

DATE: March 17, 2016

THE SALT LAKE VALLEY LAW ENFORCEMENT BOARD MET ON THURSDAY, March 17, 2016 AT THE HOUR OF 10:00 A.M. AT THE SHERIFF'S OFFICE BUILDING, 3365 SOUTH 900 WEST ROOM 115B, SALT LAKE CITY, UTAH.

TRUSTEES PRESENT:

CHAIRMAN JIM BRADLEY
TRUSTEE CARMEN FREEMAN
TRUSTEE BEN MCADAMS
TRUSTEE TRENT STAGGS

ALSO PRESENT:

JIM WINDER, SHERIFF
SCOTT CARVER, UNDERSHERIFF
SCOTT JURGES, SLVLESA TREASURER
KARL HENDRICKSON, SLVLESA LEGAL COUNSEL
ANDREW KEDDINGTON, SLVLESA ADMINSTRATOR
CHIEF ROSA RIVERA, RIVERTON
CHIEF DWAYNE ANJEWIERDEN, HERRIMAN
CHIEF TONY MASON, MIDVALE
CHIEF STEVE ANJEWIERDEN
BRETT WOOD
CORALEE WEESMAN-MOSER
JARED HENDERSON
KERRI NAKAMURA
CHAD SALVADORE
NICK FRITZ

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Chairman Bradley opened the meeting and welcomed everyone.

Item #1 – Public Comment:

Chairman Bradley asked if anyone was present who wished to address the Board. Seeing none, public comment was closed.

Item #2 – Disclosure of Conflicts of Interest

Action Requested: Identify Conflicts, if any

Discussion:

Chairman Bradley asked if there were any conflicts of interest from Trustees regarding any of the items on the agenda. There were none.

Item #3 – Information: 5 Year Strategic Plan

Action Requested: Acceptance of Plan

Discussion:

Kerri Nakamura discusses the proposed 5-year plan and states that every option contains a tax increase. She also discusses the idea of aligning SLVLESA's fiscal year with UPD's which she states is not included in the 5 year plan. She then states the dates and the timeline of a tax increase and how it impacts the board. If the 5 year plan was adopted on May 19th, due to being in the UPD Budget cycle, it will help both Andrew Keddington and Scott Jurges to project the budget for SLVLESA with the Boards interests in mind. Then on June 16 Adopt as the UPD Board the UPD 2016/2017 Budget. On July 1st, the UPD Budget takes effect. The next action needed to implement the 5 year plan, August 18th the board must authorize notice of tax increase. The August 18th meeting is important if the board wants full transparency. By October 20th state law requires an item on agenda specific to tax increase. December 1st and 8th Newspaper ads, and on December 15th public hearing and adopting tax increase.

Kerri Nakamura stresses how critical the timing of the implementation of the 5-year plan is in regards to the May 19 date, to obtain full transparency. She then says, if the Board isn't willing to entertain any type of increase or implementing the 5 year plan, then there is no reason to continue the discussion. She then says that if the SLVLESA Board stays on status Quo, SLVLESA is effectively insolvent by 2018.

Trustee Freeman states that in order for Herriman City to endorse a tax increase, Herriman must see some benefit. He then asks other than to protect against insolvency, what are the benefits? He then states his concern about Herriman's new growth paying for other portions of incorporated county for law enforcement.

Trustee Staggs says that Riverton City sees the benefits of the affiliation with Unified Police Department, with lower administrative costs, officer retention, and pooled resources. However, in regards to the district, there is not a large difference of being part of the district, over just contracting with UPD. He then says that one benefit of being part of SLVLESA is that all of Riverton's Cities property tax goes to pay for their police budget. He then continues to discuss how without looking at current allocations of resources, and then redistributing the current resources using the proposed model, that it is in fact detrimental for Riverton to be part of the district.

Scott Jurges responds to Trustee Staggs claim in regards to redistributing current resources, by saying that the officers in question, are paid by the general fund and not by SLVLESA and therefore, unable to shuffle resources.

Trustee Freeman states that he is uncomfortable with increasing taxes in Herriman City if there is no assurance that their tax dollars are not going to supplement a different area.

Sherriff Winder says that Herriman city does not supplement anyone else's police budget, as the resources currently in SLVLESA are the same as when each entity joined. The only difference from the original plan was, drawing down from the collective fund balance, to pay for expenses, and this is the reason why the new staffing allocation model was created. He then says that we have started to erode our solvency in order to maintain status quo.

Trustee McAdams says that if salaries increase by three to four percent a year, which accounts for 85 % of SLVLESA's budget, leads to an approximate increase of SLVLESA's budget by three to four percent. He then states that if Unincorporated county's property taxes continue to show increase of one percent, and the expenses are increased by three to four percent every year that the revenue must be generated in order to support it. He says that this issue has led to situation in which SLVLESA is in, and whether we should adopt the model of using new growth to fund new officers.

