

Date: January 20, 2022

THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA BOARD OF TRUSTEES (“BOARD”) MET ON THURSDAY, JANUARY 20, 2022, AT 10:00 AM. THE MEETING WAS HELD AS AN ELECTRONIC MEETING WITH NO ANCHOR LOCATION DUE TO THE PUBLIC HEALTH RISKS OF THE ONGOING PANDEMIC. THE PUBLIC WAS NOTIFIED THAT THEY MAY JOIN THE OPEN PORTIONS OF THE MEETING BY CALLING 1-669 900-9128 AND ENTERING MEETING ID 92301763844# AND PASSWORD 259919#. THE PUBLIC WAS ALLOWED TO LISTEN TO ALL OPEN PORTIONS OF THE MEETING. BOARD MEMBERS AND PERSONS PARTICIPATING BY PHONE OR ELECTRONICALLY WERE ABLE TO HEAR ALL DISCUSSIONS.

| <u>Present:</u> | <u>Excused:</u> | <u>Attended Via Zoom:</u> |
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| | TRUSTEE CHRIS STAVROS, SALT LAKE COUNTY | TRUSTEE STEVE PROKOPIS, MAGNA TRUSTEE CAROLYN KEIGLEY, BRIGHTON TRUSTEE JIM BRADLEY, SALT LAKE COUNTY TRUSTEE DAVID BREMS, EMIGRATION CANYON TRUSTEE PAULINA FLINT, WHITE CITY TRUSTEE DAVID OLSEN, COPPERTON TRUSTEE ALAN PETERSON, KEARNS TRUSTEE DEA THEODORE, SALT LAKE COUNTY |

ALSO ATTENDED VIA ZOOM:

SHERIFF ROSIE RIVERA, SALT LAKE COUNTY SHERIFF AND SLVLESA CHIEF EXECUTIVE OFFICER

CHIEF OF POLICE JASON MAZURAN, UPD CHIEF OF POLICE

FRANK NAKAMURA, SLVLESA DISTRICT ADMINISTRATOR/SLVLESA LEGAL COUNSEL

LISA DUDLEY, SLVLESA CHIEF FINANCIAL OFFICER

RICHARD MOON, SLVLESA TREASURER

Item #1-Call to Order.

Trustee Bradley called the meeting to order. Trustee Bradley stated for the record that he determined the meeting on January 20, 2022, should be held virtually without an anchor location due to the public health risks posed by the ongoing pandemic. He further stated that the public has been notified on how they may listen and participate in the meeting. Using Zoom technology, the Board Members will be able to hear all portions of the meeting.

Item #2- Conflict of interest disclosure.

Action Requested: Identify Conflicts; if any

Discussion: Trustee Bradley asked if there were any conflicts of interest. None were identified.

Item #3-Public Comment

Action Requested: None

Discussion: Trustee Bradley asked if there were any members of the public on the phone who wished to address the Board. There were none.

Item #4- Present 2021 Fourth Quarter Report, Expenditures for the Month of December 2021, and Other Financial Information.

Action Requested: None

Discussion: Richard Moon asked if anyone had questions on either the check register or the fourth quarter expenditures and there were none. He said SLVLESA had \$1.6 million projected use of fund balance and they ended up using \$515,000, so it brings their fund balance down to just over \$4.8 million, which is just under 23% for fiscal year 2022.

Trustee Prokopolis said that is a significant difference and asked what was causing that.

Richard Moon said it was because they had budgeted to go to the number one spot for the compensation package for officers but ended up at number five as determined by the UPD Board.

Item #5- Discussion and Direction on Formulating Revenue Options for SLVLESA.

Action Requested: None

Discussion: Trustee Bradley said that he thinks they are all aware that they need to stabilize their revenue sources and this discussion is how do they do that. Today is not an action item, it is just a discussion on how to proceed.

Trustee Keigley said she had a question on the fund balance and asked what percentage is healthy place to be.

Richard Moon said they are supposed to be above a 5% but as a Board they decided to be at 17%.

Frank Nakamura said the Board adopted a policy to maintain a fund balance of 17% or above.

