs related to aging water infrastructure, ongoing leak repairs, system maintenance, and future water storage capacity. He added that residents often take reliable water service for granted without seeing the extensive testing, maintenance, repairs, and regulatory compliance efforts required to provide safe drinking water.

Council Member Jackson suggested that future presentations more clearly connect projected revenue increases to the financial models so council members could better explain the rationale for future adjustments to residents.

Council Member Blackham requested clarification regarding the dollar amount associated with the proposed revenue increase. Assistant Finance Director Parker Godwin explained that the proposal would generate approximately \$842,000 in additional revenue while still requiring continued use of water fund balance. Mr. Christensen noted that even with the proposed increase, the city would continue relying on reserves and would not be significantly rebuilding fund balance. Council Member Blackham questioned the overall increase in utility revenues and attempted to compare the proposed residential increase to the total number of water customers. Mr. Christensen explained that the additional revenue would come from a combination of residential and commercial rate adjustments rather than solely from residential users.

Mr. Belnap reviewed several water utility projects included in the budget. He explained that the city was continuing major water line replacement work associated with the 200 North project, including approximately two miles of water main and service line replacement. He also reported that a water line replacement project had recently begun in the Kings Court and Bishops area, where numerous leaks had occurred in recent years.

Mr. Belnap described plans for a bulk water loading station that would allow contractors and authorized users to obtain water without renting hydrant meters. He explained that the city had experienced ongoing challenges managing hydrant meters, including equipment damage and difficulties recovering meters from users. The new station would provide a controlled location for water access while reducing maintenance and enforcement issues. He also discussed plans to replace a temporary chlorination trailer in the 300 North area with a permanent facility. The site contains critical chlorination and monitoring equipment used to maintain water quality in northwest Kaysville, and staff believed a permanent structure would provide improved security, spill containment, and protection for expensive equipment. Mr. Belnap also noted that a portion of the proposed increase reflected higher water purchase costs from Weber Basin.

Mr. Christensen explained that staff was attempting to minimize impacts on residents by delaying the water fund's share of operations center bond payments during the initial years of the project. He also reviewed the proposed water rate structure, noting that smaller meter sizes, which primarily serve residential customers, would receive relatively modest base rate increases, while larger meter sizes commonly associated with commercial and industrial users would receive larger adjustments. Mr. Belnap stated that the goal was to reduce the degree to which residential customers subsidized commercial users and to bring commercial water rates more in line with

those charged by neighboring communities.

Council Member Hunt expressed support for reducing residential subsidization of commercial users but asked whether the proposed increases could create hardships for local businesses. Mr. Christensen responded that while some percentage increases appeared significant, the actual dollar impacts were relatively modest because commercial base rates had historically been lower than comparable rates in other cities. Mr. Belnap explained that the largest meter sizes were generally used by large commercial and industrial facilities, educational institutions, and mobile home communities. Mr. Godwin added that costs associated with larger shared systems are typically distributed among multiple users.

Mr. Belnap also explained that the proposed rate structure included higher charges for the highest tiers of water consumption. He stated that the intent was to discourage excessive use of culinary water for irrigation, particularly during drought conditions or periods when secondary water supplies may be restricted. He emphasized the importance of protecting the culinary water system and reducing the likelihood that residents would attempt to connect irrigation systems to drinking water supplies.

Mayor Tran asked whether residents generally filled swimming pools using culinary water. Mr. Belnap confirmed that swimming pools are typically filled using drinking water rather than secondary irrigation water.

The discussion then shifted to the storm water utility fund. Mr. Christensen explained that the storm water fund had been operating at a deficit and that staff was proposing a rate increase to help address ongoing costs. He noted that a portion of the proposed increase would also contribute toward operations center debt service costs allocated to the storm water utility.

Mayor Tran asked staff to explain how storm water differed from the city's culinary water and sewer utilities. Mr. Belnap explained that storm water operations are regulated by the state and are responsible for managing runoff from rainstorms and snowmelt. The system collects and conveys runoff to public water bodies, including streams and ultimately the Great Salt Lake. Because of state permitting requirements, storm water revenues and expenditures must be tracked separately from other utility operations.

