PRESIDING: Mayor Rod Mann

COUNCIL MEMBERS PRESENT: Brian Braithwaite, Tim Irwin, Kurt Ostler, Scott L. Smith

CITY STAFF PRESENT: City Administrator/Community Development Director Nathan Crane, Assistant City Administrator Erin Wells, City Engineer Todd Trane, City Attorney Tim Merrill, Library Director Donna Cardon, Chief Brian Gwilliam, and City Recorder Cindy Quick

ABSENT: Ed Dennis

OTHERS: Jennifer Knowles, Josh Walker, Jennie Roos, Rick Roos, Tim Ball, David Barfuss, Rod Martin, Doug Cortney, Wayne Tanaka, Troop 1098, Chet Smith, Seth Smith, Kim Rodela, Addi Rodela, Jared Vazquez, Joseph Marriott, Sherry Kramer

7:00 PM REGULAR SESSION (CITY COUNCIL CHAMBERS)
Call to Order – Mayor Rod Mann
Invocation – Mike Martin
Pledge of Allegiance – David Martin

The meeting was called to order by Mayor Rod Mann as a regular session at 7:02 p.m. The meeting agenda was posted on the Utah State Public Meeting Website at least 24 hours prior to the meeting. The prayer was offered by Mike Martin and those assembled were led in the Pledge of Allegiance by David Martin a local scout.

1. UNSCHEDULED PUBLIC APPEARANCES
Mike Martin, a resident of Alpine, asked for an update on the Canal Boulevard (East West Connector).

Mayor Mann reported that the Connector was currently being designed, and there were a few land purchases to be made before construction. They hoped to start moving dirt this fall and have the roadway paved by May or June of next year.

2. PRESENTATIONS
   a. YOUTH COUNCIL UPDATE
      There was no Youth Council update.

   b. AMERICAN FORK CHAMBER OF COMMERCE
Josh Walker, President of the American Fork Chamber of Commerce, presented a proposal to form the Lone Peak Business Alliance. The Alliance would serve the business community of Highland, Alpine, and Cedar Hills. The Alliance would operate as its own entity and there would be a committee separate from the Chamber of Commerce. The purpose of the Alliance would be to serve the economic development needs of the City that staff may not have time to address. The Alliance would help businesses through the application process and help them reach other goals. The official launch of the Alliance would be on May 2nd. There would also be quarterly meetings where all business owners in the cities would be invited to come and connect with each other, the City, and other residents.

Council Member Kurt Ostler asked if American Fork was part of the Alliance and Mr. Walker explained that the Chamber members were invited to interact with the Alliance, but the organization was specifically for businesses in Highland, Cedar Hills, and Alpine. He noted that being a member of the Alliance would automatically make the City a member of the Chamber. It would be a dual membership.

Mr. Walker spoke about the business page on the Chamber’s website, which would help small businesses with advertising and provide a better web presence. The Chamber’s website was considered a highly-trusted source of information to Google. There would also be an annual awards luncheon. Each month, the committee members would vote on a business of the month from one of the three cities, and at the end of the year, they would select a business of the year from those twelve businesses. The Mayor would also have the ability to give a Mayor’s Award to a business that contributes to the community.

Mr. Walker said that the Alliance would help with City celebrations, including fund raising. They also officiate political debates.

Scott Walker, a resident of Highland, said that he worked for American Fork Hospital and served on the Board of Directors. He spoke of the benefits of being connected to the Chamber of Commerce.

Mayor Mann hoped that some of the contributors would be willing to contribute to Highland City and Mr. Walker confirmed that they would be. He believed that being part of the Alliance would be very beneficial for Highland City.

3. CONSENT ITEMS
Items on the consent agenda are of a routine nature or have been previously studied by the City Council. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. ACTION: Approval of Meeting Minutes
   Regular City Council Meeting March 19, 2019

b. ACTION: Olmsted Power Loss/Carriage Agreements
   Council will consider an agreement with Central Utah Water Conservancy District regarding changes in water carriage costs. The Council will take appropriate action.

c. ACTION/RESOLUTION: Utah County Elections Contract
   Council will consider a contract with Utah County to administer the Vote by Mail Municipal Election for 2019. The Council will take appropriate action.