Frank Nakamura thanked the Board for all their work. He said having property taxes as their sole source of funding is not where SLVLESA wants to be. He said what they need right now is a direction on how to proceed. He said one option is a fee-based system and that is something that SLVLESA has had in the past. The other is an action by the townships implementing the telecommunications and sales and energy use tax. He said he presented the Board with a memorandum which he initially drafted in December, outlining the pros and cons of those different options. He said they are going to have to explain to the public why they need this and what their needs are. He said the fee-based system is more complex and will require more expertise than they have, so that needs to be discussed.

Trustee Flint said she needs more clarity for the public. She believes that when they talk to the public they need a one page, all-inclusive costs. She wants to know, as a metro township, what percent of her property taxes she pays to Salt Lake County are paid to shared services. She said if her whole tax bill goes toward various numbers of services, what percent of that money is set aside for shared services.

Lisa Dudley said the property taxes that SLVLESA collects pays SLVLESA's shared services for SLVLESA's precincts. It is not the money from the County that is going towards shared services. What the County contributes to shared services at UPD are the shared services that are provided to County-wide or to support those County-wide functions. If White City pays property taxes to Salt Lake County, that is not going towards the benefit of policing in SLVLESA communities.

Trustee Flint said the County portion that they contribute, the 20%, doesn't come from SLVLESA, it comes from the County. Where is that money derived from?

Lisa Dudley said that is true, but that money is to cover County-wide services. The 20% of the shared services formula are very specific services that the County is responsible for like canyon patrol, etc. They cover very specific things; some are statutorily required. Their shared services still support those County-wide functions. When they say County-wide which refers to fund 72 in their budget, the 20% for shared services is what records, finance, human resources, purchasing, etc. does to support County-wide functions. That 20% does not mean collected by the County to pay for shared services for the benefit of SLVLESA communities.

Trustee Flint said the money is derived from some place other than the UPD budget. They have been told that 20% is for shared services coming from the County--that they contribute to our UPD services. That money has an origin, and it doesn't come from SLVLESA's budget, it comes from the County's budget.

Lisa Dudley said it is coming from the County, it's their law enforcement budget, 20% represents shared services that are being performed to support those County-wide functions. That 20% comes from County-wide property taxes but it is not used to support SLVLESA's share of shared services or the other members' shared services. It is collected to cover the County-wide services portion of those shared, regional specialty units, that is what the 20% from the County is for.

Trustee Keigley said which in turn, where the County is getting that 20% to put into the budget for UPD, the origin of that 20% is coming from everybody's property tax in the entire County, correct?

Lisa Dudley said that is correct.

Trustee Flint said when they are talking services though, if the public asks what benefits and services do, they get we must include the shared services as a benefit to our public, correct?

Lisa Dudley said certainly.

Trustee Flint said as part of that benefit, she needs to enumerate all benefits to her public before she can say that we need to raise taxes or get fees from them because she can't just discuss SLVLESA or just UPD. Policing is policing and the public doesn't see it categorized as you see it financially. The public wants the whole picture. Where does the money come from, how much of it comes from here, how much comes from there? If we're going to sell ourselves, the legislature is going to say you are getting money from the County, you are getting money from SLVLESA, what services does that buy?

Lisa Dudley said in the budget book there is a one-page overview, and you can find your community. SLVLESA communities are shown individually--they are also grouped as a whole. If you look at the shared services on the next page, you can look and see White City, for shared services such as administration, community relations, internal affairs, HR, legal, finance, forensics, etc. All of that is broken down to all members, the County, the cities, and SLVLESA communities. The cities are billed for their share of what happens at their precinct--their formula driven share of shared services. SLVLESA is billed for its precincts, and its share of shared services. The county-wide functions are billed like those for a precinct and its share of shared services. Therefore, the money from SLVLESA is paying for SLVLESA services. The money the County pays, which does come from property taxes paid by County residents and other general revenues, is paying for those County-wide services.

Trustee Flint said she thinks there is a misunderstanding of her question. She said Salt Lake County is contributing funds from those property taxes. She wants to know what percent of those property taxes are coming towards the shared services. She said we don't know that because the County is who collects those property taxes.

Lisa Dudley said SLVLESA is unique because it is property tax which is their one form of general revenue. If they were to look at the County, they would see many forms of general revenue. They don't know, even from the city, exactly what percentage of property tax is paying for parks or police, etc. because they are in one pot of general revenue. The County collects multiple sources of general revenue and it's not going to say we're going to take 3.5% from collected taxes to pay policing, it's going to say we have X amount of money to pay for fire, policing, etc. She said it's not a question we can answer, and she also thinks it is not a question the County can answer.

