

14 August 2014 Minutes

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KAYSVILLE CITY COUNCIL
AUGUST 14, 2014

Minutes of a special meeting of the Kaysville City Council held August 14, 2014 at 6:00 p.m. in the City Council Chambers of the Kaysville City Municipal Center.

Council Members present: Mayor Steve Hiatt, Mark Johnson, Ron Stephens, Jared Taylor, Brett Garlick and Susan Lee

Others present: City Manager John Thacker, Recorder Linda Ross, Finance Director Dean Storey, Fire Chief Brett Larkin, Power Superintendent Gary Hatch, Parks Superintendent Vance Garfield, Lieutenant Kenton Pies, Lieutenant Paul Thompson, Bryon Saxton-Standard Examiner, Dorothy Wagoner, June Hayes, Margaret Brough, Lynn Galbraith, Richard Heath, Annemarie Plaizier, Tyese Williams, Brooke Christenson, Alexis Williams, William Fisher, Paula Fisher, Cheryl Tarbet and Lorene Kamalu.

Mayor Hiatt opened the meeting.

REVIEW AND DISCUSSION OF THE KAYSVILLE CITY BUDGETS FOR FISCAL YEAR 2015, CONSOLIDATED FEE SCHEDULE, COMPENSATION SCHEDULE FOR CITY OFFICIALS AND EMPLOYEES AND CERTIFIED TAX RATE FOR FISCAL YEAR 2015

Mayor Hiatt explained that questions and comments were shared with the Council at the Truth in Taxation hearing on Tuesday. The Council Members have had a chance to review the budget and consider the comments made. He explained that the City Council needs to pass a budget by August 17.

Council Member Garlick stated that he has been approached by citizens and has talked to them about the budget. One citizen who intended to speak Tuesday night only stayed for about 45 minutes because he felt intimidated by the mocking and cheering in the crowd and said he would never come back to a Council meeting again. The audience was asked several times to be courteous and he is disappointed that that request was ignored by many that evening. He believes that there will always be disagreements but it is important to remain civil and respectful.

Council Member Stephens stated that he appreciates the way the Council Members treat each other. He spent a few years in the Legislature where it was apparent there is a majority and minority position. He was in the minority quite often. He looks back on those years with fond memories when he was given the opportunity to express his opinion and share his ideas. His sense is that the City Council is like that. He believes there are majority and minority positions on the Council. He hopes Council Members will be sensitive to the minority position. He feels that the community is divided. One place where the healing process can begin is to demonstrate sensitivity to the minority position. He would like to better understand all positions.

Council Member Johnson stated that he has received a lot of emails and a lot of misinformation. A lot of talk with this budget has been about the City Manager's salary. He explained that John Thacker's salary is not \$170,000 and he is not giving himself a \$20,000 raise, which is the misinformation that has been going around. His proposed salary for the FY 2015 budget is \$114,000. He believes where misinformation is coming from is people are including the entire City Manager budget, which includes salary, benefits, insurance, office supplies, telephone, training, equipment and other things. If people have a question about the budget, the Finance Director will gladly meet with them and explain it. He urged people to be careful about where they get their information. He then explained that one of the priorities this year is to improve public safety. He believes it is important to have two officers on duty at all times for the safety of the public and the officers. He also felt that having two more firefighters on duty full time was important because a fire truck cannot leave the fire station until there are four firefighters ready to go. He believes that citizens deserve to have a fire engine ready to roll out instantly. He explained that a lot of this budget has to do with public safety and the proposed tax increase is heavily impacted by that.

Council Member Taylor stated that the increase in the budget is very much for public safety. When he was elected to the Council that was the most important thing to him. He has two children and understands how important every minute is when an emergency call is made. Kaysville experiences a lot of domestic violence issues and problems with psychiatric disorders, some of which are Veterans who suffer from post-traumatic stress disorder. It is important to get police officers out as quickly as possible. He explained that there are also a lot of road projects in the City, which is also important. One project on Angel Street will cost about \$750,000. The longer the roads deteriorate, the more money will have to be spent on vehicle maintenance. Kaysville has 114 miles of streets. He explained that a tax increase is a difficult decision and no time is good for a tax increase. City Councils in the past have avoided raising taxes and now it has to be done. To have great service, he believes a tax increase is necessary but he is willing to see if there are other ideas about how the City can cut back.