Mr. Belnap explained that storm water fees support activities such as maintaining and cleaning storm drain infrastructure, conducting required water quality sampling and monitoring, responding to flooding events, making repairs, and complying with state permit requirements. He noted that the city is required to submit annual reports documenting storm water revenues and expenditures. Mr. Belnap stated that the previous storm water rate increase occurred approximately eight or nine years earlier and that the city's responsibilities had expanded significantly since that time due to population growth, increased regulatory requirements, and additional staffing needs.

Mayor Tran asked whether the fee was essentially necessary because the city must operate a storm water program to comply with state requirements. Mr. Belnap explained that while the state does not mandate a specific fee, it does require municipalities to operate and maintain storm water systems and comply with permit requirements. He noted that all cities are required to maintain storm water programs appropriate to their size and circumstances.

Council Member Blackham asked questions regarding the financial condition of the storm water fund. Ms. Nelson explained that the proposed budget relied on approximately \$771,000 of storm water fund balance and that reserves had been used to support operations. Council Member Blackham questioned what factors had caused expenditures to increase over time and whether specific projects had driven those costs. Mr. Belnap responded that the use of fund balance was not the result of exceeding the adopted budget but rather reflected how the budget had been structured. He stated that inflation and increasing operational costs over the past several years had been major contributors to the fund's financial challenges. Ms. Nelson added that storm water revenues are generated through utility fees and that reserves accumulated in prior years were now being used to offset operating deficits.

Mayor Tran confirmed that the proposed rate increase was intended to reduce the fund's reliance on reserves and bring revenues and expenditures into closer balance. Staff agreed that the proposed adjustment would help achieve that goal.

The discussion then shifted to the sanitary sewer fund. Mr. Christensen explained that wastewater service is provided through Central Davis Sewer District and that most of the proposed sewer fee increase reflected pass-through costs from the district. He also noted that staff had identified a shortfall in the city's recovery of administrative costs associated with billing and related services. To address that gap, staff proposed a \$0.25 monthly increase in the city's administrative fee.

Council Member Blackham questioned why Kaysville ratepayers should pay an additional administrative fee when the city performs billing services on behalf of Central Davis Sewer District. He stated that if administrative costs had increased, those costs should be recovered from the sewer district rather than directly from city residents. Mr. Christensen explained that the city has historically recovered those costs through the administrative fee included on utility bills. Staff indicated they could further review the arrangement but noted that any additional costs would likely be passed through to ratepayers regardless of how they were collected.

Council Member Blackham continued to question whether the sewer district compensated the city for billing services. Mr. Christensen clarified that the city does not receive a separate payment from the sewer district and instead recovers its administrative costs through the fee charged to utility customers.

The council then discussed administrative fees associated with pressure irrigation billing. Mr. Christensen explained that the city collects irrigation fees on behalf of Davis and Weber Counties Canal Company but does not own or maintain the irrigation infrastructure. Staff reviewed the costs associated with billing and determined that the current administrative fee no longer covered the city's expenses. He noted that although utility billing staffing levels had recently been reduced, the city still needed to recover the costs of administering the program. Mr. Christensen also pointed out that state requirements for universal pressure irrigation metering by 2030 would likely increase billing complexity and administrative workload.

Mr. Belnap provided historical context regarding the city's billing arrangements with both the sewer district and the irrigation company. He explained that Kaysville originally owned and operated both sewer and irrigation systems before transferring ownership and maintenance responsibilities to outside entities decades ago. As part of those agreements, the city retained responsibility for customer billing. He noted that discussions had occurred in recent years

regarding whether those entities should assume billing responsibilities themselves, particularly in anticipation of future metering requirements, but no changes had been made, and the city continues to perform billing services on their behalf.

Mr. Christensen added that many municipalities face similar challenges and would prefer not to serve as the billing agent for independent irrigation companies. However, many irrigation companies lack the administrative capacity to manage their own billing operations, resulting in cities continuing to provide the service. He acknowledged that the arrangement could create confusion because residents often assume the city owns and operates the irrigation system when irrigation charges appear on their municipal utility bills.