Sherriff Winder states that whether or not each entity is part of the district or on their own, they will have to discuss raising taxes to cover inflationary rates in order to not erode service level. The only difference in discussion is that on each entity being on their own, they are able to individually decide how much they want to raise taxes. He then says that if we are able to get past this conversation of past historical trends, we have a model in place to allocate new resources and currently no entity subsidizes another entity in the district.

Councilwoman Coralee Wessman-Moser says there are many misconceptions regarding the five-year plan, and that nothing will be resolved unless we are able to see the numbers, and it will not be unanimous due to so much confusion and misunderstanding.

Trustee McAdams says that the fiscal realities are there, and that we must fund inflation if we want new resources. He then states that he is uncomfortable if three county officials out vote two city officials, and that he would like more unanimity then three to two.

Councilwoman Coralee Wessman-Moser says that due to confusion, we do not have support from councils, she then asks if it is mandatory to have a unanimous yes from each council, or if two entities can outvote another entity.

Sherriff Winder states that it must be a unanimous.

Kerri Nakamura says that if no action is taken the district will be insolvent by January 1, 2018. If we continue to use new growth to cover inflationary costs, which we can predict, the district should not vote for the SLVLESA portion of the UPD Budget that they are not willing to provide the revenue to support. She continues to discuss that the district has finally reached the point of unsustainability of funding inflationary costs with new growth.

Trustee Staggs asks if the projected model of SLVLESA dipping below the five percent insolvency level includes adding of any increase to service level.

Kerri Nakamura states that new resources are not included in the model, and it shows only shows the district using new growth to fund inflationary costs.

Trustee Staggs says that the issue is that the county's new growth is four and a half percent, and Herriman is thirty six percent, and Riverton is fifteen percent. Due to these numbers, inflationary costs should be covered, and possibly new resources could be added from new growth. With these numbers,

what is benefit of being part of the district, when Riverton had to rely on its own bonding to build the new precinct?

Scott Juges answers that the reason the Riverton city bonding happened was because it was a convenient thing to do. The rates were quite high, compared to possible rates. He also states that the other thing that needs to be considered when discussing this topic, is that if you dissolve the district, that you must still maintain a fund balance of at least five percent in your city budget and that if the district is dissolved it doesn't mean you instantly have a windfall of money in which you can spend on resources. He then says that another thing that needs to be considered is that for example, if Herriman is bringing in new growth, of 200 thousand dollars of new money, which can pay for two officers, but the already paid fifteen officers already come with a three to four percent inflationary increase. With this in mind, the inflationary costs still have to be addressed and is the reason for the fund balance dipping towards the line of insolvency. If we chose not to do something in 2017 then the planning is halted, and the Board is just watching. No matter how resources are shuffled, there is still a downward decline. He then states that no matter what, there will be a tax increase, it's just dependent on whether it's in SLVLESA or individual entities after it's dissolved. From a financial standpoint, the price to administer SLVLESA is very low, around fifty eight thousand dollars, and that is significantly cheaper than if you have to hire a new FTE in order to manage the process. This fifty eight thousand dollars is stretched across all entities. The decision could be put off a year, but the gap widens, and the solution to the problem gets more difficult.

Sherriff Winder states there is a misconception that the district has unfairly paid for services. That if this is a belief, there needs to be a conversation had on why there is this belief. The only thing that has changed since the formation, is the expense because the cost of the same employees has gone up, which has been shared uniformly, because the resources were distributed uniformly.

Trustee Freeman says that Herriman City Council needs some guarantee that there is a functioning model in place to appropriate the new resources accordingly.

Kerri Nakamura stated at the start of SLVLESA both Herriman and Riverton City both approached the district and wanted to annex in to the district. Since the creation of SLVLESA, there have been talks of how to stabilize the district, but every year, it is decided to draw down fund balance.

Councilwoman Coralee Wessman-Moser states that due to this conversation, which should have happened every year, if we want to remain in this partnership with SLVLESA then there absolutely needs to be an increase.

Sherriff Winder says that every time we have these meetings we keep bringing up the past, and the past trends in which SLVLESA has taken.

Trustee McAdams says he supports the plan of generating more revenue through a tax increase, but only if it is greater than three to two.

Trustee Freeman says that currently their Council is not in favor of a tax increase, and there needs to be more discussion on the viability of SLVLESA.

Chairman Bradley asks Trustee Freeman that his city is not endorsing a tax increase knowing that it will lead to the insolvability of the district?

Trustee Freeman responds to Chairman Bradley, that they are currently not ready to endorse a tax increase, and there needs to be more discussion.

Chairman Bradley asks Trustee Freeman if Herriman City is ready today to vote no to a tax increase knowing that it will lead to insolvency?

Trustee Freeman responds, that there needs to be more analysis on SLVLESA's direction, and that it may not be the mechanism for Herriman to operate under the SLVLESA.

Trent Staggs says that he understands Herriman's position, and he supports the three percent tax increase, but agrees that their city council needs more time to discuss, and more information on the issue.

Kerri Nakamura says that if Herriman was to leave the district, Herriman would have to set a tax rate near SLVESA's to fund their police services.

Chairman Bradley states that if we can show the increase in the budget at around four percent per year, then the three percent per year tax increase doesn't solve the problem.

Andrew Keddington says that one flaw with the shown model is it doesn't show the twenty-five percent goal of the fund balance, in which Herriman and Salt Lake County are the only two that meet that goal. He also states that if an entity chooses to leave, a city may choose to use the dedicated property tax for public safety for other services within the city.

Chairman Bradley: Asks the question, if the discussion is postponed, what does it do to the tax timeline?

Kerri Nakamura states that on May 19th is the date the board approves the budget, and if by then there is no tax increase, it is common knowledge that you will be drawing from your fund balance to fund resources. August 18th becomes critical, as that is last meeting in which you can be on record to increase taxes while still being able to file the proper documents and notifications. The set amount of the tax increase doesn't need to be decided on August 18th just that there is going to be an increase.

Chairman Bradley agrees with Mrs. Nakamura that by August 18 it is important to have a clear decision on whether there will be a tax increase or not.

Kerri Nakamura states that by doing a tax increase and accepting the 5-year plan, you have essentially accepted the process of aligning the UPD and the district's financial calendars together.

Scott Jurgens says that it will be extremely difficult to continue with the budgeting process, if we don't know if there is a potential tax increase.

Kerri Nakamura asks Trustee Staggs if there is interest in voting for the three percent status quo, and asks if he would be the fourth vote. She then suggests to Mr. Jurgens that he should project the future SLVLESA budget based off of the status quo.

Trustee Staggs asks Andrew Keddington on more clarification in regards to fund balance and how Riverton plays a part into drawing from the fund balance.

Andrew Keddington states that over the past couple of years, Riverton has contributed to fund balance but has not reached the minimum fund balance level and if projected out begin to draw down fund balance.

Trustee Freeman says that a discussion that needs to happen is to whether Herriman participates in SLVLESA fully, Herriman city must feel as though they are positively benefiting from an equal and fair model.

Sherriff Winder says that SLVLESA has helped move every entity forward. We have spent the last year creating this five year plan based of the idea of a tax increase. Sherriff Winder states that even with all the past meetings including the symposium it just seems as though we keep delaying decision making and keep discussing the same information.

Trustee Staggs says that Trustee Freeman and himself drove the conversation of a five-year plan, but also agreed that there needs to be data in conjunction with the plan.

Sherriff Winder states that every time the board gathers and presents this data, more analysis of the past happens. He then states that the board has had long term discussions on the financial downward trend that SLVLESA is in.

Kerri Nakamura says that at a three percent tax increase there will be no new resources.

Chad Salvadore stated that the three percent tax increase only stops the bleeding. It does not address fix the issues, but more just freezes the downward trend.

Kerri Nakamura says that the five-year plan presented, has new resources for each entity in the district but the three percent increase does not lead to new resources.

Trustee Freeman asks how can he feel comfortable raising taxes when no mechanism for distribution has even been discussed?

Chairman Bradley says that every year the budget is discussed it is stated that next year the district must raise taxes.

Sherriff Winder states that the new allocation model, and how it is an objective way in which new resources are distributed between entities in SLVLESA. The model takes many factors into consideration such as call volume and geographic area. This model in the future can be tweaked and each factor could be weighted differently depending on results. He also says that the model also takes into account what money goes to facilities, equipment and other operating expenses. This model was developed so politicians are able to talk to their constitutions and show them where their tax dollars are being spent.

Kerri Nakamura states that after meeting with many different individual politicians, it was expressed to the district that it needs a model to deal with new resources, and each entity wanted new resources through the five-year plan. The plan provides sustanibility, but relies on a tax increase, without it the plan doesn't work.

Trustee Staggs asks if the plan consists of a one-time eleven percent increase, and after that yearly increases of three percent. How many officers does the eleven percent increase provide?

Councilwoman Coralee Wessman-Moser asks if the model is going to be applied retroactively as well as for future resources.

Sheriff Winder states that the model does not need to be retroactively applied because every entities resources are currently the same as when they joined. The model was developed to distribute future new resources based on need.

Mayer Freeman suggests an inter-local agreement binding the model.

Sherriff Winder says that he doesn't agree with an inter-local agreement, and that it would only be beneficial between entities in SLVLESA.


Kerri Nakamura suggests a policy or resolution setting the model, and binds the board into this plan and enforces the model stays fair.

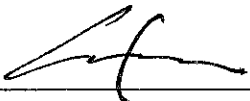
Items #4, 5, 6, & 7:

Items postponed to March 31, 2016 Board Meeting

Trustee Freeman moved to adjourn meeting. All Trustees present voted Aye.

MINUTES APPROVED:

By 
CHAIR, SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA


CLERK

BOARD APPROVED: 5-19-2016