

**MINUTES OF THE COTTONWOOD HEIGHTS CITY COUNCIL RETREAT HELD SATURDAY, JANUARY 24, 2026, AT 8:30 A.M. AT CITY HALL LOCATED AT 2277 EAST BENGAL BOULEVARD, COTTONWOOD HEIGHTS, UT 84121.**

**Present:** Mayor Gay Lynn Bennion, Council Member Matt Holton, Council Member Suzanne Hyland, Council Member Shawn E. Newell, Council Member Ellen Birrell

**Staff Present:** City Manager, Jared Gerber; City Attorney, Shane Topham; Police Chief, Robby Russo; Assistant Police Chief, Chris McHugh; Community and Economic Development Director, Jimi Spung; Finance and Administrative Services Director, Scott Jorges; Records, Human Resources, and Culture Director, Barbara Higgins; City Recorder, Tiffany Janzen; Public Works Director, Matt Shipp; Unified Fire Authority, Riley Pilgrim

**1. Breakfast**

**2. Welcome and Introduction**

Mayor Gay Lynn Bennion called the meeting to order at approximately 8:30 a.m.

City Manager, Jared Gerber, reported that he would endeavor to keep the meeting on track to ensure that all important topics are covered. A future afternoon retreat would be scheduled to review the proposed budget based on information provided during the meeting. He asked that the conversation be kept at a high level. He and the department heads would then use that guidance to create more detailed recommended departmental budgets.

**3. Compensation Study - GBS**

Mr. Gerber introduced Clay Johnson from GBS Benefits Inc., which conducted the City's Compensation Study. Mr. Johnson stated that he has been a compensation professional for 10 years. His colleagues, Diane Waters and Rick Stewart, performed the benefits analysis.

Mr. Johnson reported that the goal was to benchmark how Cottonwood Heights' current pay ranges and benefit offerings compare to neighboring cities of Holladay, Millcreek, Midvale, Murray, North Salt Lake City, Riverton, and South Salt Lake City. He noted that the peer cities were anonymized in the report graphs.

The first area was reviewed involved the number of medical plans offered. Cottonwood Heights offers one high-deductible plan, whereas most other cities offer two to three. Typically, both high-deductible and traditional plans are offered. In response to a question raised by Council Member Birrell, Mr. Johnson stated that high-deductible plans are usually paired with a Healthcare Savings Account ("HSA"). If the Council had an interest, the City's broker or his colleagues at GBS could help them explore other options.

Employers often choose to contribute to employees' HSAs, and how much is contributed is at the employer's discretion. Some peer cities contribute up to \$4,500 annually for family plans. Cottonwood Heights is currently the lowest contributor among its peer group for both individual and family plan contributions. In response to a question from Council Member Holton, Mr. Johnson stated that he does not know the size of those cities' budgets, and the results are anonymized among the peer cities listed earlier. Council Member Hyland stated that South Salt Lake City and Murray have much higher budgets than other peer cities. Mr. Johnson remarked that it is a balancing act because cities want to compare themselves to other cities of the same size, but potential employees do not take that into consideration. Any city within driving distance competes with Cottonwood Heights for employees.

For dental plans, the employee/employer split was considered. Cottonwood Heights contributes 70% of monthly premiums for employees and their families, and on average the peer group contributes 91%.

The study also considered affordability. Cottonwood Heights covers the full monthly medical plan premium for individual employees. Records, Human Resources, and Culture Director, Barbara Higgins, reported that the City just began doing so in 2025 when it transitioned to the Public Employees Health Program ("PEHP"). Mr. Johnson reported that three cities in the peer group also cover the full premium, while others charge \$100 or more per month. In response to a question raised by Council Member Birrell, he clarified that the comparison was of high-deductible HSA plans only, not Preferred Provider Organizations ("PPO").

Council Member Hyland remarked that dental plans are usually small in comparison to medical plans, but a slide was not provided with medical premium comparisons. Mr. Johnson stated that that data is provided in the full report.