Council Member Lee stated that there have been a lot of things that have come into play so far during her term on the Council. She has core values that she promised she would always adhere to. When she first got on the Council, some things surprised her but she understood why decisions were made. Some decisions should have been made years ago. If the police station was in bad shape, she wonders why the City didn't save money to build a new station so that it could be done without a tax increase. Because things have not been planned, hard decisions now have to be made. She believes the Council Members are all trying to do the best for Kaysville. The Council has moved ahead and made choices even though people feel it is against

what they voted on. She stated that maybe other things can be cut so that the City can hire two more police officers. She recommended some things be cut back or the City have businesses or private people sponsor things. Previously, she recommended a 10% cut across the board but that suggestion was not well received. She believes the department heads know best what can be cut from their budgets. She is not the expert so she would prefer to rely on department heads to make that decision. She believes she is in the minority with that recommendation but she needs to stick to her values.

Mayor Hiatt stated that he does not believe Council Member Lee is in the minority. He believes all the Council Members have the same line of thinking but everything is about choices. He stated that the difficult thing is to determine what is essential and what can be put off for the future. Politically, it would be easier to not pass a tax increase but the Council has some hard decisions to make. He believes it is important to determine if there is something that can be postponed. He then explained that the Utah's Right To Know website lists salaries of all City employees, including benefits. At this time, that website is listing statistics for 2013. The City Manager salary and benefits is listed at \$150,000. He explained that the overall City Manager budget for 2015 is \$170,250, which includes salaries, wages, benefits, books, subscriptions, office supplies, equipment, telephone, professional and technical, training, and insurance. He reiterated that this is for the City Manager's office. The FY 2015 proposed increase for the City Manager's salary is 3.5%, taking it to \$114,000. The overall increase in the City Manager's office budget is 4.6%. He stated that there has been some question about whether or not the City can use tax revenue to make a payment for the police station bond. The bonding process included bonding attorneys and financial advisors to make sure everything done was legal. The bonding attorney has assured the City that there is nothing illegal or questionable about what is being proposed. The City can use taxes for the bond payments but not for the collateral. He stated that during the Truth in Taxation hearing there was some questions regarding how to determine how many police officers are needed. Chief Oberg gave testimony that evening about that issue. He believes that Chief Oberg's explanation was sufficient. He asked the Council Members if they believe two additional officers are essential.

All of the Council Members said they thought two additional officers are essential.

Mayor Hiatt asked the Council Members if Chief Oberg's testimony was sufficient or if they would like to see further data.

Council Member Garlick stated that Chief Oberg's testimony was sufficient for him. During his ride-alongs with the police officers he has seen changes. Kaysville has become more proactive about crime prevention. One of the things he wants as a citizen is a forward-looking Police Department that has resources to accomplish the City's goals. He believes that it is easier to prevent crime than root out crime that is embedded. The most important thing to him is public safety and in order for him to feel like he represented the citizens, he would like the Police Department to be able to prevent rather than react. He believes hiring six additional officers would be best but the City can't do everything at once. He believes it would have been hard for the City to save tax money for a police station when they didn't even have enough tax money to meet immediate needs. He blames the situation the Council is in now on past City Councils who for 25 years failed to adequately fund required services. Just inflation over the last 25 years

equals 98.6%. The last thing people want is a tax increase. He will pay increased taxes too if the Council adopts this tax increase. He recommends that the Council adopt tax increases yearly so the City can always be proactive.

Mayor Hiatt wanted to know if the Council Members believe the need is critical enough to fund the police station and additional officers now.

Council Member Stephens stated that the need for a new building was much more critical than he realized. He agrees with Chief Oberg's assessment. He had no idea until hearing the Chief talk Tuesday night that the City had some legal implications in the current building. He feels there is enough urgency to build the new station as described to the Council by professionals. He believes that the Council was not insensitive to the citizens knowing that they voted down funding a new police station in 2010 but the Council weighed that against what professionals were telling them about the critical need.

Council Member Johnson stated that he believes it is critical and should be funded now. He has been told that the City is not allowed by law to save millions of dollars. The City is allowed to have an emergency fund but saving millions of dollars implies that the City is over-taxing.

Mayor Hiatt stated that a few years ago the auditor informed the City that they had too much money in the rainy day fund.

