

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
January 4, 2022

5:30 P.M. SPECIAL SESSION – VIA ZOOM AND CITY COUNCIL CHAMBERS

CONDUCTING	Mayor David A. Young
ELECTED OFFICIALS	David Spencer, Debby Lauret, Tom Macdonald, Terry Peterson, LaNae Millett, and Jeff Lambson.
LEGISLATIVE DELEGATES	Senator Curt Bramble, Senator Mike Kennedy, Senator Mike McKell, Representative Marsha Judkins, Representative Nelson Abbott, Representative Val Peterson, and Representative Keven Stratton.
APPOINTED STAFF	Jamie Davidson, City Manager; Steven Downs, Deputy City Manager; Heather Schriever, City Attorney; Shaun Hirst, Assistant Fire Chief; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director and JoD’Ann Bates, City Recorder

CALL TO ORDER

Mayor Young welcomed all those in attendance and thanked the Senators and Representatives that were willing to join in with the discussion.

MEETING WITH MEMBERS OF THE CITY’S STATE LEGISLATIVE DELEGATION

Mayor Young invited the Senators and Representatives to introduce themselves. He then reviewed the outline of the evening’s discussion which included:

- Housing and Housing Affordability
- Economic Development
- Taxation – Sales Tax
- Growth
- Public Safety
- Transportation

1. Housing and Housing Affordability

Mayor Young indicated the number one thing for the City of Orem is housing and housing affordability and inquired to the Senators and Representatives as to things that are on the legislative docket in regards to housing and housing affordability and how that may affect Orem.

Representative Peterson stated that housing affordability is a huge issue across state and they have had a task force that has been working on this issue. He doesn't think anybody has a magic or silver bullet to solve this issue. He stated they all know it is starting to impact people who are wanting to come into the state or even people who want to stay in the state.

Senator Bramble stated that one of the challenges they have at the legislature is the intersection of state policy versus usurping local land use. He feels the legislature generally is going to be a bit reticent to step very far into that arena.

General discussion continued regarding legislative and local issues as related to affordable housing.

Mayor Young feels it is in the best interest of the cities to allow them to work on the affordable housing issues within their own cities and would hope to get the legislators support allowing the city to manage those particular issues.

Mr. Macdonald indicated that the state does have some funds available for housing affordability and rely on the city to set zoning in place where they can put those funds to good use.

General discussion continued regarding the growth in Orem particularly with Utah State University and how affordable housing is related to that type of growth. Discussion continued regarding the difference between high density and affordable housing. Making sure that all cities are responsible for fulfilling the need for affordable housing and making it fair across the county.

Mayor Young stated that the message the Orem Council would like to leave them with is they really want to be in control of their own city and asked them not to impose anything on a macro basis that would negatively affect the ability to do that.

General discussion continued regarding short term rentals and programs allowing the City to locate short term rentals in their area, college exemptions for those cities with universities in their boundaries and incentives for older home renovations.

2. Economic Development

Mr. Davidson indicated there had been a lot of discussion regarding economic development and economic development incentives. Governor Cox has been focused on kind of retooling the

Governor's Office of Economic Development and trying to align economic development incentives with state and local priorities, and part of that has centered on the potential elimination of local governments using tax incentive dollars to help a particular retailer or help with particular projects. Some of those tools he completely understands, they should not be zoning for dollars to attract and cannibalize retail outlets from other jurisdictions and municipalities but in the case of Orem where they have infrastructure that is aging and we are focused more on redevelopment than economic development not greenfield development but trying to reinvent ourselves, sometimes those incentives and that framework can be the difference between us being able to do something or not being able to do something. He continued to give an example of the University Place project. In order to make it something significant today one size fits all would not work for all cities with so many varying needs.

General discussion ensued regarding economic development incentives, CARE Taxes and some of the pros and cons to the incentives for economic development versus redevelopment.

Senator McKell stated he is the Chair in the Senate for Business and Economic Development. He indicated there is always discussion about those incentive and it's kind of a race to the bottom when cities are competing against each other. With that said he continued to state that he is not aware of a bill to look at this issue at this time. He feels that there may be some consolidation that might happen but as far as eliminating the ability entirely he is not aware of a bill that would do that at this time.

3. Taxation and Sales Tax

Mr. Davidson stated the sales tax formula adjustment is done by splitting 50% being based on population the other 50% is based on point of sale and there has been some discussion in the years past about modifying that formula. He indicated that in his recent discussion with Senator Bramble he suggested that was not a focus or a priority in the senate but there's two houses and they are always concerned. He continued to explain that if there is a shift in moving more of a population based type formula could have devastating impacts on the city and inquired as to the thoughts of the legislature.