In response to a question from Council Member Birrell, Ms. Higgins reported that significantly more employees are on the family plan than the individual plan, and the City is not as competitive on the family plan. Some new employees have said that transitioning to Cottonwood Heights was a burden because even though the City has higher pay, more is taken out of their paycheck for insurance. Council Member Birrell stated that most of the key employees who had left over the past two years either had or were starting families. It was noted that the problem is exacerbated by the low HSA contributions because employees are both paying more for their premiums and having to contribute more to the HSA.

Mr. Johnson reported that the findings suggest considering a higher HSA contribution, a second medical plan like a PPO, and increasing its dental plan contribution.

Compensation was reviewed next. Mr. Johnson explained that compensation analyses follow a proven methodology.

- Step 1: Determine the external market value of the job by identifying the relevant labor market, because Cottonwood Heights competes with similar entities within a geographic proximity.

- Step 2: Ensure that, as much as possible, they are making an apples-to-apples comparison rather than comparing positions by title only.
  - External value: They verify that the Human Resources Director in a peer city performs the same tasks as that position in Cottonwood Heights.
  - Internal value: Organizations have different priorities, so some roles may have more significance. They also consider the internal impact of each job.
  
- Step 3: They compile and evaluate the data set to determine the competitiveness of the city's pay practices and how well its pay ranges reflect the market. They can then make recommendations and assess their potential impact.

Approximately 50% of the City's pay ranges for civilian jobs were determined to be trailing the market. Mr. Gerber clarified that this applies to salary ranges, not necessarily what employees are currently paid. Mr. Johnson added that they focus on ranges because it is a more stable metric. Individual employees may turn over, but the pay ranges remain stable. Pay ranges for civilian jobs are approximately 9% below those of peer cities. The full report provides a complete breakdown of the specific jobs that need increases to catch up to the market.

Sworn jobs were addressed next. Mr. Johnson indicated that their focus was on police officers and sergeants. Most jobs in Cottonwood Heights have one person in the role, but officers and sergeants represent 25% of the City's total employees. Changes to pay practices for those two roles will affect a large portion of the employee population. The labor market for police officers is very competitive, and there has been rapid wage growth in Salt Lake County. He reported that in comparison to 11 nearby police departments with a focus on similar sized cities, Cottonwood Heights' pay ranks fifth.

In response to a question raised by Council Member Holton, Police Chief, Robby Russo, stated that he does not know which cities Cottonwood Heights was compared to, and if it included the eight agencies the City is losing people to. Mr. Johnson clarified that the city is approximately fifth due to variations like starting pay rates. However, Cottonwood Heights' officer and sergeant pay trails more and more the longer they stay in their position because pay progression is not as rapid for officers in Cottonwood Heights as it is in other cities.

The study includes models of updates that would have the most meaningful impact to officer pay. A modest investment to change starting pay and structural changes to step increases would have a meaningful impact on hiring and retaining officers, especially the retention of more senior employees.

Mayor Bennion asked if there were other major gaps that should be discussed. For example, she has heard that the City does not offer maternity leave. Council Member Hyland stated that the lack of maternity leave is a large gap in the City's offerings. Ms. Higgins clarified that the issue is paid family leave, which can be taken by either the mother or father. Approximately 50% of cities in Utah offer this type of plan. She and Mr. Gerber have discussed it and it is something they would like to offer. However, in addition to the added costs, it affects the City's already tight

staffing. When the only person in a role is out of the office, that makes things difficult because there often is no one else to fill in.

All employees are eligible for 12 weeks of leave through the Family Medical Leave Act (“FMLA”), which can be a combination of accrued paid leave and unpaid leave. Staff has discussed how much paid family leave can be offered. It is difficult because Cottonwood Heights is a small city that has focused on saving money with limited staffing over the years. As an example, if the payroll clerk is out, Finance and Administrative Services Director, Scott Jurgens, would have to take on that role in addition to his other duties.