Trustee Bradley said that is maybe the best we can do at this stage is try to understand the nexus between that question and the issue about stabilizing a source of income.

Trustee Flint said it is because she has sat in the County budgeting meetings for years and they find every category of expense in their budget, and it is defined and maybe she needs to go to the county auditor and ask that question. She said the public does want to know. They keep telling people, the County pays for shared services, their people are saying where does that money come from, and we

have established that is property tax. What we want to know is if we get an increase in property tax from the County in the future, how much of that will also be a shared increase for shared services. The shared services are not getting cheaper, either. Because they have gotten so creative at financing their whole process of policing, it is so subdivided that the average public person is not going to go through a budget to look for the minute numbers that you have outlined. They want a pie chart, saying this percentage comes from shared services and this percentage from SLVLESA, etc. She said she thinks they need to go to the fee-based and they need to work on that and start soon because the legislature is just as naïve and knows less about how we finance than we do.

Trustee Bradley said to further this discussion they have put on the table a fee-based revenue source as an option as well as the telecommunication, sales, and energy use tax. They have had feedback from The Taxpayers' Association and others saying what is most likely and they do need legislative assistance in terms of whatever option they choose.

Frank Nakamura said they do not need legislative action if they do the telecommunication, sales energy and use tax. He said it is worth exploring and discussing. He said he is not sure how to approach that because it is a township decision. He knows it is going to be a difficult process but to him it is a viable option, and the legislation is already in place. He is reticent about the fee-based system--he has a hard time trying to conceptualize what that would look like, and it is a process they have tried before with a great deal of push-back from the legislature.

Trustee Keigley asked if they could possibly create a pro and con list of what they know about the options. She said she has no experience on what happened when they did have the fee-based system.

Frank Nakamura said he did create a very simplistic analysis of that, but he is more interested in the process because that is where they develop the pros and cons and getting into the analysis. He has outlined some pros and cons for a fee-based system and the telecommunications and sales energy use tax. He said they will do whatever the Board directs.

Trustee Prokopis said if someone who has been involved in government and public service for as long as Trustee Flint has and has questions then that is concerning. He said maybe they have a UPD 101, half a day of training, to fully understand the funding model. This is a hybrid organization like no other. It is complicated--he has been on it for five years and he is still learning. The way he understands it is the County is a user of UPD just like all of the townships and they pay their share just like them. As far as the fee schedule, the fee-based system failed and he does not personally believe that that is a dedicated funding source for law enforcement, it is transient, and they have lack of control. They have nonpayers, delinquent accounts and should a Ferguson-type event happen in Salt Lake County two days before the bill comes due for police service, how many people are going to pay that bill? To him, that is not a dedicated funding source that police and public safety deserves. They have tried that, it did not go well, there were a large number of nonpayers and that is why they did away with it. He likes the ability to do the sales, energy and use tax. That is something that is available to them, they haven't used it. They have talked about it in Magna, how they go about implementing it and that will give them another funding source to offset the costs of the police.

Trustee Flint said the big issue is when the sales, energy and use tax was gone after by the metro townships and the MSD, it was in the hopes of augmenting all the repair costs for sinkholes, that is not budgeted for. They either must raise taxes in the MSD for those services or receive other funding. Those

are dedicated services and that is why they went after this is because they don't want to raise taxes in the MSD because they don't tax currently, only sales tax. When they lobbied the legislature, it was for public works infrastructure. That sales and use tax, unless you raise the percent, is not going to cover the next increment of monies that UPD and SLVLESA need. They are still going to have to look at long-term how they are going to fund the police realistically.

Trustee Bradley said that is one of the questions and Trustee Keigley said earlier, the list of pros and cons would be very useful. He said on the agenda today, they are looking for a process, not necessarily a solution today. He doesn't want to form another committee and have it dawdled around for six months and must have this conversation again. He would like to have some direction as to the process.

Trustee Flint said she thinks every Board member needs to go back to their Metro Township and get the blessing of how they want it done.

Trustee Bradley said yes, and they also need to understand what the options are.