The council then reviewed the sanitation utility fund. Mr. Christensen explained that garbage collection services are provided through Robinson Waste Services and that the city was preparing to issue a request for proposals to evaluate future service options. He noted that Robinson had historically maintained competitive rates compared to neighboring communities. For the upcoming fiscal year, Robinson's rates were projected to increase by approximately \$1.62 per month for the average customer, although actual impacts would vary depending on service levels and the number of containers.

Mr. Christensen summarized the cumulative impact of the proposed utility and property tax adjustments. Staff estimated that the combined effect of all proposed changes would increase costs for the average resident by approximately \$25 per month. Of that amount, approximately \$14.80 would result from the proposed property tax increase, with the remainder attributable to utility rate adjustments.

Following the presentation, the council recessed for a brief break at 10:42 a.m. and reconvened at 11:00 a.m.

Following the break, Mr. Christensen returned to the General Fund discussion and reviewed the city's overall financial position. He reported that the General Fund balance at the end of fiscal year 2025 was approximately \$7.5 million and was projected to decline to approximately \$3.8 million by the end of fiscal year 2027. Mr. Christensen noted that the city would effectively use about half of its available fund balance over a two-year period. While acknowledging that reserves exist to help address financial challenges, he stated that continued reliance on fund balance was not sustainable long term. He reiterated that the proposed Truth in Taxation increase of approximately \$1.795 million represented the same revenue increase approved by the council the previous year but not implemented due to procedural issues identified by the state. Mr. Christensen emphasized that staff was not proposing any additional property tax increase beyond what would have been collected had the previous year's increase taken effect.

Mr. Christensen reviewed several additions and adjustments made to the proposed budget since the previous work session. He noted that council members had previously expressed support for funding a police drone program, resulting in the addition of approximately \$19,000 to the budget. Staff had also included approximately \$29,000 for a part-time police clerk position.

Mr. Christensen discussed the proposed addition of a part-time public information officer position. He explained that the city currently contracts for public information and communication services on an as-needed basis and that hiring a part-time employee could potentially provide similar

services at a lower overall cost. Staff estimated the position would require approximately 15 to 20 hours per week and could be budget neutral or potentially reduce overall expenses. Mr. Christensen stated that the position would help improve public communication, increase transparency, and better educate residents about city projects, services, and infrastructure investments. He noted that many larger cities employ full-time communications staff and that Kaysville could benefit from dedicating additional resources to public outreach.

The council also reviewed proposed funding for the skate park project. Mr. Christensen explained that staff was recommending an additional \$100,000 in park impact fee funding as project planning continued and noted that a design-related contract would be presented to the council at a future meeting.

Staff also recommended funding for an updated impact fee study. Mr. Christensen explained that the city's last impact fee study was completed in 2019 and that significant inflation and changing infrastructure costs since that time warranted a review of current impact fee calculations. He stated that the purpose of the study would be to ensure developers are paying fees that accurately reflect the impacts of growth and the costs of providing necessary infrastructure. Chief Erickson noted that the previous impact fee study had followed a seven-year gap since the prior update.

Council Member Blackham asked whether impact fee revenues must be spent within a certain timeframe after collection. Mayor Tran questioned why an impact fee study required hiring consultants rather than being completed internally. Mr. Christensen explained that state law requires a formal impact fee facilities plan and supporting rate study that must follow specific methodologies and documentation requirements. Parks and Recreation Director Cole Stephens added that impact fees must be based on a city's infrastructure plans and projected costs rather than comparisons with neighboring communities. Mr. Belnap stated that the studies provide the analysis necessary to ensure impact fees are legally defensible and supported by objective data.

Mayor Tran commented that residents frequently question why cities spend significant amounts on consultants, studies, and engineering services rather than relying on volunteers, interns, or city staff. Mr. Christensen responded that while the city completes many projects internally when practical, specialized studies such as impact fee analyses require expertise and methodologies generally provided by a limited number of firms specializing in municipal finance and impact fee planning. He noted that only a few firms regularly perform this type of work in Utah and that the city seeks competitive proposals whenever possible.