   Council Member Brian Braithwaite MOVED to approve consent items a., b., and c. as listed on the agenda. Council Member Kurt Ostler SECONDED the motion.

   The vote was recorded as follows:
Council Member Brian Braithwaite  Yes  
Council Member Tim Irwin  Yes  
Council Member Kurt Ostler  Yes  
Council Member Scott L. Smith  Yes  

The motion passed.

4. ACTION: 2019 ROAD RECONSTRUCTION PROJECT CONTRACT
City Engineer Todd Trane presented the 2019 Road Reconstruction Projects to the Council. According to the seven-year plan, the two major projects they should be doing were 9600 North and finishing 6000 West. He announced that 9600 North was scheduled to have a major sewer project in the near future, and it would be unwise to redo the road now when it would be torn up again for the sewer project, so that project was put on hold. Staff sent the 6000 West project out for a base bid, and it came back at $246,000. There were a couple options for the road. When staff did core sampling of the road, they found that the material underneath was bad, and it had been collapsing. They could tear out the entire road down 24 inches, and rebuild the entire thing. That option would be close to $1 million. The other option was to save a little money on this road by doing a mill and overlay. He felt it was possible that the material had settled under the road and it would not collapse anymore. The City could be taking a gamble with this option, but staff felt it was the best use of the money available.

Council Member Kurt Ostler asked if there was any concern with disturbing PI lines through the mill and overlay, and City Engineer Todd Trane said there was not. Those lines were buried 24 inches down and the mill would only take the top two inches.

Council Member Kurt Ostler asked how long the mill and overlay would last before having to be replaced. City Engineer Todd Trane responded that it was anticipated a robust microsurface treatment would be needed in seven years. He felt that if they kept up with treatments, the road could last another 20 years.

Council Member Brian Braithwaite asked if the cost would be greater if portions of the road failed and they had to be repaired. City Engineer Trane said that patching the road would be fairly inexpensive. However, if the entire road failed, they would have to spend the money and redo the entire thing.

Council Member Scott L. Smith asked about Black Forest Paving, and City Engineering Todd Trane said that he had never done any work with the company before. However, the company started in 2016 and their lead personnel had extensive paving experience. Black Forest Paving had done the last three phases of the Ivory Home development in Highland. The company was able to start as soon as possible, but staff wanted to hold them off until school was out on June 1st.

The Council discussed options for 6000 West, and the consensus was to select the less expensive option.

Council Member Brian Braithwaite MOVED that the City Council approve and authorize the Mayor to sign a contract with Black Forest Paving for the amount of $594,199.
Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:
Council Member Brian Braithwaite  Yes  
Council Member Tim Irwin  Yes  
Council Member Kurt Ostler  Yes  
Council Member Scott L. Smith  Yes  

The motion passed.
5. ACTION: LONE PEAK PUBLIC SAFETY DISTRICT INTERLOCAL AGREEMENT AMENDMENTS

City Administrator Nathan Crane presented the proposed amendments to the Interlocal Agreement with Alpine City regarding the operation, administration, and funding of the Lone Peak Public Safety District. Cedar Hills leaving the District had facilitated the need for an updated agreement. He explained that the structure of the board for police had always been two and two, and the structure for fire was three, two and two. It was proposed that the board for fire be changed to two and two, to be similar with police. The biggest concern was what would happen if there was a disagreement and the vote was tied. The proposed agreement did not provide for a tiebreaker. He went over a few other minor changes to the agreement.

Mayor Mann said that once the Board approved the budget, the City was contractually obligated to approve the interlocal agreement.

The Council discussed the proposed number of board members and the pros and cons associated with that decision. Council Member Brian Braithwaite said that having a two-two board had worked well for police in the past, because the members have had the same goals. However, there was a legitimate concern if disagreements were to arise. Highland pays more to the District than Alpine, but Alpine was concerned about being overrun if there was uneven representation. Mayor Mann commented that Highland and Alpine have been largely aligned, and the cities have similar demographics and budget philosophies. He was not overly concerned about the proposed board.