Council Member Birrell asked how Cottonwood Heights compares with its 11 peer cities. Ms. Higgins reported that when she studied it in 2025, approximately 50% of cities in the Salt Lake Valley offered some type of parental leave. Council Member Hyland remarked that it could be a set amount of time that is paid or partially paid. Council Member Holton stated that his wife is a speech pathologist for the school system. When they had their first child, she received two weeks of paid maternity leave. Mr. Gerber reported that all employees can use their accumulated paid time off (“PTO”) and sick leave for FMLA, but no additional paid leave is currently offered. The school district offers two weeks of paid maternity leave but fewer vacation days than Cottonwood Heights.

Council Member Hyland stated that women bear the burden of biology, and she is committed to ensuring that the City does not discriminate against them. Ms. Higgins reported that employees have been lost because the City does not offer paid family leave, but it needs to be balanced with ensuring that there is no loss of service to residents.

To get to the top three cities for sworn employees, the yearly additional cost would be between \$182,000 and \$265,000, including increased benefits costs but excluding overtime. For department heads and civilian employees, including adding an assistant city manager, an additional \$344,700 would be required to put Cottonwood Heights in the middle of pay ranges for peer cities. Benefits would be an additional 35% to 45%. Ms. Higgins reported that she and Mr. Geber had discussed staffing changes that would limit the increase to \$200,000. This variance is approximately 20% for civilian employees and 40% for sworn employees and is affected by factors such as insurance participation.

In response to a question raised by Council Member Holton, Ms. Higgins reported that reducing staff without hiring an assistant city manager would decrease costs by approximately \$210,000. Without staffing changes, there would be an increase of approximately \$144,000. Council Member Newell asked how the staffing changes would constrain City operations. Ms. Higgins stated that they do not believe it will affect level of service.

Council Member Hyland asked if many employees had taken advantage of the four-day work week. Ms. Higgins reported that it has been very popular. However, there have been some issues. For example, she works Monday through Thursday, and Human Resources Analyst Cienna Brummel works Tuesday through Friday. It is difficult for Ms. Brummel to take a Friday off because otherwise, there will not be a human resources staff member available that day. New hires often begin work on Mondays, but Ms. Brummel is off on Mondays. It would be nice if everyone

could work the same four days, but she had heard only positive feedback regarding the four-day work week and associated increase in work-life balance. Mr. Geber added that some employees prefer a five-day work week with a remote option, but the City could consider moving most positions to four days with only a couple of positions remaining fully remote.

Council Member Hyland stated that Midvale did a four-day work week trial with the understanding that if there were a lot of citizen or developer complaints, they would go back to a five-day work week. They have not gone back to five days because there have been no complaints. Mr. Gerber reported that the Public Works Department has been closed on Fridays for six months and no complaints have been received. Council Member Holton stated that the City would pay more in overtime for plowing on Fridays. Mr. Gerber indicated that they had discussed utilizing flex time if a storm is coming.

Council Member Hyland stated that the value of a four-day work week cannot be calculated in a salary comparison study, and that it may be very attractive to prospective employees. Council Member Birrell remarked that she would have loved the option when she was raising her children. Mr. Gerber stated that it would be easier to manage if all employees worked the same four days.

Public Works Director, Matt Shipp, stated that he has worked in other municipalities with four-day workweeks that had issues with residents who wanted to pay their utility bills on Fridays, but that would not apply to Cottonwood Heights. Residents get used to the City being closed on Fridays, and it provides a nice work-life balance. Ms. Higgins reported that it is a great recruiting tool. Applicants have reached out to verify that the City really does offer a four-day work week.

In response to a question raised by Mayor Bennion, Mr. Gerber stated that City Hall room rentals were not currently being offered because Staff was in the process of evaluating the policy and fees. However, Friday room rentals could be handled like Saturday rentals. Employees could be asked to flex their time, or they could pay for room monitors. In response to a follow-up question, Ms. Higgins confirmed that the high school rented the room it used the previous day.