Mr. Christensen also reminded the council that the cost of the impact fee study could be funded through impact fee revenues rather than the General Fund.

Mr. Christensen then revisited the topic of council health insurance. He explained that the proposed budget currently included approximately \$141,000 for health insurance benefits for elected officials and noted that several Utah cities provide similar benefits. He stated that staff was seeking direction from the council regarding whether the item should remain in the budget or be removed. Mr. Christensen clarified that the estimate assumed participation by all council members and the mayor, including family coverage.

Council Member Hunt stated that she did not support including council health insurance in the current budget. While acknowledging that the benefit could make public service more accessible

to some individuals, she noted that current council members had sought office knowing the benefit was not offered. Council Member Hunt expressed concern about approving a benefit that would directly benefit current officeholders and suggested that if the council wished to pursue such a policy, it should take effect after a future election cycle. She also noted that the proposed expenditure could be used for other budget priorities.

Mayor Tran thanked staff for evaluating benefits offered by other cities but agreed that council health insurance should not be included in the current budget. Mr. Christensen suggested conducting a straw poll to provide staff with direction before preparation of the tentative budget.

Prior to taking the straw poll, Ms. Nelson clarified that although the council would be required to adopt a tentative budget at its next meeting, changes could still be made before the public hearing and final budget adoption. Annemarie Plaizier explained that recent state law changes now require adoption of a tentative budget before the statutory deadline, resulting in several separate budget-related agenda items.

The council also discussed how future Truth in Taxation notices and budget information would be communicated to residents. Mayor Tran emphasized the importance of clearly distinguishing between General Fund expenditures and projects funded through restricted impact fees. She expressed concern that residents could misunderstand preliminary budget notices and assume budget decisions had already been finalized. Mr. Christensen agreed that future communications should clearly explain the status of proposed budget items and the city's intentions.

Council Member Jackson stated that he agreed with Council Member Hunt and did not support including council health insurance in the current budget. Council Member Blackham indicated that while he did not personally need the benefit, he believed future elected officials should have the option to obtain coverage if necessary. Council Member Adams suggested health insurance could potentially be offered as an optional benefit rather than automatically provided to all elected officials. Mayor Tran expressed concern about creating unequal benefit structures and stated that any future policy should be equitable and clearly defined. Council members also discussed whether future requests for benefits could be addressed through the annual budget process as needed.

Ms. Nelson explained that if health insurance were offered in the future and an elected official elected coverage, the cost could be addressed through a budget amendment if necessary. Council Member Adams suggested a future policy could allow newly elected officials to elect coverage during a budget cycle so associated costs could be planned and budgeted in advance.

Following the discussion, a straw poll indicated support for removing the proposed \$141,000 council health insurance allocation from the tentative budget. Mr. Christensen noted that the proposal had originated as a staff recommendation after reviewing practices in other Davis County cities and stated that staff would remove the item while potentially revisiting the issue in the future if directed by the council.

Mr. Christensen clarified that despite removing the council health insurance allocation, staff continued to recommend proceeding with the proposed Truth in Taxation increase of approximately \$1.795 million and avoiding additional reliance on General Fund reserves.

Council Member Blackham requested that the council hold an additional budget work session

before the next council meeting. He stated that while staff presentations had been helpful, the council had not yet had sufficient opportunity to discuss budget priorities, evaluate spending, and consider potential adjustments. Mayor Tran agreed that an additional work session would be beneficial.

Council Member Blackham expressed concern that even with the proposed Truth in Taxation increase, the city would still rely on approximately \$1.6 million in fund balance to balance the General Fund budget. He stated that continued use of reserves could quickly reduce the fund balance below recommended levels and questioned whether additional spending reductions should be considered. Ms. Nelson confirmed that if current trends continued, the projected fund balance would fall below recommended minimum levels in the following year.

Mayor Tran stated that many of the city's current financial pressures stemmed from years of inflation and rising costs that had outpaced revenue growth. She noted that while the city had implemented previous tax increases, it had also delayed expenditures and imposed hiring restrictions over time. Council Member Blackham argued that residents had already experienced multiple tax increases in recent years and remained concerned about the cumulative financial burden.