Police Chief Brian Gwilliam said that there had been some disagreements in 2008 and the budget was not passed until the two entities put aside their differences and compromised. He could foresee similar situations in the future. Council Member Brian Braithwaite said that they had always been more aligned with police than with fire. He said that the agreement needed to be structured in a way to handle disagreements.

Council Member Kurt Ostler asked if they could have a mediator from outside of the cities to handle disagreements. City Administrator Nathan Crane said that they could do outside mediation, but he was not sure the Council wanted to turn finances over to a mediator. Council Member Brian Braithwaite said that the interlocal agreement states that anything above a certain amount would need to go before the Councils for approval.

Council Member Scott L. Smith was still concerned about the even number of board members. He felt there needed to be some kind of tiebreaker in the agreement.

City Attorney Tim Merrill made the suggestion of an option that Alpine could contract with Highland to provide all of the public safety in exchange for a flat fee. After further discussion, the Council decided to continue the item to allow further discussion with Alpine City.

*Council Member Brian Braithwaite MOVED to continue the discussion to a future meeting.*
*Council Member Scott L. Smith SECONDED the motion.*

The vote was recorded as follows:

<table>
<thead>
<tr>
<th>Council Member</th>
<th>Vote</th>
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<tbody>
<tr>
<td>Brian Braithwaite</td>
<td>Yes</td>
</tr>
<tr>
<td>Tim Irwin</td>
<td>Yes</td>
</tr>
<tr>
<td>Kurt Ostler</td>
<td>Yes</td>
</tr>
<tr>
<td>Scott L. Smith</td>
<td>Yes</td>
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The motion passed.
6. ACTION: WATER CONSERVATION
City Engineer Todd Trane oriented the City Council regarding a new chapter of the Highland City Municipal Code regarding Water Conservation. He explained that last year was a poor water year, and a mayoral proclamation was sent out encouraging residents to conserve. The proposed ordinance was very similar to the proclamation. He reported that outdoor water usage continues to increase, regardless of whether it has been a good year or a bad year. The increased usage was also taxing on the PI system, because it was not designed to provide that much water. The residents were using almost double what they should be. Having this ordinance in place would also enable the City to receive grants to help install meters throughout the City. The City Council would also need to adopt a program or policy showing the funding source for the 50/50 match.

Council Member Scott L. Smith asked how much could be done with the matching funds. City Engineer Todd Trane said that with the grant, they could have $3 million for meters. Based on a study conducted by staff, it would take about $5 million to meter then entire City. The grant would go a long way.

The Council and staff agreed that metering would make a huge difference in helping residents conserve, because many of them do not realize how much they are using.

City Engineer Todd Trane said that the ordinance would also allow the City to monitor the worst abusers of the water, and follow through on consequences. They would not be able to address all of the smaller offenders until the metering system was in. He said that the Public Works employees would handle enforcement, and they knew who was over-using. City Administrator Nathan Crane noted that they also react to complaints from neighbors.


The vote was recorded as follows:
Council Member Brian Braithwaite Yes
Council Member Tim Irwin Yes
Council Member Kurt Ostler Yes
Council Member Scott L. Smith Yes

The motion passed.

7. DISCUSSION: 2019/2020 FISCAL YEAR BUDGET
City Administrator Nathan Crane presented the proposed budget for Fiscal Year 2019/2020 and said that the budget had been through several versions. The purpose of the discussion was to get a general overview of the budget. He reported the findings of the utility rate study and said that sewer would need to increase $0.33 per month, but storm water, culinary, and PI would remain unchanged. The City Council had also authorized a General Fund Study, keeping the Fund Balance Reserve at 20% and with certain growth assumptions. With those specifications, the study revealed that the City would be in the negative in 2022. When staff put together the budget, the goal was to maintain the existing level of service and increase trails and open space maintenance. He then presented the proposed budget and noted that the overall revenue had decreased from the previous year. He also addressed a trail maintenance fee, an increase in the Recorder budget for elections, a bond payment increase, adjustments to the library fund, and the road fund. Not included in the budget was the General Plan Update, garbage revenue adjustment, and an increase in the parks and open space budgets.