#### **4. Financial Model and Budget Priorities – LRB.**

Mr. Gerber reported that LRB Public Financial Advisors had prepared a fiscal model by reviewing past budgets against departmental requests for the next five years to provide a better understanding of the revenue required to fund those requests. He asked Mr. Jurgens to provide a finance update prior to reviewing the model.

Mr. Jurgens reviewed the City's property tax trends through January 2026 and reported that the average increase in property tax revenue is \$50,000 per year. A larger increase of \$980,000 was seen in calendar year 2018/fiscal year 2019 due to a tax increase, but otherwise, that revenue is consistent and flat year after year. Property taxes comprise approximately 33% of the City's revenue.

Mr. Gerber remarked that the State Legislature is considering new bills on property taxes, one of which would limit increases to 5%. Council Member Holton stated that there is also a bill that would shift the burden to commercial properties and provide a higher exemption for homeowners.

Communities that cannot shift the financial burden onto businesses will be forced to raise taxes just to retain their current tax revenue. It was clarified that the certified tax rate (“CTR”) would increase automatically. The bill would make economic development harder and would represent a large downturn for bedroom communities like Cottonwood Heights that do not have a lot of commercial property. Concerns were expressed that if the measure goes on the ballot, typical homeowners may not realize the consequences of voting for it.

Other year-to-date tax revenues:

- Motor vehicle fee-in-lieu revenue will be similar to FY 2025. Current revenue was approximately \$385,000, with an additional \$25,000 to \$50,000 anticipated by year end.
- Sales taxes were booked through October 2025, which was \$17,000 behind the prior year, but November revenue should bring the totals \$184,000 higher than 2025 and in line with the budget.
- County option highway sales tax was \$1,000 behind fiscal year 2025, with \$268,000 received year to date.
- County local transit sales tax is new and not included in the current budget. All revenue must be used for capital projects. FY 2026 revenue is expected to be \$400,000.
- Transient room tax was currently \$11,000 behind FY 2025. Mr. Jurges reported that October revenues were lower than in FY 2025, but that trend reversed in November. He expects November revenue to bring the total in line with the budget. Council Member Hyland remarked that the Granicus software should improve these revenues as it will help capture tax revenue from the 500 more short-term rentals.
- Municipal energy tax was \$13,000 ahead of FY 2025 and on track with the budget.
- Cable television tax continued its downward trajectory, and Mr. Jurges anticipates ending below the \$271,000 budgeted for FY 2026. A potential franchise tax on data would replace this lost revenue.
- Class C Road revenues were \$105,000 ahead of FY 2025, with the potential of ending the year above the \$1.6 million current-year budget.

Mr. Jurges reported that revenues were higher in 2022 and 2023 due to \$2 million in State and Local Fiscal Recovery Funds that were received in those years. If those funds are removed, the growth trend is more stable. He expressed no concerns with expense trends for the year and noted that the first month of each quarter is typically higher as the United Fire Authority payment is paid at that time.

Fred Philpot of LRB Public Financial Advisors reported on the Financial Sustainability Model. Communities often focus on their current-year budget only, and the model is intended to allow for scenario analysis beyond the current budget and help understand the effects of multiple factors within the General Fund. The exercise is intended to highlight what tools are available and assist with prioritization.

In preparing the model, they pull historic General Fund revenues and expenses into an Excel-based model, then make projections relative to inflation, revenue growth, and expense changes. They also collect new, unfunded ongoing and one-time expenses that will need to be covered through the General Fund. Monies are transferred between the General Fund, enterprise funds, and sub-funds to comply with State statute or save for capital improvements. To evaluate the true impact on property taxes, some of that revenue is pulled back into the General Fund through modeling. For example, one-time expenses will likely be paid through the Capital Projects Fund, but they are pulled into the model to measure the amount of revenue needed to fund them. Their objective is to review the deficits and recommend next steps. Based on the City Council's feedback, they can model different scenarios and how they should be prioritized. The objective is to determine the necessary changes to fund the level of service the Council wants to maintain.