Representative Stratton responded that they recognize that there is reliance and uncertainty in things and that would be a very disruptive process to go through. He indicated that he is not aware of anything however there are a lot of bills that are still protected and they are not aware of at this time. If it was something that was to be brought up and even considered there would have to be mitigating efforts to hold it harmless and allow proper adjustment but he does not see that as viable.

General discussion continued regarding past information of the hold harmless language, a data analysis to be done by the Utah League of Cities and Towns in order to study the sales tax allocation formula.

4. Growth

Mayor Young indicated growth seems to be the number one issue facing cities and towns across the state of Utah. Along with housing concerns there is also concerns of traffic infrastructure, the cost of land, materials and labor which is making it difficult to keep up with services and delivery demands. He stated that in recommending new laws, consideration should be given to the cost of such measures at both the local and state levels. He inquired as to any thoughts the Senators or Representatives had on growth.

Senator McKell stated he had been working with a group of house members, and a group of senators dealing with the American Rescue Plan Act (ARPA) money. They are tasked to deal with water and they will be seeing a proposal allocating 25 million which would come to Utah County to help improve water quality on the lake. What that means for Orem City is with the current water reuse conservation project of 9.3 million dollars, they would take a portion of that 25 million dollars and allocate it hopefully giving 1.5 million dollars to help with the growth and the water quality project in Orem. There is also projects in Provo, Payson, Timpanogos Special Service District, Salem and Springville that they are trying to get in the budget.

Senator McKell excused himself and left the meeting at 6:18 pm.

Discussion ensued regarding metering and the reduction of water consumption with jetering being part of the project as well.

5. Public Safety

Mr. Davidson stated in 2011 the state made modifications to the Utah State Retirement System and created a tier II system for retirees. There is a bill that is pending from Representative Gwen that would make adjustments to the tier II retirement system and essentially change the public safety retirement back from a 25 year system to a 20 year system with an increase in benefits. The city is not in opposition of putting more dollars in the pockets of public safety officers, the challenge they are facing relates to recruitment and retention and where they put the limited monies they have. Do they put them in wages or do they put them in retirement benefits. They need to have a conversation as to where the money is best spent.

General discussion ensued regarding more money in wages or in the retirement system for the future. The cost that the city would have to contribute would be in the hundreds of thousands. Discussion continued regarding mental health and that the city was very supportive of whatever

measures the legislature take in the future to encourage improving and efforts to improve the mental health of first responders.

Senator Bramble stated he does not see that bill moving forward. What is being ignored is a situation that they faced in 2011 which was just not the abuse of double dipping but a retirement system that had been fully funded before the economic downturn. A defined benefit plan is economically viable if it's funded at 75% of the accrued present value of future benefits, we were at about 107% when the downturn hit and dropped down to about 80%. He does not see that there's going to be at least from the Senate side any rush to endorse that bill.

Continued discussion ensued regarding the proposed changes to the State Retirement System and how it would affect not only the employee but the employers.

6. Transportation

Mr. Davidson stated this is not really an item of concern, more of an item of appreciation for ongoing support of transportation. The City of Orem this last year have received from the legislature some very generous allocations of millions of dollars for two specific projects in the city. 1600 North from about 1200 West to State Street. A consideration of future expansion and the means to build that expansion or expand that corridor as well as improvements from Geneva Road from University Parkway to about 1800 south. Those are much appreciated and needed improvements and the city wanted their legislative representative you to know that Orem is proceeding forward with UDOT Region 3 in the environmental process for 1600 North as well as making plans for improvements along Geneva Road corridor. He continued to mention other projects that have been discussed as concerns which included:

- University Parkway Interchange - to improve access in and around Utah Valley University
- Direct access point from I-15 onto the UVU campus to alleviate congestion at the interchange and at Sandhill Road.
- Center Street – being a local road that cuts across four state highways.
- Aging structure at the mouth of Provo Canyon that at some point in the future will need some attention.

He concluded that those are some of the projects that lie ahead as it relates to transportation within the City of Orem. But first and foremost he expressed the cities thanks for literally the tens of millions of dollars that UDOT and the State Legislature allocated to the 1600 North and Geneva road projects. They very much appreciate the leadership of their local delegation in getting those funds for much needed projects.