City Administrator Nathan Crane then gave an overview of Public Safety, which was seeing a large increase. The total increase between police and fire was $845,630, and the City did not have funding to cover the increase. He encouraged the Council to sit down with the chiefs to discuss what they were trying to accomplish.
with this increase. For police, their increase was primarily for employee retention. This would include a $1.50 per hour salary adjustment for all employees, a 3% merit increase, and a 401K matching contribution.

Police Chief Brian Gwilliam briefly spoke about the difficulties of retaining officers in the current climate. Council Member Scott L. Smith asked if they would expect large increases like this every year, and Police Chief Brian Gwilliam answered negatively.

City Administrator Nathan Crane said that the primary increases for Fire come from staffing, an ambulance, and a fire truck.

Council Member Scott L. Smith asked why a fire truck goes to all the calls, even when it was a medical emergency. City Administrator Nathan Crane explained that all of the firefighters were trained EMTs, and it took four to six people to respond to a call. If another call came in while they were out on a call, and they only had one vehicle, they would all have to return to the fire station to get the truck and lose valuable time. They also needed to be able to transport patients to the hospital without having to close down the station.

City Administrator Nathan Crane gave a timeline for budget approval. There were three options to fund the budget increase. The first option was to use the fund balance, but that would put the City at -2% by Fiscal Year 20/21. The second option would be to cut the existing budget; however, staff believed that they could not cut the existing budget without a significant decrease in the level of service. The third option was to find new revenue through a property tax increase or a fee.

Assistant City Administrator Erin Wells explained that in order to fund everything obligatory, they would need to increase the City’s portion of property taxes by 49%. She explained that Highland would only get 13% of an owner’s property tax bill, so the increase of 49% would be to that portion. There was a new bill passed this year that would allow the City to dictate a portion of the property tax to a specific use, as long as they do it by ordinance. They could dictate those funds to public safety. Public safety was traditionally funded with property taxes. She presented a Property Tax Increase table and said that the average increase would be $16.70 per month. If the City Council pursued the property tax increase, they would have to go through the Truth in Taxation process, and potentially would not see the funds until January of 2021.

Assistant City Administrator Wells continued explaining that if they chose to create a public safety fee, they would charge $15.66 per month for every home in the City. Churches and other tax-exempt entities would also pay the fee. Fees are not tax deductible. She was nervous about pursuing this option, because fees should be tied to use, and it would be difficult to do that with public safety. She discussed the timeline of pursuing the fee option.

Council Member Scott L. Smith wondered if they could fund public safety with a combination of methods. Council Member Brian Braithwaite was opposed to that because it would be confusing to the public.

The Council discussed the options and said that no matter what they chose, communication was paramount. Council Member Kurt Ostler was concerned about the cost difference between households with the property tax option.

Assistant City Administrator Erin Wells noted that Pleasant Grove was currently being sued for the road fee that they implemented. The argument was that the fee was not being charged by usage. It was possible that the outcome of that suit could affect other cities.

Council Member Brian Braithwaite said that they could not pass a fee without discussion and public input, because it was essentially a tax. They would need to go through a process similar to Truth in Taxation.
The Council requested some audience participation.

**Doug Cortney**, a Highland resident, said that a revenue increase was necessary, and he preferred the property tax option. The big problem the City would face with the option was communication, because 49% seemed like a large increase.

Council Member Kurt Ostler asked if he was concerned about the difference between home values and the associated increase. Doug Cortney was not concerned because he felt that a larger home would be more of a benefit if their home was saved from a fire, because the home costs more.

Council Member Brian Braithwaite asked if he would prefer to have one or two ambulances available for service. Doug Cortney said that he was willing to pay to have an ambulance available at all times. It was like paying for two insurances.

**Sherry Kramer**, a Highland resident, said that funding public safety would not be a huge struggle, because it was easier for residents to see its importance. The City needed to clearly communicate that the 49% increase was just to Highland’s portion of the property tax. She also liked that they had the ability to dedicate these funds to public safety instead of all of the money just going into the General Fund.

