



ROY CITY
Roy City Council Work Session
June 1, 2021 – 4:30 p.m.
Roy City Council Chambers
5051 South 1900 West

Minutes of the Roy City Council Work Session held via ZOOM on June 1, 2021 at 4:30 p.m.

Notice of the meeting was provided to the Utah Public Notice Website at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Mayor Robert Dandoy
Councilmember Jan Burrell
Councilmember Joe Paul
Councilmember Bryon Saxton
Councilmember Diane Wilson
Councilmember Ann Jackson

City Manager, Matt Andrews
City Attorney, Andy Blackburn
City Planner, Steve Parkinson

Also present were: City Recorder, Morgan Langholf; Management Services Director, Camille Cook; Randy Sant.

A. Welcome & Roll Call

Mayor Dandoy welcomed those in attendance and noted Councilmembers Burrell, Paul, Saxton, Jackson, and Wilson were present.

Mayor Dandoy read the electronic meeting statement related to COVID-19.

B. Discussion

1. FY 2022 Budget Presentation by Camille Cook

Camille Cook, Management Services Director, presented the FY 2022 Budget. Ms. Cook explained that taxes were the City's largest portion of its revenues. The major categories of tax revenues were property, sales, franchise, paramedic, and motor vehicle taxes. The City has seen increases in some of these taxes over the past year. For example, utility tax revenues have increased with people working from home. Several revenues have been kept flat in the budget because the utility companies have not indicated one way or another whether or not they will be increasing rates on their end; additionally, the City has not seen a material increase.

Ms. Cook presented a chart depicting a typical month of sales tax revenues in Roy City. The City's direct point of sale revenue was \$435,622. Of that amount, \$304,000 was collected at a physical location in Roy City, and \$30,000 was collected from utilities, telecom, and internet. \$101,000 came from internet-based sales outside of Roy. The City's net share of the Statewide distribution was approximately \$264,000, which brought the representative month's sales tax to \$699,805. Of the \$435,622 in point of sale revenue, 69.85% came from locations within Roy City, and 23% came from internet sales based outside of Roy with a delivery location in the City. Ms. Cook explained that from month-to-month these numbers might change but the percentages remain relatively the same. She then reviewed the State's process for calculating Statewide distributions to local municipalities, which was based on population. There was subsequent discussion on Statewide distributions and the numbers presented by Ms. Cook.

Ms. Cook presented the City's Justice Court revenue. She explained that the State implemented a surcharge on all criminal fines, penalties, and forfeitures. There was a 90% surcharge on conviction of felony, Class

A misdemeanors, and more. There was a 35% surcharge on other offenses that are also sent to the State of Utah. This included violations of county or municipal ordinances, and anything that was not subject to the 90% surcharge. A portion of the revenue the City collected in the Justice Court—whether acting as Roy City, Hooper City, or Weber County—goes to the State. Monthly reports are prepared for the State to account for these numbers. Roy City also had an agreement with Weber County to run court for both entities, and Roy City received 50% of the net citation fees collected on Weber County's behalf. The intent of the court was not to make money, and it did not. The court was there to process fines. Ms. Cook explained that where Roy also processed court proceedings for West Haven as well, those revenues helped to offset part of that loss and come closer to a breakeven point. She stated that this was the case with most justice courts.

Ms. Cook then discussed fund balances and how they were calculated. She explained the fund balances were calculations based on excess assets over liabilities. Every year, the excess revenues over expenditures went into fund balances that could then be used for capital projects and emergencies. Similar terms for fund balances were rainy day funds, savings account, etc.. The State has a limit that a fund balance can be at 35%. The previous Council had set a goal to keep that number at around 18%. She explained that this fund balance was dependent upon the revenues that they received as a City. Ms. Cook then explained the process for approving a budget for the next fiscal year, noting that there will still be three months of outstanding sales tax to collect. Additional, taxes for personal property (such as ATVs) will be collected after the budget is approved, and American Rescue Act funds as well.

There was additional discussion regarding the fund balance percentage. Mayor Dandoy discussed the ceiling, noting that it was the primary issue when determining fund balance. Ms. Cook explained the intent behind having a fund balance, as well as capped percentage for fund balances.

Ms. Cook explained that the General Fund also included Class C road funds and transportation infrastructure funding, which totaled approximately \$2.5 million. Police and Fire accounted for well over 50% of the General Fund. She presented several more charts depicting these specific numbers.