Trustee Keigley said she is very visual and if someone had to explain the complexity and see how they expressed it, whether the public will understand it, she is their guinea pig because she is slow when it comes to numbers. What she sees is if they can get together physically--what she sees in a process is if they are all sitting there and writing down on a white-board ideas and generating and putting on those ideas what the pros and cons are. So, it is an open-ended process of gathering information.

Trustee Brems said they do want to continue the discussion about fee-based services. It seems to them that that is the only fair way to pay for law enforcement across all the members of SLVLESA.

Lisa Dudley said she wanted to bring everyone's attention to the state auditors' website, there is a tab that says, "auditor alert" and read 2018-03 that was recently revised this past November. It discusses in there the difference between a fee and a tax, so that they are not wasting time. She said she will forward it to Marcie and Frank to send out to the Board members, so they can read it. She said "landmark rulings have determined that the distinguishing attribute between taxes and fees is their use. To avoid imposing an unauthorized tax in the form of a fee, governments may use fee revenue for different purpose." Lisa Dudley then had technical issues and could not be well heard on the Zoom call.

Trustee Bradley said they also need to understand not only the capability of any funding source but also some of the legal issues that may be associated with them.

Frank Nakamura said that speaking as SLVLESA's attorney, the difference between fees and taxes has been litigated and in fact, the reason the legislature enacted a telecommunications tax versus a telecommunications franchise fee because of these cases where a fee must demonstrate it is a recouping of costs and that is a heavy burden. He said maybe they should have a workshop that gives them a more time and more direction on how to proceed.

Trustee Flint said the comments were great about the auditor's office and what the notations are but those pertain to other legal issues. Once SLVLESA was created as an independent single-service governmental entity, it is no longer general government funds, it is an enterprise fund that funds a single service. We are not a general government that provides other services, we left that when SLVLESA was created.

Lisa Dudley said just as a clarification and not to be controversial, SLVLESA is a general fund, it is not an enterprise fund. It is a single purpose government, but it is a general fund--they have one fund that is a general fund.

Trustee Flint said that may be the problem--they need to create an enterprise fund. She said as a district, they are supposed to have enterprise funds, not general funds.

Trustee Bradley said he would like to ask several members of the Board if they would find the time to sit down and come together with a firmer process and maybe doing a workshop talking about budget, etc. They need to make a game plan that works.

Trustee Prokopolis said he does not want it to be an elaborate production that they ask staff to put on, he would like something timelier, and they can start with a UPD overview, and the last half do the SLVLESA overview. They are being asked to compete with the other metro police departments when they have multiple funding sources and they only have the single one and he wanted to mention to Trustee Flint that he does think the sales, energy and use tax is a stopgap and what the organization probably needs is another 20% tax increase on the heels of the one they just did for long-term funding but that is not realistic. The implementation of the sales, energy and use tax will buy them a few more years and then they will be more ready to absorb another tax increase in the future.

Trustee Keigley said their numbers are fewer and if they used a big room, she thinks they would get a lot more done if they were in-person. It is difficult to do it over Zoom.

Trustee Bradley asked Trustee Keigley if she thought having several Board members get together and plan that process would be prudent.

Trustee Keigley said she thinks that will be important.

Sheriff Rivera said they can put together something quickly because they have already presented over and over. They will take the data that they have already presented and put it in one presentation, and they won't make anything fancy. She said she is going to ask Undersheriff Petersen if he would attend because he is very good at facilitating meetings and he had done it multiple times. She said it is very important to them, but it cannot just be the staff that moves this forward, they must rely on the Board members and if they need them to all come together in one room, they will do that. They can do social distancing, request masks, etc. She said she will have Marcie, the SLVLESA clerk, send out a poll and get times for the meeting to take place.

Trustee Prokopolis said he has given it more thought and in the budget book, Magna has ten or fifteen pages that are dedicated to Magna. It would be more beneficial to have Lisa and whoever else she chooses to have a one-on-one with him to go over his ten pages and thoroughly make sure he understands everything in his section and maybe review the County-wide section with him as well.

Lisa Dudley said she would be very happy to do that--she has done that with several of the Board members before.

Sheriff Rivera said during their budget process, their plan was to meet with each one of the Board members anyway to go over their budgets and next year's budget, but they can include that piece and do that as quickly as possible. She still thinks that a 101 is good--they have new members who may not have been to any of the one-on-one trainings, so they can make both happen.