**Rob Martin** said that American Fork had tried to implement a fee, but the residents did not accept it. Highland City was in a bit of a time crunch, so they needed to choose the option that was most likely to succeed.

**Josh Walker** encouraged the City to educate the residents about shopping and doing more business in Highland, because that would increase revenue.

Assistant City Administrator Erin Wells recommended that the Council meet with members of staff and the chiefs to fully understand the budget increase. They would be having a budget work session on April 25th, and a budget open house on May 2nd. If the residents were supportive of a tax increase or fee, they would hold more open houses in May, and the final budget would need to be passed on June 18th.

Mayor Mann wondered if they could cut a few expenses from the fire budget, such as a fire marshal. Since the fire chief was not present, they decided to address this question at a later date. There was continued discussion about the risks of the tax increase or fee failing, and how much that would burden the public safety departments.

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8. MAYOR/COUNCIL AND STAFF DISCUSSION AND COMMUNICATION ITEMS

9. FUTURE MEETINGS
   a. Future Meetings
      - April 25, City Council Budget Work Session, 7:00 pm, City Hall
      - April 30, Planning Commission Meeting, 7:00 pm, City Hall
      - May 2, City Budget Open House, 5:00 – 7:00pm, City Hall
      - May 7, City Council Meeting, 7:00 pm, City Hall

10. CLOSED SESSION
    The Highland City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205
At 10:04 PM Council Member Brian Braithwaite MOVED that the City Council recess to convene in a closed session to discuss the purchase, exchange, or lease of real property as provided by Utah Code Annotated § 52-4-205. Council Member Scott L. Smith SECONDED the motion.

The vote was recorded as follows:
- Council Member Brian Braithwaite: Yes
- Council Member Tim Irwin: Yes
- Council Member Kurt Ostler: Yes
- Council Member Scott L. Smith: Yes

The motion passed unanimously.

ADJOURNMENT

Council Member Tim Irwin MOVED to adjourn the CLOSED SESSION and Council Member Brian Braithwaite SECONDED the motion. All voted in favor and the motion passed unanimously.

The CLOSED SESSION adjourned at 11:27 PM.

Council Member Tim Irwin MOVED to adjourn the REGULAR MEETING and Council Member Brian Braithwaite SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 11:27 PM.

I, Cindy Quick, City Recorder of Highland City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on April 16, 2019. This document constitutes the official minutes for the Highland City Council Meeting.

Cindy Quick, MMC
City Recorder
Welcome to the Highland City Council Meeting
April 16, 2019

7:00 PM REGULAR SESSION
Call to Order – Mayor Rod Mann
Invocation – Council Member Kurt Ostler
Pledge of Allegiance – Council Member Brian Braithwaite

UNSCHEDULED PUBLIC APPEARANCES
Time set aside for the public to express their ideas and comments on non agenda items. Please limit comments to three (3) minutes and state your name and address.

PRESENTATIONS
Item 2a. – Youth Council Update
Item 2b. – American Fork Chamber of Commerce

CONSENT ITEMS
• Item 3a. – Approval of March 19, 2019 Meeting Minutes
• Item 3b. – Olmsted Power Loss/Carriage Agreements
• Item 3c. – Utah County Elections Contract

2019 ROAD RECONSTRUCTION PROJECT CONTRACT
Item 4 – Action
Presented by – Todd Trane, City Engineer
2019 Road Project

REHABILITATION
- Reconstruction
- Mill and Overlay

PRESERVATION
- Surface Patching
- Crack Sealing
- Seal Coats
- HA5

2019 Road Rehab Project

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2019 Road Project Options

RECOMMENDATION AND PROPOSED MOTION:
I move that the City Council APPROVE and AUTHORIZE the Mayor to sign a contract with Black Forest Paving for construction of the 2019 Road Rehabilitation Project with Alternative 2 for $594,198.03.

ALTERNATIVE MOTION #1:
I move that the City Council APPROVE and AUTHORIZE the Mayor to sign a contract with Black Forest Paving for construction of the 2019 Road Rehabilitation Project with Alternative 1 for $861,654.43.