Ms. Cook explained that under the new House Bill establishing the internal accessory dwelling units, the City may authorize business licenses for homes with these rentals. Should the Council vote to require business licenses, they can determine an appropriate fee schedule and calculate how much additional revenue this would bring into the City. The Council discussed the pros and cons with this type of policy, particularly the challenges of enforcement.

Ms. Cook discussed MIDA revenue, noting the City did not have consistent revenue from them at this point. Staff has been recognizing these incoming revenues as they occur. Mayor Dandoy stated there were currently three buildings under construction.

Ms. Cook stated that the City had \$400,000 for widening 4800 South and Midland Drive at the Canal Crossing for the current Fiscal Year 2021. This project was not completed in 2021, so it was re-budgeted for next year. It was noted that this project would tentatively take place in the fall.

Ms. Cook stated that the employee and public safety STEP programs were implemented in the budget. The general employees were set at a 2.5% merit and the public safety employees were set at 3.75% merit. A 1.5% increase to health insurance for employees was also budgeted. The City covers 85.5% of insurance premiums. Additionally, the City also had an employee assistance program that was covered by the City. This program was work-based intervention, designed to assist employees with resolving personal problems that may be adversely affecting the employee's performance. Services provided included counseling, financial or legal problems, senior care planning, substance abuse, loss, or grief. This program was open to employees and immediate family members of employees to use at any time, and was only available to

active employees.

The budget included two personnel changes to accommodate the addition of two, part-time bailiffs. These positions were previously filled by police officers, so the addition of bailiffs will allow officers to continue with their regular duties. The City also proposed a Firefighter II/Senior Paramedic position, which was similar to Police Master Officer position. This position would be considered vertical, and Ms. Cook outlined the appointment process for the position. There were seven criteria that needed to be met in order for someone to be considered for the position.

Ms. Cook discussed the salary survey, the purpose of which was to determine how Roy's salaries and benefits compared to other cities. The most recent survey covered a two-year period between 2019-2021. She then reviewed the findings of that survey, and staff's process for implementing those findings in order to improve the City's employee retention rates across all of its departments. She explained that the process of conducting this survey was extensive and took place over the course of several months. The cities that were compared against were all local cities. She then presented several examples, which the Council then discussed.

Ms. Cook reviewed the City's capital vehicle purchases, noting that staff was proposing five vehicles in the annual rotation program. Some of these vehicles would be sold, as they had done in the past in the Public Works Department. The other vehicles would most likely be moved to other departments that needed them. This would overall help the City maintain relatively new vehicles throughout various departments. It was noted that the City was currently bringing in significant revenue by selling vehicles. There was further discussion regarding the City's strategy for vehicle rotation; this line item was simply adding more vehicles to the rotation.

Ms. Cook presented several requested capital projects that administrative staff were not recommending funding for. She stated that the projects included in the budget were deemed to be a higher priority. Requests not recommended included a \$700,000 for a Fire Department ladder truck, \$135,000 to remodel the court room and City Council chambers, \$102,000 to do the City building back parking lot, \$717,000 at the complex for upgrades and remodels, \$305,000 for aquatic center upgrades, and about \$1.2 million in Parks and Recreation requests. There was additional discussion on the ladder truck, and it was noted that it will need to be funded in the near future.

Ms. Cook explained that currently, the City did not charge credit card fees. Staff encouraged anyone to use credit card payments for bills. Should they ever implement fees, they would need to implement a policy across the board, and at this time staff did not feel that to be necessary. Currently, the City was absorbing credit card fees as the cost of doing business, which was standard industry practice.

Ms. Cook discussed refunding the old water and sewer bonds and the savings this has brought to the City's budget. The interest rate had significantly decreased over the last several years.

Ms. Cook explained that a new HR program was also implemented in the budget. Of the costs associated with that program, 91% were funded through the General Fund, 7% were funded through the Water Fund, and 2% were funded through the Storm Water Fund. This was based on the number of employees in each of those areas, divided by the total number of employees.

Mayor Dandoy asked Councilmembers to send questions to be reviewed prior to adopting the City's final budget.

The Council thanked Ms. Cook for her presentation.

C. **Adjournment**

Councilmember Paul Motioned to Adjourn the City Council Work Session meeting at 5:27 p.m. Councilmember Wilson seconded the motion. All Councilmembers voted “aye.” The motion carried.

Robert Dandoy
Mayor

Attest:

Morgan Langholf
City Recorder

dc: