

Date: October 20, 2022

THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA BOARD OF TRUSTEES (“BOARD”) MET ON THURSDAY, OCTOBER 20, 2022, AT 10:00 AM. 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>
TRUSTEE JIM BRADLEY, SALT LAKE COUNTY	TRUSTEE PHILLIP CARDENAZ, WHITE CITY	TRUSTEE CHRIS STAVROS, SALT LAKE COUNTY
TRUSTEE ALAN PETERSON, KEARNS	TRUSTEE DAVID BREMS, EMIGRATION CANYON	TRUSTEE CAROLYN KEIGLEY, BRIGHTON
TRUSTEE STEVE PROKOPIS, MAGNA	TRUSTEE DAVID OLSEN, COPPERTON	TRUSTEE DEA THEODORE, SALT LAKE COUNTY

ALSO ATTENDED:

SHERIFF ROSIE RIVERA, SALT LAKE COUNTY SHERIFF AND SLVLESA CHIEF EXECUTIVE OFFICER (Via Zoom)

UNDERSHERIFF JAKE PETERSEN, SALT LAKE COUNTY UNDERSHERIFF

CHIEF OF POLICE JASON MAZURAN, UPD CHIEF OF POLICE

FRANK NAKAMURA, SLVLESA DISTRICT ADMINISTRATOR/SLVLESA LEGAL COUNSEL

RICHARD MOON, SLVLESA TREASURER

Item #1-Call to Order.

Trustee Bradley called the meeting to order. A roll call vote for attendance was then conducted.

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 who wished to address the Board. There were none.

Item #4- Present Third Quarter Report, and Expenditures for the Months of September 2022 and Other Financial Information.

Action Requested: None

Discussion: Richard Moon said in the third quarter, the delinquent property taxes were a little over what they budgeted for, which is a good thing. Since the bank interest rates have changed, they have received more interest on the money they have had in the bank. Notice for public meetings, since they didn't do any tax increases this year, they had about \$5,000 set aside for that they probably won't use now. Other than that, everything looks in line to where it should be.

Item #5- Discuss Impact of Rising Interest Rates on Costs of Tax and Revenue Anticipation Notes.

Action Requested: None

Discussion: Japheth McGee from Zions said that interest rates are not doing anyone any favors right now. As the Fed has continued to increase rates over the last several months, that has pushed your short-term interest rates up and in a lot of cases you have yield curve inversion, which means that typically where your shorter maturity investments are lower than your longer term, you now have a situation where your short-term investment rates are higher than your long-term investment rates. That creates some opportunities but also some challenges. This means that your reinvestment is going up right now, which is great, but it means that your short-term borrowing for tax notes is higher. That will be offset by those interest earnings. He said they recently ran some numbers, and they expect that where last year, the interest rate on the TRANS was 0.3% you will probably go above a 3% rate the next time we borrow for the TRANS.

Richard Moon said last year they increased their TRANS from \$8.5 million to \$12.5 million, that will be something along the lines of what they are looking at again in calendar year 2023.

Frank Nakamura said the reason this information is in front of the Board is because when they pass the tentative budget today, this is one of those costs that they have no control over.

Trustee Bradley asked if they must borrow at 3%, which was suggested, what is the cost to SLVLESA compared to last year?

Richard Moon said Japheth had come up with the number and it was about \$320,000.

Japheth McGee said they are expecting about \$12.75 million in total principal, costing \$250,000 and that is not net of your savings. He said Johnathan reminded him that last year's rate as actually 0.9%, the year before that was 0.3%, so he said it would be about \$200,000 difference over last years. He said earlier this year the PTIF was only getting you about ½ a percent, right now PTIF is 2.44%, so that will help offset the increased interest rates.

Item #6- Discuss Alternate Revenue Sources

Action Requested: None

Discussion: Frank Nakamura said this is a carryover from last month's meeting. He wanted to update the projected numbers for the implementation of an energy and telecommunications tax. It is projected to be \$4.4 million, they included franchise fees which aren't a part of these taxes. He wanted to talk about what Trustee Prokopolis asked, which is what does that mean in terms of what would be a comparable property tax increase to generate that kind of money. Frank said he had Japheth from Zions Bank do an analysis to show what that would be.