The model considers 2019 through 2024 actuals, 2025 projected actuals, and the 2026 budget, focusing on a five-year planning period for taxation and revenue policy. It begins with an unrestricted Fund balance of \$4 million. Other funds earmarked for specific purposes are not measured. It assumes that monies will continue to be transferred out for debt service and capital improvement needs and aims to hit the 35% maximum carryover target. Mr. Philpot pointed out that the 35% figure is a percentage of revenue generation, not expenses, which can be a double-edged sword because the benchmark increases as taxes are raised. Some cities with healthy fund balances choose to lower the target percentage because the amount keeps increasing with revenue.

Revenue growth assumptions were reviewed. No property tax increases were included, but a year growth-related revenue increase of \$50,000 to \$60,000 was assumed. Citizens sometimes do not understand that the certified tax rate means new revenue is not generated as property appreciates. Revenues only increase with new construction or when redevelopment areas expire.

Council Member Birrell asked if any additional property tax revenue was anticipated from the 300-unit north Gravel Pit project. Mr. Philpot stated that it was not currently projected, but can be programmed into the model. Mr. Juges stated that a project that is completed by December 31 of the year of measurement does not provide the City with tax revenue until November of the following year. Projects that will not be completed within four years will not impact the model, and no building permits have been issued for the Gravel Pit project. In response to a follow-up question, Mr. Gerber clarified that an apartment building is planned, and they have not decided if the second property will be a hotel or another residential property. The model focuses on trends, not one-time events, but does provide flexibility to address those types of scenarios.

Sales and use tax revenue is expected to grow at a rate of 2.6% based on historical trends. However, sales tax is volatile, and trends indicate a slowdown in this area. Cable television taxes are expected to continue declining over time. Conservative growth assumptions were applied to the other revenue types.

One-time capital improvements were identified through discussions with Staff. All improvements represent a large dollar amount, but those dollars correspond to level of service. Ongoing operational expenses were also included in the model, including both current and future staff requests and anticipated inflation. Requests include additional employees, software, cost of living adjustments, materials, and equipment.

In response to a question raised by Council Member Holton, Mr. Philpot clarified that the model suggests the need for an additional \$2.8 million in 2027, and another \$800,000 in 2028, etc. Mr. Gerber remarked that the \$2.8 million would cover all departmental requests, and not all requests will be granted. The model represents up-front adjustments, and ongoing costs are increased by 3% per year to account for inflation. In response to a follow-up question from Council Member Holton, Mr. Philpot reported that he would double-check the future year projections for accuracy. The spreadsheet will be distributed to the City Council so they can review the new expenses that were brought into the model.

In addition to one-time and operational costs, equipment lease assumptions were included. Future lease increase of 10% were assumed for police vehicles.

The factors that influence the General Fund are base inflation, operations and maintenance (“O&M”) expense increases, and one-time expenses. Most entities under-project revenues and over-project expenses, so the model starts at and perpetuates a deficit. The practice of under-projecting revenues hopefully either creates a balance or surplus that can be added to the Fund balance. The model is based on the 2026 budget and shows a perpetual spend down of Fund balance, which will need to be addressed moving forward.

Mr. Gerber stated that Mr. Jurges has done a very good job of underestimating revenues and overestimating expenses, but the Fund balance has continued to decrease every year. Mr. Philpot agreed that a \$4 million General Fund balance is a very small number in comparison to the City’s budget.

Mr. Philpot reviewed various scenarios, from maintaining the current level of service with only inflationary increases to bringing in every departmental request.

#### Scenario 1

- No new property taxes
- No one-time expenses or O&M costs
- Inflationary increases and lease payments were included.
- The General Fund balance will be depleted by FY 2028.

In response to a question raised by Council Member Holton, Mr. Gerber reported that the Town Center will not reach full buildout for at least two years, possibly three. At full buildout, he estimates between \$1.5 and \$2 million in lease and sales tax revenue. Mr. Jurges stated that the initial land lease is expected to begin in FY2027-2028, but the property will not generate sales tax

at that time. The Town Center was not included in projections because the deficit must be addressed prior to it generating revenue. However, those assumptions could influence the strategy for years four and five.