Trustee Flint said she wanted to remind everyone that not every Metro wants to impose the franchise tax. That process for each Metro is they must decide to implement it, go through truth-in-taxation, to do a public meeting. She said White City has no money, even out of the MSD in this year's budget for projects. If White City has a failure, she needs that money for White City, and it is only about \$300,000.

Trustee Olsen said he likes the idea of meeting but with all due respect he has a day job and if they do not move on, he will have to drop off the Zoom meeting.

Item #6- Discuss Meeting Schedule and Certain Conflicts with Other Meetings.

Action Requested: None

Discussion: Frank Nakamura said Trustee Flint had some conflicts.

Trustee Flint said they have since resolved themselves. She spoke with COG and they are amending bylaws currently. Since the Metro Townships have put in place under the statute that they can have a Mayor Pro Temp, that perhaps COG will accept their Mayor Pro Temp as the elected official and have voting rights. She said either she leaves this Board and goes to COG and someone else replaces her or vice versa.

Frank Nakamura said that they can accommodate Trustee Flint. They can change the agendas around, etc.

Item #7-Informational on Olympia Land Annexation into Herriman.

Action Requested: None

Discussion: Frank Nakamura said he wanted to advise the Board that Herriman City has annexed the part of unincorporated Salt Lake County--it is 933 acres. That property now is not in the jurisdiction of SLVLESA.

Chief Del Craig said it is a 930-acre site, it runs roughly from 6400 West out to U111 and from 130th South to 120th South. It doesn't really have an impact on residents, it only takes in one of their residents that was under their jurisdiction. They will be handling both sides of Bacchus highway, however. The annexation stops within a few feet of that highway. It's vacant land and they are going to start developing it in phases starting on the east side, to the west.

Item #8-Report by Sheriff Rivera, SLVLESA Chief Executive Officer

Action Requested: None

Discussion: Trustee Bradley said it is getting late and asked Sheriff Rivera if she had things to say or if she could hold them until next month.

Sheriff Rivera said she could hold them until next month if they prefer.

Trustee Bradley said they should do that and thanked Sheriff Rivera for accommodating them.

Item #9-Election of Chair and Vice Chair of the SLVLESA Board of Trustees for Calendar Year 2022.

Action Requested:

Nominations for Chair

Motion, Second and Vote to close nominations

Motion, Second and Vote on nominations

Nominations for Vice-Chair

Motion, Second and Vote to close nominations

Motion, Second and Vote on nominations.

Discussion: Frank Nakamura said they need to elect a Chair for 2022 and asked if there were any nominations.

Trustee Flint motioned to nominate Jim Bradley for Chair.

Trustee Prokopis said he seconded that nomination.

Trustee Bradley accepted the nomination.

Trustee Flint moved to cease nominations for Chair.

Trustee Prokopis seconded.

All voted in favor; none opposed.

Trustee Bradley was elected as Chair for 2022.

Trustee Olsen nominated Steve Prokopis as Vice-Chair.

Trustee Keigley seconded that nomination, especially if Trustee Flint may have some scheduling conflicts anyway.

Trustee Bradley asked Trustee Flint if she would like to be nominated. She said she thinks her style of being direct is not always appreciated. She said she has been doing District work since 1991 and she knows that this District is fairly new and there is a lot more out there that they need to be discovering who and what they are and at this point she does not think we have the willingness to delve into being truly independent, so she is not comfortable being in this position when most of the people don't even know what a District is.

Trustee Bradley asked Trustee Prokopis if he is willing to accept the nomination.

Trustee Prokopis thanked everyone for their kind words and said he would be happy to serve. He said he is not sure how to take Trustee Flint's comments, but he wants her to know that her knowledge and expertise are beyond measure, and he values them greatly.

All voted in favor; none opposed.

Trustee Prokopis was elected as Vice-Chair for 2022.

Item #10-Approve Minutes for the December 16, 2021, meeting.

Action Requested: Motion, Second and Vote.

Discussion: Trustee Bradley entertained a motion to approve the minutes.

Trustee Prokopis made a motion to approve the minutes.

Trustee Keigley seconded the motion.

All voted in favor; none opposed.

The minutes were approved.

Item #11-Adjourn.

Trustee Bradley adjourned the meeting.