Japheth McGee from Zions said that he and Johnathan, in their analysis, detailed the important factors in understanding how property tax rates are set and what that means for projecting future tax rates. He said when you are trying to project a future tax rate, you must take into consideration two things: how much will the existing properties within SLVLESA will grow in valuation and how much more new growth will there be. He said they lumped those two things together because it is difficult. He said SLVLESA had about average growth, closer to 11% over the last several years. So, they said what about a 2% increase in current valuation and 4-year average valuation increase and see what those levels would generate, and can you cover that within your existing statutory cap on your levy, which is the 0023 limit. They were trying to generate the same amount of revenue that the study showed, so they tried to generate \$4.4 million and given current valuations, you would need a levy that was 0.002364, so over the statutory limit to raise that \$4.4 million. Then, in order to get that percent increase, it would still mean you would have to go over that statutory limit to raise that \$4.4 million. If they did have 11% valuation increase, you could raise that \$4.4 million within the statutory limit. That's not a super conservative way to look at this and he would be hesitant to say that is something that could be relied upon.

Trustee Stavros said when they are breaking it down to \$68.76 per year for the impact on the average home value in SLVLESA, that was last year's median value, it should have been calculated on \$413,900. He said they had over 30% increase in valuations.

Trustee Keigley said when they do the valuations and when they figured out the town of Brighton and she is wondering how you differentiate from primary residence to secondary residence. The reason she is asking is when you look at the properties in the town of Brighton, 80% are secondary residences, they pay a lot more taxes.

Trustee Stavros said that would still be reflected in the taxable value because if a property doesn't get the residential exemption, they are taxed on 100% of the market value. The only difference between a primary residence is the taxable value is 45% less, so when Japheth is doing these calculations, they are looking at taxable value.

Trustee Keigley asked about when they look at how much they think would come in for the town of Brighton with the franchise taxes, if they are looking at the dollar amount and would that be correct if they have 80% that are paying 100%?

Japheth said like Trustee Stavros said, it's the taxable valuation that you'd be looking at, so that factors in already that differential valuation for secondary and primary residences.

Trustee Stavros said when you calculate the certified tax rate, you take last year's budgeted revenue and divide it by the taxable value, so taxable value already has that reduction.

Frank Nakamura asked Lance Brown to share his financial model with the Board. He said that what they assumed was a 7% increase in costs which is a conservative estimate. He said the \$4.4 million would take them out to about 2027 and they wouldn't have to do a property tax increase. He said there will be an increase in costs and that is how it always has been. Costs are not going to go down.

Trustee Stavros said he wanted to reiterate to the Board that he knows they have asked Japheth to calculate what the equivalent tax increase would be to produce the same amount of revenue, which is 19%, but if they are looking for a long-term solution to fund law enforcement, going through tax increases and truth-in-taxation is not the way to go because every time they need money, they need to go through the truth-in-taxation process to get it. He said he thinks they need to take the next step and look at the alternative revenue sources as the way to go because that is more of a permanent fix that they can have stability for SLVLESA going forward. He said they were lucky they got their 16.5% tax increase through relatively easily last time and he guarantees that if they try to do that again it will not be that easy.

Trustee Keigley asked how the franchise tax will work for the primary residential versus secondary residences and how does it work with the commercial entities, the two ski resorts.

Frank Nakamura said it is based on use, not based on value, so commercial and residential will be the same, based on usage.

Trustee Keigley asked if they could get numbers for how the franchise tax would work for the town of Alta and Frank Nakamura said they could.

Trustee Prokopis said he does think this is the right step going forward but timing is going to be the question. He asked if they wait until they are facing a 19% tax increase or should they do it right now. He said he doesn't feel adequate selling this idea to his council, he thinks it would benefit him and his council if they had a single voice coming out and selling it to all the townships in the same month, but he doesn't know about timing.

Frank Nakamura said it can be a complicated issue and maybe it requires further discussion and he's not sure about the timing either. He thinks it requires a unified effort.

Trustee Bradley said they shouldn't wait until they are facing disaster to decide. He said he thinks the arguments for using the energy and use taxes are compelling and let's take it out and get it done as quickly as possible and he thinks a unified voice is very important.

Trustee Prokopis said he understands every city in the County does it, the only ones that do not are the townships.

Trustee Stavros said it was his understanding that that is why they pursued the 16.5% property tax increase to buy them the one to one and a half years to get the alternative revenue source option in place.

Frank Nakamura said yes, they do have time and it must be done individually by each council and discussion with the County on their portion.

Sheriff Rivera said how Frank can help would be to provide the data that the Board needs and if they need him to speak at their individual meetings, he can do that as well.

Frank Nakamura said they have good people helping them out, like Zions financial advisors, Lance Brown running financial models for them, etc.

Trustee Prokopis said he would feel more confident about it if Frank Nakamura could come out to his council with a PowerPoint presentation and all the talking points and Zion if they needed them to help sell this.

Sheriff Rivera asked if there was a certain deadline they were looking for that to happen. She said she would like to suggest they at least wait until the first of the year because everyone is raising taxes right now.

Frank Nakamura said it's important to remember that costs are going to increase. He said they are very fortunate to have the assessor on the Board, who knows about the values and what is happening.

Trustee Stavros said he agrees with everybody that it is advantageous to start this after the first of the year, but it would be nice to at least vote on which option to go with. They have had the workshop and a lot of discussion and information. He said he would like to come out of this today knowing that they are pursuing the alternative revenue option, rather than the property tax increase.

Frank Nakamura said it is not on the agenda for a vote.

Trustee Stavros said it would be nice to be able to have an informal vote or come to an agreement. He asked what else do they need before they can feel comfortable moving forward after the first of the year with the alternative revenue source.

Trustee Bradley said he gets the feeling that there is no major opposition to explore this.

Trustee Peterson said what if everyone on the MSD says that they want to do this, will they have to do a truth-in-taxation hearing.

Frank Nakamura said they will have to do one but it's different. He said the power companies are the ones that collect it and send it to the different townships.

Trustee Bradley said given what they have discussed, could Frank Nakamura and Richard Moon get together and put together a page scenario on how they should approach this, including the timing issues involved and what the process would be. Basically, an informational sheet.

Trustee Prokopis said he knows this was not listed as a decision item, but could they make a motion to give direction to staff what they want from here.

Trustee Keigley asked if they were to do an informal vote right now, would the County be able to commit and how would that go and, Kennecott would not be part of this, is that correct?

Frank Nakamura said yes, Kennecott wouldn't be involved in this. As for the County, they would have to have a discussion with the County representatives.

Trustee Keigley said it will greatly impact the town of Brighton if the County decides not to. She said there are some people on the County council considering pulling away safety funds from the town of Brighton for UFA and if they do that, will they do the same thing for UPD?

Frank Nakamura said he's not sure. The fact that Kennecott would not be impacted is a plus. He has always been concerned about Kennecott.

Trustee Theodore said she doesn't really know where the County would be on this issue right now. She said there is a lot going on and they would have to have the discussion and see.

Trustee Bradley asked if Frank Nakamura had direction and he said he did.

Item #7-Report by Sheriff Rosie Rivera, SLVLESA Chief Executive Officer

Action Requested: None

Discussion: Sheriff Rivera said they received a grant for their Metro Mental Health Unit, \$250,000 from the Department of Justice. It is a three-year grant, and it will pay for a part-time social worker to create a new mental health training program based off the State of Utah current curriculum. The in-house training will help officers better respond to mental health calls. She said this is a good thing and not many agencies across the country receive money. She asked if anyone had any questions about the grant. No one did.

She said they went to an interim hearing at the State Legislature yesterday and the topic was about the Sheriff's duties and UPD. There were several people who spoke and what she got out of it was that she had asked Mayor Silvestrini to do a review on UPD and County-Wide services and he put together a committee and they are still in the process of reviewing that. However, Councilwoman Amy Winder Newton, Representative Teuscher, South Jordan's Chief, South Jordan's City Manager all spoke. They discussed the Sheriff's duties in relationship to UPD. Councilwoman Amy Winder Newton did say that her intent is to bring some type of legislation that will change so the elected Sheriff cannot be over interlocal entities (like the UPD) and Rep. Teuscher said he will be bringing legislation later. They thought they were going to present it yesterday, but they changed their minds, and they are going to

tweak it. The reason she is discussing this with SLVLESA is that there is going to be a huge impact to SLVLESA. If the Sheriff is not over UPD, the County has two options. They can take all the County-wide services back to the Sheriff's Office or they can figure out how to manage it under a separate organization. However, the Sheriff's statutory duties must go with the Sheriff, so that creates some problems. With SLVLESA, she is the CEO over SLVLESA, so that would impact SLVLESA, they would have to have a new CEO. Also, Richard Moon is SLVLESA's treasurer, he's part of UPD. As Councilwoman Winder Newton said, she does not believe the Sheriff should be over both and she wants it changed. She said they don't know what the County will do. She said she was surprised they took it to the State Legislature, rather than let the County decide, it should be a county decision. She said she believes this is an important issue that all of them need to understand that impacts each of their organizations.