Council Member Holton stated that both the Town Center and Gravel Pit should be included in the projections because both are approved future developments. City Attorney, Shane Topham, cautioned that there is still uncertainty regarding the Town Center project. The City has up to three years to deliver the site, and there is no signed lease, only an Agreement to Lease that contains contingencies. He believes it is more of a longer-term prospect. Mr. Jorges agreed that it is best to leave projects out of the model until there is more clarity on when they will begin generating revenue. Mr. Philpot stated that he would work with Staff to build the appropriate expectations into the model.

In response to a question raised by Mayor Bennion, Mr. Gerber confirmed that the City will be at the minimum allowed Fund balance by the end of year one.

Mr. Philpot pointed out that Scenario 1 includes lease assumptions related to increases in public safety and other vehicle needs but does not include new one-time or operations and maintenance expense requests. Adding those expenses compounds the problem.

#### Scenario 2

- No new property taxes
- Inflationary increase and lease payments
- All one-time and O&M expense requests
- Increases expenses by \$4.5 to \$5 million.

Mr. Philpot reported that the City's property tax revenue is approximately \$8 million, and sales tax revenues are decreasing. Unless new forms of sales tax are created and new revenue generated, base revenue is not sufficient to handle inflation. Property taxes keep the City whole relative to the prior year. In other states, property tax revenue fluctuates as properties appreciate or depreciate. Utah ensures that revenues never decrease, but there is also no gain relative to inflation. Other revenues and new growth are intended to cover that deficit.

Council Member Hyland stated that sales tax should be inflation-proof because, as prices increase, more sales tax is generated. However, the City is not experiencing that. The budget was not inflation-proofed in regard to property taxes because of Truth in Taxation, and sales tax is not keeping up with inflation as it should.

Mr. Philpot reported that all departmental requests were added to the model; nothing was prioritized or moved. Mr. Gerber added that the requests were not a wish list but rather departmental needs that have been put off for years. They are needed to maintain the current level of service and increase in some areas as they have been asked to do. The City has spent years doing more with less, and it is now at the point where the current level of service cannot be

maintained without these expenditures. Either level of service must be reduced or additional resources are needed.

Some items included in the model were new. For example, the Council had discussed having its own Parks division to take over park maintenance because it has almost reached the break-even point in what is being paid to the Cottonwood Heights Parks and Recreation Service Area.

Mr. Philpot reported that a PDF would be sent to the Council that outlines all new assumptions. The model perpetuates the City's practice of overestimating expenses and underestimating revenues. At the Council's direction, it can be updated to use actuals instead of budgeted numbers for 2025. However, that is not standard practice and could create additional risk. As is, the model presents realistic assumptions relative to base revenue growth, and expenses are outpacing growth.

The recommended solution is to consider a property tax increase. There are other, less impactful options to increase revenue generation. For example, the City can reevaluate its fees to ensure that the charges for services matches the cost. His firm conducts those studies for many communities and identifies some opportunities, but not enough to solve the City's issues. Mr. Gerber stated that it was broadly reviewed, and doubling all fees would bring in less than \$1 million in revenue. The City is overdue for a comprehensive fee study as its fees are lower than those of many other cities in the Salt Lake Valley. Mr. Philpot stated that business license fees can be assessed differently as well.

In response to a question, Community and Economic Development Director, Jim Spung, stated that a disproportionate fee could be assessed for a hotel, for example, which will generate more police calls. That need is taken into account in addition to the base license fee. Mr. Philpot stated that he worked with South Jordan on their fee schedule. Big box stores, convenience stores, and hotels have a lot of calls for service, so their licensing fees can be between several thousand and tens of thousands of dollars. That could generate a few hundred thousand dollars and be helpful, but it would not solve the City's multimillion-dollar shortfall. Mr. Gerber pointed out that increased fees must be justified through a study, and the Council would need to consider whether charging higher fees would stymie growth in certain sectors.