Council Member Taylor stated that he believes the station and additional officers should be funded now. He learns facts from experts and then he verifies those facts. It takes a lot of time to meet with various departments of the City to fully understand their needs. Up until last year, the City could save 18%. That amount was increased last year to 25%. He stated that on Tuesday night people complained about lack of communication. He believes it is hard to supply citizens with all information they might want to know. A public hearing is held every year regarding the budget. A copy of the budget is available at City Hall for anyone to review. He explained that many things were cut from the budget, including road maintenance from \$1.2 million to \$850,000. The Police Department requested 4-5 additional officers and that was cut to two. He believes the Council is now looking at critical needs.

Council Member Lee stated that she talked to someone who said there is a way the City can save money for certain things but it has to be specified. There are certain things she believes the government should take care of and one is public safety, another is roads, and another is electricity. She spent hours talking to the Davis County Sheriff and asking what part they play in protecting Kaysville. She knows having them do police protection for the City is not the best situation but they are present here anyway and back the City up. The City has money that goes to the County for protection. She believes it is critical to have enough officers but if the City doesn't have enough, she does not believe the City will be defenseless. She wonders if the City needs to wait before hiring new officers until some other issues are taken care of.

Council Member Garlick stated that money sent to the County is for 911 service. The City has an interlocal agreement with all enforcement agencies for back up. The first call that comes in

from dispatch goes to the Kaysville officers. If an officer is not available, another agency will respond. He believes it is important for Kaysville to have their own police officers.

Council Member Taylor stated that the City has a mutual aid agreement and when a serious incident occurs, other agencies respond. The Sheriff's Office is focused on paramedics. They do, however, provide law enforcement for other cities. A few years ago the City studied the cost effectiveness of having the Sheriff's Office take over. The study showed that it was more cost effective for Kaysville to have their own police force.

Mayor Hiatt explained that efficiency, control, and level of service were concerns with the Sheriff's Office. He believes the need is critical enough to hire additional police officers now. He then asked the Council Members if they believe a minimum of four firefighters at the fire station at all times is necessary now.

Council Member Lee stated that she believes that is important. Fire protection is what government is for. However, she would look at where other services could be cut back to meet those needs, such as more sponsors for community events or reducing the number of employees that drive to and from work at City expense. That, however, is something department heads will have to decide on.

Council Member Taylor stated that he believes a minimum of four firefighters should be at the station at all times. He recommends that the City bill insurance companies for all fire responses. That would help offset costs. Right now, if the Fire Department responds to something, the only way the City gets paid is if the person goes to the hospital.

Council Member Stephens, Johnson and Garlick stated that they believe it is important to staff the fire station with four.

Mayor Hiatt stated that there has been some discussion about the \$130,000 transfer from the Electric Fund to pay for street lights and power for City buildings. Paying for electricity out of the Power Fund has been done for decades. Some citizens have stated that the State Auditor views that as breaking the law and the City cannot do that anymore. He explained that the City can do that with notice to ratepayers, however, Proposition 5 prohibits that. The City is doing that this year with water, sanitation, storm water and sewer. Paying through the Power Fund with notice would reduce the tax increase needed by about 12%.

Council Member Taylor stated that he would love to cut 12% off the tax increase but he believes it was clear with the passage of Proposition 5 that citizens would rather pay for city lights with property taxes.

Council Member Garlick stated that he believes people never thought that by passing Proposition 5, payment for street lights could not be transferred. He believes people thought that was part of City operations.

Mayor Hiatt stated that there has been some discussion and misrepresentation about what is being proposed for employee raises. One of the misrepresentations is that this year adjustments

in salaries is for high level executive positions only. There are adjustments in the budget for employees throughout the City. He asked the Council Members if there are any specific issues they have on any salary adjustments.

Council Member Lee stated that government workers are at the whim of the people who pay their salary. A lot of people in the private sector don't get raises and when they have a tax increase it is difficult to understand why the City would do that. With all the needs of the City, she believes the Council should consider holding off on raises. That is one place the City could save money.

Dean Storey explained that the compensation plan is a grade/step plan. Each position is assigned a grade. Within each grade are steps based on merit. There is a market adjustment of 1½% and step adjustments in this budget. The total amount for salary adjustments which would come from the General Fund is \$196,000.