Trustee Bradley said he thinks the strong message that came from yesterday made a clear case that this is a decision that needs to be made on a local level. He said that he believes Amy Winder Newton is under the belief that with the change of the status of the Sheriff, a lot if not all the problems regarding funding, etc. would be resolved but he does not see the connection.

Sheriff Rivera said one of the interesting things is that every speaker there said that the Sheriff is doing an amazing job, UPD is providing an amazing service, they're doing a great job but then why are they trying to fix something that is not broken but that is what is happening.

Trustee Theodore said there was some talk of SLVLESA being implemented under the MSD. She asked if anybody knew more about that.

Frank Nakamura said he had heard that as well but doesn't have a comment on it.

Sheriff Rivera said she had heard that as well but really that would be a SLVLESA choice, if that was something they wanted to do. They haven't been engaging in that talk, they have only heard rumors of it.

Trustee Bradley said that is an interesting idea and he thinks they need to think about how they could place that on a future agenda and have a meaningful discussion on it.

Item #8-Consider RESOLUTION NO. 221020-1 OF THE BOARD OF TRUSTEES OF THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA (SLVLESA) APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE KEARNS METRO TOWNSHIP (KEARNS) AND SLVLESA PROVIDING FUNDS FROM KEARNS TO SLVLESA TO COVER, FOR THREE YEARS, THE INCREASED COSTS OF RECLASSIFYING A DETECTIVE TO A SERGEANT IN THE KEARNS PRECINCT.

Action Requested: Motion, Second and Vote.

Discussion: Chief Levi Hughes from Kearns said that currently they have 12 specialty officers/detectives that work under the patrol of one Sergeant and as a result they are not as effective as they could be. The area that they are trying to put more focus on is their high school age kids. They currently have four School Resource Officers in Kearns and in addition to that they have a detective who specifically deals with youth and students at-risk. He said what he proposed to the Kearns council was to take the COP detective position and convert it to a sergeant position and that gives them the ability to split that 12-person unit in half and put five under the supervision of his precinct supervising sergeant and create a

COP detective sergeant who would manage the school resource officers, including the traffic cars and the youth detective. That would give them the ability to focus their efforts more specifically in the areas of investigation and helping to support and address their youth issues in Kearns. In doing that, the Kearns Metro Council offered \$100,000 to offset the cost for three years. This would be a three-year trial and would take the salary difference between an officer and a sergeant and cover that completely. He said it wouldn't put any added burden on any budget they currently have, etc. He said if they get three years down the road and it is a position that they would like to continue with, then they would reapproach that and if it is not effective then they would revert to how it was. They are greatly appreciative of Kearns willingness to support them and are asking SLVLESA to accept the funding for that purpose.

Trustee Bradley asked if there were any issues regarding this.

Frank Nakamura said it is an approval of an interlocal agreement.

Trustee Bradley entertained a motion to approve the Resolution.

Trustee Prokopis motioned to approve.

Trustee Peterson seconded the motion.

All voted in favor; none opposed.

The motion passed.

Frank Nakamura said he would like to add that the \$100,000 is included in the tentative budget.

Item #9-Consider RESOLUTION NO. 221020-2 OF THE BOARD OF TRUSTEES OF THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA (SLVLESA) ACKNOWLEDGING THE FILING OF THE TENTATIVE BUDGET FOR CALENDAR YEAR 2023 BY ITS BUDGET OFFICER PURSUANT TO TITLE 17B, CHAPTER 1, PART 6 OF THE UTAH CODE, TENTATIVELY ADOPTING THE TENTATIVE BUDGET, ESTABLISHING THE DATE, TIME AND PLACE OF A PUBLIC HEARING TO CONSIDER ADOPTION OF THE TENTATIVE BUDGET AS THE FINAL BUDGET FOR CALENDAR YEAR 2023 AND ORDERING THE PUBLICATION OF THE PUBLIC HEARING NOTICE AS REQUIRED BY LAW.

Action Requested: Motion, Second and Vote.