Mr. Philpot reported that it is a matter of prioritization and reevaluation. Reevaluation involves adjusting the current level of service, meaning budget cuts, and prioritization of future spending. All the information provided by Staff was included in the model, but it was up to the City Council to determine where the budget dollars should be spent. The next step would be for the Council to provide input on scenario evaluations and what they want to see in the model. LRB will then work with Staff to gather additional information and return to the Council with updated models.

State statute does not require the City to have a comprehensive financial sustainability plan. It is a standard of practice that most municipalities utilized with enterprise funds and are now applying to their General Fund. LRB can provide those updates, or they have an Excel model that can be updated in-house. Mr. Gerber stated that his intention for the model is to use it to make data-driven decisions rather than the gut decisions that were made in the past. It will help the Council understand the true cost of providing the level of service it wants to provide.

Mr. Philpot went into further detail on the functions and assumptions of the Excel model. In response to a question from Council Member Hyland, he clarified that a 2.6% in sales tax revenue was projected each year. Inflation of 3% is assumed by the model. Council Member Newell stated that the presentation had been eye-opening.

Mr. Gerber asked for direction on what Staff needs to consider in terms of revenue for their budget proposals. He asked if the City Council wanted to consider reevaluating/cutting service, a tax increase, or both. He understands that the \$2.8 million in requests will not be fulfilled. Some projects can be pushed to future years, but they need a target number to present a solid proposal to the Council.

Council Member Hyland stated that one option would be to limp along until the Gravel Pit and Town Center are online. She understands the uncertainty, but anything beyond 18 months is uncertain. This option would require at least a slight increase in property taxes, and determining what can be done to save money in the interim. She did not yet have a sense of what the actual revenue increase needs to be. Mr. Jurges reported that a 25% increase would provide approximately \$2 million in additional revenue. If all future costs are removed, including leased vehicle replacement, that will still cause issues down the road. One-time increases fix a problem today, but the same factors will continue to affect you. The increase in inflation relative to revenue will continue to erode the fund balance.

Mr. Jurges recommended that if the City Council decides not to allow any new O&M or capital expenditures, they approve an up-front property tax increase with annual inflationary increases. One way entities do this is by keeping their tax rate the same year after year. Because of appreciation, the mill rate naturally goes down. Some entities choose to keep it constant, which requires a Truth in Taxation hearing but captures appreciation.

Council Member Hyland stated that since 2018, there has been 29% inflation overall. In 2018, the tax increase made the City whole to that year and did not look forward. American Recovery Plan Act (“ARPA”) funds then bailed the City out. If a 29% property tax increase is enacted in 2026, it will only make the City whole. A target can then be set to do a Truth in Taxation hearing every year to keep up with inflation.

Mr. Jurges reviewed historical revenue trends. In response to a question raised by Council Member Hyland, he reported that sales and property tax revenues for the Town Center cannot be estimated at this time because it will depend on the businesses that open there, and it could be up to three years before construction even begins. Mr. Topham added that free and reduced rents will also be offered for a period of time.

Mr. Philpot reported that a one-time 25% property tax increase plus 3% per year will keep the General Fund at \$4 million. Future assumptions may help the City get closer to the 35% target. Mr. Gerber stated that unrestricted funds should be used for grant matching and one-time projects and to fill emergency needs. At 35%, the General Fund should have a balance of between \$9 million and \$10 million. The current \$4 million could be adequate for a City of Cottonwood Heights’ size if it was not using some of the funds for operating expenses. Mr. Jurges stated that he would like to have a balance of \$5 to \$6 million. Revenues are primarily received in November

and December, and sales tax revenue is received two months in arrears. Capital expenditures often must be delayed until after the first of the year because there must be enough money to make payroll. Mr. Gerber added that when the balance drops, the amount of earned interest also decreases. The City has lost 5% each year due to this.

Council Member Hyland stated that she understands how scary a 25% increase can sound. Salt Lake County put out an article outlining what an extra \$7 per month in property taxes provides its residents, and that \$7 reflected a 19% increase. In response to her questions, it was reported that based on average home values, the 30% increase would be approximately \$15 per month.