ALTERNATIVE MOTION #2:
I move that the City Council REJECT the bids for construction of the 2019 Road Rehabilitation Project. (The Council should draft appropriate findings).

LONE PEAK PUBLIC SAFETY DISTRICT INTERLOCAL AGREEMENT AMENDMENTS

Item 5 – Action
Presented by: Nathan Crane, City Administrator/Community Development Director
Proposed Changes

- Board Structure
- District Administration
- Chiefs at-will employees as defined in State Code
- Board approves number of employees
- Funding remains the same
- Budget increase over average revenue increase of both cities requires both Council approvals

Water Conservation Ordinance

- In 2018, Council directed staff to prepare an amendment to the City Code to address conservation rather than addressing the issue through yearly Mayoral Proclamations.
- Outdoor water usage continues to increase, regardless of weather patterns, resulting in an over taxing of the pressurized irrigation delivery system.
- Adoption of the ordinance is the first step to a long term and permanent commitment to conserve water.

Enterprise Funds

- Expenditures vs Revenues
- Boyer Project
- Sewer
  - Increase of $0.33 per month
- Storm
  - Second Increase of $0.70 in 2023 not needed
- PI
  - Additional Revenue for Meters
- Culinary
  - No change
General Fund Study

• Created Five Scenarios
  – FY19-FY23
  – Goal: 20% Fund Balance
  – Growth Assumptions
    • Revenue - 5.2%
    • Expenses - 3% general increase
• Unfunded Expenses
  – O&M and Capital

Budget Goals – FY19/20

• Service Organization: People are the Priority
  • We are only as good as the people that work here
• Realistic review of expenditures
• Not decrease level of service
• Not use previous years revenue
• Increase Trail Maintenance
• Increase Open Space Maintenance

Major Revenue Changes

• Decline in Building Permit Revenue
  – $160,000
  – Impact on Bond payments
  – 55 new homes next fiscal year
• Decline in Library portion of motor vehicle tax
  – $25,000
• Increase in Tax Revenue
  – $39,000 – Property Tax
  – $101,000 – Sales Tax
  – $200,000 – Utah County Road Tax

Revenue/Expenditure Overview

• Current Fiscal Year
  – FY 2019 Forecast Rev. $8,916,182
  – FY 2019 Forecast Exp. $8,916,182
• Next Fiscal Year
  – FY 2020 Budget Rev. $8,840,026
  – FY 2020 Budget Exp. $8,841,847
• Year over Year
  – $76,156 decrease in revenue
  – $74,335 decrease in expenses

Proposed Expenditures

• Overall Decrease - $74,335
  – These increases were absorbed and still decreased the budget
• Medical 4.9% and Dental 0% Increase
  – $14,630 (all funds)
    • $7,168 for General Fund
• 3% Merit Increase**
  – $44,049 Overall
    • $21,584 for General Fund
Department Overview

- Administration
  - $20,000 - IT Internal Service Fund
  - Filing overall decrease to General Fund
- Engineering
  - $9,000 increase - GIS Survey
- Parks and Open Space
  - $100,000 increase - Trail Maintenance
  - PI Fund Pays for water for parks decrease $106,000
- Recorder
  - $36,000 increase - Election

Department Overview cont.

- Bond Payments increases
- Library
  - Market Adjustment
- Road Fund
  - $100,000 Road Fund
    - Sidewalks, curb and gutter, etc.

General Fund Expenditures by Year

Average Increases Since FY2015
- General Fund - 2.6%
- Public Safety - 7.7%
- Fire and Administration - 10.7%
- Police - 5.5%

Exclusions

- General Plan Update
- Garbage “Revenue” Adjustment
- Increase in Park and Open Space Maintenance
  - Excluding trail maintenance
- Increase for Mountain Ridge Park

Public Safety - Overview

- Increase in:
  - Administration - $5,651
  - Police - $291,412
  - Fire - $548,566
- Total - $845,630

Police Department

- Employee Retention
- $1.50 an hour salary adjustment for all employees
- 3% Merit Increase
- Retirement
  - 4.9% – Tier 1 vs Tier 2
  - 401K – Additional 5% contribution
Fire Department

- Existing Staffing – 9
  - Alpine – 3
  - Cedar Hills – 3
  - Highland – 3
- Proposed Staffing – 8
  - Alpine – 3
  - Highland – 3
  - Dedicated Ambulance – 2

Medial Call – Ambulance and Fire Truck

- First Call
- Second Concurrent Call
- Also allows transport patients without closing station

Alpine Station
- Fire Truck – 3
- Ambulance – 2

Highland Station
- Fire Truck – 3
- Ambulance – 2

Mutual Aid
- AF, PG and/or Lehi

Five Year Estimated Public Safety Expenses

- FY2019
- FY2020
- FY2021
- FY2022
- FY2023
- FY2024

Proposed Public Safety Expenditures

Lone Peak Budget Timeline

- May 9th – Tentative Budget
- June 13th – Final Budget
- June 18th – City’s Final Budget
  - City is contractually obligated to pay the assessment based on final budget
Funding Options

1. Use Fund Balance

2. Cut existing budget
   - Significant impact on level of service
   - Every budget department would have to be cut by an additional 16% for the General Fund to absorb the increase
     - Some cannot realistically be cut – garbage, bond payments, auditor
     - Not enough money in operational cuts alone to cover cuts

Funding Options

3. New revenue
   - Property Tax Increase
   - Fee Creation

   • Both options only address current Public Safety proposal
   - General Fund relief
   - Future Public Safety requests
   - Council Subcommittee

Property Tax Increase Overview

- Full Public Safety Request - $845,629
  - 49% increase in the City’s property tax rate
- HB 235 passed this year allows Cities to dedicate a portion of their property tax to anything
  - Tax deductible in some cases
  - Based on home value
  - Traditional way of funding Public Safety

Property Tax Increase

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<th>Market Home Value</th>
<th>Monthly Property Tax Increase</th>
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Property Tax Increase Timeline

- June 18: Adoption of Tentative Budget and Truth in Taxation Meeting Set
- August 6: Truth in Taxation Hearing
- If Referred – 2019 General Election Ballot
  - If it didn't qualify for ballot (1,184 signatures)
    - Tax would go into effect in 2019
  - If it qualifies for the ballot
    - Upheld - tax in effect 2020
    - Rejected – previous certified tax rate in effect
Fee Creation Overview

- $15.66 per month per home
- Uniform in application
- Tax exempt properties included
- Not tax deductible
- State Auditor has stated all fees should be tied directly to use

Fee Creation Timeline

- June 18: Adoption of Final Budget and Public Safety Fee
- If Refereed – 2020 General Election Ballot
  - If it didn’t qualify for ballot (1,184 signatures)
    • Fee would go into effect in October 2019
  - If it qualifies for the ballot
    • Upheld – fee in effect December 2020
    • Rejected – no new fee

Revenue Increase – Outreach Efforts

- Stakeholder Meetings
- Open Houses
- Newsletter
- Website
- Social Media
- Constricted timeline

Conclusions

- General Fund
  - Cut to accommodate reduced revenues and bond payment increase
  - Additional revenue is needed to maintain level of service
- Public Safety
  - General fund cannot afford any significant increases without a substantial decrease in level of service in other departments

Next Steps

- Individual meetings with staff and Chiefs
- April 25 – Budget Work Session
  - Council direction on revenue increase to begin community outreach plan
- May 2 – Budget Open House
- May 21 – Adoption of Tentative Budget
- May 22 and 30 – Potential Open Houses
- June 18 – Budget Passed
  - Potential Truth in Taxation Date Set
FUTURE MEETINGS

- Item 9a. – Future Meetings
  - April 25, City Council Budget Work Session, 7:00 pm
  - April 30, Planning Commission Meeting, 7:00 pm
  - May 2, City Budget Open House, 5:00 - 7:00 pm
  - May 7, City Council Meeting, 7:00 pm

CITY COUNCIL CLOSED SESSION

The Highland City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205