

# South Davis Metro Fire Service Area

## Meeting of the Administrative Committee

255 South 100 West, Bountiful, Utah

May 12, 2021

3:00 p.m.

### COMMITTEE ATTENDANCE:

NAME	POSITION / CITY REPRESENTED
Ken Leetham	Chair / North Salt Lake
Gary Hill	Bountiful
Brandt Hanson	Excused
Jessica Sims	Woods Cross
Duane Huffman	West Bountiful
Heidi Voordeckers	Davis County

### STAFF PRESENT:

Dane Stone, Fire Chief

Greg Stewart, Deputy Chief

Dave Powers, Deputy Chief

Jessica Hardy, Accountant

### BUDGET DISCUSSION FY 2021-22

Mr. Leetham stated in the last budget meeting last week, that a suggestion was made to increase city assessments up to 15%. Mr. Huffman added that the property tax increase would be just under \$90/per household annually, including the county offset. He also inquired if we are closer to offsetting the fund balance and not operations. Ms. Hardy said yes, but the paramedic levy was only 1.1 million dollars, we need to cover three new people and we will be short on city assessments next year. Mr. Leetham explained the county wide levy will go away. The big question is whether city assessments or an increased property tax will cover the paramedic levy. It's now a policy question. Mr. Hanson stated we have been forced into this problem. A new property tax forces us to shift our funding. We are used to a little box and that had us overlook a one-million-dollar shortfall. We need to think outside the box. Since we didn't increase the property tax in previous years, we have this problem now. Mr. Huffman stated we have two options: increase tax or assessments. We spent money we didn't have and now its time to pay it back. Mr. Hanson said that's where he is frustrated. We created this problem, but can fix it now. Mr. Hill liked where Mr. Huffman's ideas were going. If we fully fund the paramedics and take it

to the Board for a policy change. If in one year we are still discussing the property tax, we are still in the same spot. Mr. Huffman said yes; right back to the 1.1 million deficit. Ms. Hardy asked why we can't keep the same rate annually. Mr. Hill replied he's not sure if we can do that. Not very many elected officials would commit to that and there's no guarantee the property tax will cover everything. Mr. Hanson asked if there will be an increase anyways, which entity will have to pay for it? The property tax will have to be increased. Mr. Leetham suggested this be brought to the Board for a policy change at their next meeting. Mr. Hill asked Ms. Hardy to show numbers representing the two options with assessments vs. property tax increase. Mr. Huffman stated the budget balances now, but what about next year? We should move forward now if we need too.

Mr. Leetham stated here we are five years later, right where we predicted. The second option to replace the county tax to a county assessment is possible. Mr. Hill stated all the cities are meeting next week to discuss options. Mr. Leetham said there are no other models like ours. Right now, is the best time to increase assessments up to 15% for the next five years. Mr. Huffman disagreed slightly. If we shift it all, we are still building fund balance. If we shift the paramedics, we can keep our assessments. Mr. Hill recommended using a tax levy to pay for the paramedics, keep our rates at 10% and make the policy change recommendation. Mr. Leetham agreed about generating a fund balance. Mr. Huffman agreed with that option. Mr. Hanson agreed as well and stated there should be no issue with increased assessments. Mr. Huffman made a motion to recommend option #1, Ms. Sims seconded the motion. Mr. Huffman asked if we need a budget amendment. His concern is impact fees are not guaranteed, so can we cover our debt service. Ms. Hardy responded we still have \$700,000 that we transfer every year from our general fund. We don't use all the impact fees. Mr. Leetham asked if we can use our debt service to cover impact fees. Ms. Hardy replied yes. Mr. Huffman asked why the district is making this request now. Ms. Hardy responded this money was going to be set aside for a training facility. Chief Stone said that was Chief Bassett's idea. Mr. Leetham asked when our last impact fee analysis was conducted. Ms. Hardy said 2012. Mr. Leetham asked when this needs to go before the Board. The next Board meeting is Monday, the 17<sup>th</sup>. Chief Stone we also need to set a public hearing date. Mr. Hill made a motion to approve all three amendments, Mr. Huffman seconded the motion. All committee members said "aye."

#### **ADJOURNMENT:**

Mr. Leetham adjourned the meeting.



Mr. Leetham, Chair



Ms. Dandurand, Secretary