Representative Peterson stated he feels the delegation has been unified in making sure that they look at those priorities and feels he can speak or all of them in saying they are very supportive of making sure those projects move forward.

General discussion ensued regarding where in the process each of those projects were which helps the delegation to know what they support are being supported and successful.

Mr. Spencer stated that Alpine School District seems to be closing a lot of schools in the Utah County area and the city recently purchased the Hillcrest school. His question was with the bonding he feels the residents have already paid for the schools and inquired as to why they have to pay for it again if they are closing it and selling it. He inquired as to why they would have to buy back that school when the tax payers have already paid for it.

Senator Bramble stated what they would want to consider is the split of the Alpine School District.

General discussion ensued regarding funding and the sale of schools that have been paid for by bonding and the issue of them being two different entities with different laws that govern how they do things.

Mrs. Millett commented on possible ways to for the police to increase their salaries and their wages. She stated she would like to understand or see if there was a way in the future they could possibly reduce the property tax exemption to help find ways to fund the police a little more.

Senator Bramble responded that although he appreciates the thought, in order to do that they would have to 1) change the constitutional provision that primary residential properties get that exemption, and 2) the certified tax rate. If you change that, you are telling all those lower income folks that are renting that they are going to be paying higher rent.

General discussion ensued regarding the need to change the constitution if they want to pursue that option and the impact it would have on lower income residents and public education.

Mrs. Lauret inquired about the need for truth and taxation anytime the city wants to change the rate. She asked because of inflation especially this last year, it would be nice to be able to tie that amount we have to inflation so they would not have to have a yearly truth in taxation for that. She feels our buying power goes way down year after year.

Representative Stratton stated you have to look at the purpose of the truth and taxation. We all have to stand accountable and justify how were using the funds. The policy of the truth and taxation is to meet that need and we should feel good that we are able to make our case to the public and justify the use of those funds.

General discussion ensued regarding doing a possible physical analysis on that issue and the process that would have to be done in order to change that law.

Mr. Peterson commented regarding the Alpine School District subject and stated he hoped they would have support from our local officials if there was a feasibility study done to see what would be the best education for our children. He commented that Orem has had 3 schools close with more planned. They would like support for moving forward with a feasibility study to find out what is possible for Orem and maybe other adjoining cities. Alpine School District is one of the biggest districts in the country.

Representative Stratton stated he thinks that receptiveness is generally what you would get from the legislature if they were to consider and look to see if there are better options, go through an analysis and make sure it is not biased, there is an independence to it and there are checks and balances to make sure we have good information. Nothing like good accurate information that will lead to good public policy.

Senator Bramble voiced his agreement to the comments made by Representative Stratton.

General discussion ensued regarding the steps that need to be taken when splitting a school district and lessons to be learned from those that have already gone through the process.

Mayor Young inquired about the legislation allowing some sort of construction redevelopment of Utah Lake.

Representative Stratton stated that in 2018 the legislature passed bill 272 that lays out a pathway if certain high thresholds are met to look at the potential of a transition to benefit the lake, State and the environment. There has been some discussion regarding that bill and they are looking to see if they can make a good bill better. He continued to explain some of the proposals that has been discussed and also points of concerns that have been raised.

Mayor Young asked if there were any more questions or concerns the council had for the Senators and Representatives.

Mayor Young and several City Council Members voiced their appreciation for the Senators and Representatives for meeting with them and understanding that help is a two way street and if there is anything the city can do to help in their efforts to please let them know.

Representative Stratton thanked the Council for their comments and discussion. He stated the legislative session is a fast pace 45 days that takes on its own personality and they cannot forecast what its going to be like this go around. He stated there are some key issues but this discussion has been very helpful to understand the Council priorities and input.

Further discussion involved the importance of communication between the Senators, Representatives and the City Council. The Senators and Representatives encouraged the Council to reach out to them if there were any legislation or bills that they feel is in need of support or have concerns with. Mr. Davidson was asked to get together Council, Senator and Representatives numbers in order to share.

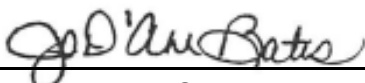
ADJOURNMENT

Mayor Young moved to adjourn the meeting. **David Spencer seconded** the motion. Those voting aye: David A. Young, Debby Lauret, Jeff Lambson, Tom Macdonald, Terry Peterson, David Spencer, and LaNae Millett. The motion **passed**.

Meeting adjourned at 6:56 pm.



Approved: January 25, 2022


JoD'Ann Bates, City Recorder