Discussion: Richard Moon presented the budget. He said the first column is the audited 2021 budget, the second column is the 2022 projected budget and then the third column is the tentative budget. He said they had a budgetary addition of fund balance, where in their third quarter presentation they had a \$2 million increase in fund balance and this stems from a \$2.466 million new growth, which mostly came from their centrally assessed and that is an unusual amount that most likely won't happen again in the future. He said there are not a lot of changes for the tentative budget next year. He said right now for interest they have a \$15,000 budget and next year he is projecting about \$200,000 because interest rates will be higher. He asked if anyone had any questions on the tentative budget. No one did.

Trustee Bradley entertained a motion to approve the Resolution.

Trustee Peterson motioned to approve.

Trustee Prokopis seconded the motion.

A roll call vote was conducted.

Trustee Bradley voted aye.

Trustee Theodore voted aye.

Trustee Peterson voted aye.

Trustee Prokopis voted aye.

Trustee Stavros voted aye.

Trustee Keigley voted aye.

Trustee Olsen. Trustee Cardenaz and Trustee Brems were excused.

All present voted in favor; none opposed.

The tentative budget was passed.

Item #10- Consider Remaining an Active Member of the Utah Association of Special Districts (USAD) or Discontinuing Membership. Appoint representative to UASD if Board Decides to Renew Membership.

Action Requested: Motion, Second and Vote.

Discussion: Frank Nakamura said they have been a paying member of the Utah Association of Special Districts since SLVLESA's inception. The fee for this year would be approximately \$13,000. He said he is not sure of all the services they get from them. He said they do lobby for districts but law enforcement is unique so there is not a lot of legislation there. They do have a convention once a year and they have a member this year attending but for the most part, their Board members don't attend it, so he is trying to understand the value of remaining a member and if they do choose to remain a member, they need to appoint someone as a representative.

Trustee Bradley says he doesn't see any value to SLVLESA being a member of that group and if they aren't using it, why pay for it.

Undersheriff Petersen said he is actively involved on the hill during the legislative session and throughout the year by assignment and by passion. He said the group that they are talking about, the USAD, are critically important in helping us be able to push law enforcement measures and push for legislation in ways that \$13,000 is a pittance for what we get from them. The power that they push on the hill for us is incredibly important. He said he and Frank Nakamura have had discussions about their involvement and he attends a lot of those meetings, and it may Undersheriff Petersen's fault that he hasn't filled in SLVLESA's executive director as much as he should have but he will in the future. He said when they have bills that are affecting law enforcement, and specifically affecting how districts work and when they really need to get some power and some push for the UPD, it is probably an understatement to say that we are paying a dime to get a dollar's worth of work. They are extremely

passionate about law enforcement and about the things that we are focused on. He understands that this Board is focused on the funding mechanisms but as a body, he would ask the Board to really consider that the \$13,000 is extremely well spent in SLVLESA's interests, trying to make sure that law enforcement in general is being watched over in the right direction and specifically that the UPD is being protected when there are bills and issues that are really targeted at our organization and he would hope that SLVLESA sees that is an important aspect of wanting to be a stakeholder in that. He asks that they consider continuing to fund that.

Trustee Bradley said he suggests they remove it from today's budget because he would like to look at it more and that this is new information to him and bring it back to the agenda next month.

Frank Nakamura said if they must have a representative from SLVLESA, he would be happy to serve in that role. He said they are in the process of paying their dues and they need to get their dues paid by the end of the year.

Trustee Bradley asked what Frank Nakamura would recommend.

Frank Nakamura said he would recommend listening to the Undersheriff because he is up on the hill, but he thinks they also need to have a representative.

Sheriff Rivera said she would recommend having the Undersheriff come and update SLVLESA on what is happening on the hill because he does spend a lot of time there during the session and throughout the year.

Frank Nakamura said today what they would like is to appoint a representative to the organization and the Undersheriff is very busy and Frank said he would be willing to do that, but they need to have a formal appointment.

Trustee Bradley said he would suggest they make a substitute motion to this Resolution to continue to keep their membership alive and assign Frank Nakamura as the representative.

Trustee Keigley said she thinks the more voices they have up at the hill for special districts, the better.

Trustee Bradley motioned to approve the Resolution and appoint Frank Nakamura as the representative.

Trustee Prokopis motioned to approve that Resolution.

All voted in favor; none opposed.

The Resolution passed.

Item #11-Approve Minutes for the September 15, 2022, Board Meeting.

Action Requested: Motion, Second and Vote.

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

Trustee Peterson motioned to approve.

Trustee Prokopis seconded the motion.

All voted in favor; none opposed.

The minutes were approved.

Item#12- Adjourn

Trustee Bradley adjourned the meeting.