Council members discussed the relationship between certified tax rates, new growth, and property tax revenues. Council Member Blackham explained that changes in property valuations affect the certified tax rate but generally do not increase revenue beyond growth. Council Member Adams noted that new development expands the tax base and affects how the tax burden is distributed among property owners.

Council Member Adams stated that the council needed to determine whether recent budget growth reflected necessary investments and previously deferred needs or whether spending had increased too rapidly. He referenced staffing additions, including legal services, as examples of costs that should be evaluated. Council Member Blackham reiterated that his primary concern was the growing gap between revenues and expenditures and the possibility that similar tax increases could be needed again in future years.

The council also discussed the city's commitment to the Kaysville Fieldhouse project and future fire station needs. Mayor Tran noted that the Fieldhouse commitment required a timely decision, while Council Member Hunt observed that the project represented a relatively small portion of the proposed increase. Council members discussed the timing of future Fieldhouse payments and whether delaying payments would simply defer the financial challenge. Council Member Blackham emphasized that the current General Fund discussion did not account for proposed enterprise fund increases, operations center costs, or potential future fire station bond and staffing expenses.

Following discussion, the council agreed to hold an additional budget work session on Tuesday, May 5, at 6:00 p.m. Mr. Christensen stated that staff would work with council members to identify information and materials needed for that meeting.

Mr. Christensen acknowledged the concerns raised regarding the city's long-term financial sustainability and stated that staff shared the goal of avoiding continued depletion of General Fund reserves. Council Member Blackham emphasized that residents were already experiencing

significant increases in household expenses and stated that the council needed to carefully evaluate whether spending reductions were possible, even if doing so required limiting some services or programs.

Mayor Tran questioned what services the city currently provides that were not offered several years ago, noting that some community events and programs had already been discontinued. Council Member Adams responded that much of the budget growth appeared to be tied to personnel costs rather than new services. Mr. Christensen explained that employee-related expenses comprise a significant portion of municipal budgets because cities are service-based organizations. Mr. Belnap added that inflation, materials, equipment costs, and growth in city infrastructure had also contributed to increasing expenses.

Council Member Blackham stated that he supported taking care of existing employees but remained cautious about adding new positions because of the long-term financial obligations involved. He cited increased administrative workloads within the Police Department as an example of a staffing need that was easier to justify. Council members discussed whether departments could continue identifying opportunities to redistribute duties, utilize part-time assistance, or compensate existing employees for additional responsibilities rather than automatically filling every vacancy with a new full-time position.

Staff discussed ways to better communicate cost-saving measures already being implemented. Mr. Belnap suggested highlighting efficiencies, staffing adjustments, and other operational changes in department reports. Mr. Christensen noted that the city had already eliminated certain positions and reorganized others to meet changing operational needs. Staff agreed that these efforts could be more clearly documented in future budget narratives, reports, and presentations.

Mr. Christensen then reviewed items proposed to be funded through General Fund balance, emphasizing that staff had focused on one-time capital expenditures rather than ongoing operational costs. Examples included council chambers audiovisual improvements and repairs at Barnes Park. He also reviewed several requested items that had been deferred and were not included in the proposed budget.

Mr. Stephens reported that staff was pursuing grant and rebate opportunities to offset project costs, including participation in Weber Basin's Landscape Lawn Exchange Program. He explained that while parks are not eligible, municipal facilities such as City Hall and the fire station may qualify for funding to replace turf with water-efficient landscaping.

Staff then provided additional property tax impact examples using multiple home values in response to earlier council requests. Mr. Christensen also reviewed property tax rate comparisons among Davis County cities, noting that Kaysville currently had the third-lowest property tax rate among fifteen Davis County municipalities and would remain in the lower half of the county even with the proposed increase.

Mr. Christensen concluded by reflecting on the complexity of the budgeting process. He compared municipal budgeting to household budgeting, noting that even simple family financial decisions

can be difficult, while city budgets must balance numerous departments, infrastructure needs, services, and resident priorities. He stated that although the discussions were challenging, they were necessary to ensure the city was making responsible investments for both current and future residents.

The work session concluded at 12:01 p.m.