Mayor Hiatt explained that the City Council had the opportunity to review the budget and the positions being considered for increases. He asked them if they believe the City is at risk of losing anyone by not considering the proposed increases.

Council Member Garlick stated that it takes a long time for people to move up and become experienced. When he first got on the City Council, Kaysville was known as the training department of the state. The City would hire someone, train, equip them, and spend money on them and the employee stayed until they were fully trained. Then they were gone because all the other cities paid better and had better benefits. He believes that is more expensive than paying at market rate. The City did a market analysis to make sure they were comparing apples to apples. He believes it is important to have qualified individuals that are effective in their job and it takes several months or years to get someone to that point. He is a proponent that people should be paid for performance rather than just giving increases across the board. In this budget, the City is looking more at giving increases based on performance. He believes there are several key people that work unbelievably hard and would be irreplaceable. It would be worth it to the City to pay a fair salary for the benefit they would get. There are people that work for the City that he would hate to lose. It is important for the City to pay market rates for people that are performing well and he believes this budget does that.

Council Member Taylor stated that he believes it is very important to continue to keep pay at market. It is hard to put value on experience and training is expensive. He explained that John Thacker has extensive knowledge about this City. To him, that is efficiency. The City has so many employees that have been employed for over 20 years. He expects some money will not be used this year for merit increases. He recommends merit increases be specific.

Council Member Johnson stated that the City did a study and found many employees were, on average, below neighboring cities. In order to retain skilled employees and talent, the City needs to be conscientious about market rates. City employees have families too and prices go up for them as well. These employees are not donating their services for free. They are professionals and in most cases they are hardworking and efficient. He explained that Kaysville has fewer employees than other cities. He is in favor of salary increases and believes it is essential.

Mayor Hiatt stated that he believes the City is in jeopardy of losing some employees. He explained that John Thacker is not about the money and would be the first to tell the Council to not consider him in a salary increase. His value to the City is far more than citizens give him credit for. He believes there is no frivolous consideration of salary increases in this budget. He feels everything in the proposed budget is critical and needed. He wanted to know what items, if any, the Council would propose be cut, trimmed, or amended to accomplish critical needs.

Council Member Stephens stated that this budget is the result of cutting. This is not the beginning of cutting. In the road department there has been a tremendous amount of cutting already. He agrees with making cuts, but believes this budget represents a lot of cutting. He believes the Council has reached a reasonable point with this budget.

Council Member Garlick stated that he has spoken with many department heads and City officials. He agrees that a lot of cutting has been done. There are so many things he knows Parks and Recreation need that they are not getting in this budget. This is a difficult balance the Council has to make. Every other week someone comes to a Council meeting and asks for something. Looking at the budget, he believes it is incredible the City is able to stay up with what they have. Department heads already believe the Council has cut them to the bone. If the City tried to cut any more, it would mean a sacrifice of some service.

Council Member Johnson stated that he feels public safety is very important. He would hate to endanger the community by cutting short those needs. He is good with moving forward with this budget.

Council Member Taylor stated that he believes the budget is where it needs to be. If there is a specific line item to review, he is willing to review it. He would love to not have a tax increase but believes reasons in this budget merit the tax increase.

Mayor Hiatt stated that he believes this is an honest budget. He knows that adopting a tax increase might be political suicide but he believes it is the right thing to do. He would not feel good doing just what is politically appropriate. This budget is more about honest needs and less about politics.

ADOPTION OF THE KAYSVILLE CITY BUDGETS FOR FISCAL YEAR 2015, THE CONSOLIDATED FEE SCHEDULE, THE COMPENSATION SCHEDULE FOR CITY OFFICIALS AND EMPLOYEES AND THE CERTIFIED TAX RATE FOR FISCAL YEAR 2015

Council Member Garlick made a motion adopting Ordinance No. 14-8-1, Adopting the Kaysville City Budgets for Fiscal Year 2015, the Consolidated Fee Schedule, the Compensation Schedule for City Officials and Employees and the Certified Tax Rate for Fiscal Year 2015, second by Council Member Johnson.

The vote on the motion was as follows:

Council Member Johnson, yea
Council Member Stephens, yea
Council Member Taylor, yea
Council Member Garlick, yea
Council Member Lee, nay

The motion passed four to one.

Council Member Stephens made a motion for adjournment at 8:30 p.m., second by Council Member Garlick and passed unanimously.