Mayor Bennion stated that it is important to discuss the dollar amount rather than the increase. Mr. Gerber remarked that the percentage must be advertised by law, but the education and discussion can focus on the dollar amount.

In response to a question from Council Member Holton, it was confirmed that the General Obligation Bond is a separate line item. The City's base municipal tax is \$585 per year for the average home, or \$48 per month, plus \$7.85 for the bond. The total monthly tax is \$56 for the average home, plus approximately \$4. The 30% increase would be approximately \$15 per month and is applied to the base rate only, not the bond. Future bond increases and the total average tax paid were discussed.

Council Member Hyland stated that a Citizen Committee should be formed to look at the potential increase. Mayor Bennion agreed.

Mr. Gerber stated that he had created a list of recommended qualifications to ensure that the committee members are well-informed. They must commit to the meeting times, have a basic understanding of municipal budgeting and their role as an advisory committee, and the committee should be of a manageable size. Council Member Hyland remarked that research has shown that teams with more than seven members are ineffective unless they are split into subgroups. Seven members would allow for one member from each district, plus three at-large members. In response to a question, Mr. Topham confirmed that it would fall under the ad-hoc committee categorization.

Mayor Bennion stated that she has spoken with Staff about big-picture concepts. Some neighboring cities have a contractual government where they contract for services more than Cottonwood Heights. The City has its own police and snowplowing, for example, which adds to both costs and staffing needs. Snow plows have doubled in cost, and she believes it may be worth looking at what it would cost to contract with Salt Lake County for that service. She understands that they may not provide the same level of service and that it is complicated because employees who do snow removal also repair roads and sidewalks. It may not be a viable option, but it is worth discussing. Also, there may be things like the SWAT vehicle that the City does not need.

Council Member Newell stated that the City has experienced contracting for snow removal and it did not work well. Council Member Holton recommended that people who were part of the City in the past and participated in those debates be invited to provide a historical perspective on those topics. Mr. Topham recommended speaking with former Mayor Cullimore. Council Member

Hyland stated that the residents who were recently annexed into Cottonwood Heights were paying triple for municipal services in comparison to what they will pay in the City.

Mayor Bennion stated that she would like to understand why Cottonwood Heights needs a SWAT vehicle. Mr. Gerber clarified that the City does not currently have one, but it has been requested for 2030. Council Member Newell stated that services are often shared between municipalities, and that would present an opportunity to do so. Council Member Holton remarked that there have been shocking incidents in the City, including an individual in the apartments across from Walmart who broke the gas line in an attempt to blow up the building.

Mayor Bennion appreciated the information Council Member Hyland provided about the costs previously paid by residents of the annexed areas. How low Cottonwood Heights' costs have been should be highlighted. An average of \$65 per month for fire, police, snow plowing, and other City services is almost less than garbage pickup costs.

Mr. Gerber asked if he should speak with the County about snow plowing. Council Member Birrell stated that all costs should be considered. It is not just the cost of a vehicle, but also labor and other costs. She has lived in Cottonwood Heights for 39 years, and in recent years she believes snow plowing has been inefficient. It is important to evaluate things transparently and look at the full costs the City is burdened with.

Council Member Hyland stated that contracted services usually cost more because the entity pads their budget to ensure that they sufficiently cover all costs. It may have been beneficial if the City had retained that service, but she does not believe it would be beneficial now. Council Member Holton agreed that contracted services are not immune to inflation, and they protect their margins.

Chief Russo remarked that Holladay and other cities contract for police services through the Unified Police Department ("UPD"). Cottonwood Heights has studied those costs against its police department costs, and contract costs have increased exponentially. The City saved millions of dollars by having its own police department. He asked if the City Council was considering UPD as an option. The City Council confirmed that it was not being considered. Council Member Hyland stated that the number of entities they are serving is shrinking, which means their overhead is higher. Mr. Gerber indicated that it may have been an option if the organization were run differently. Chief Russo reported that they recently increased taxes on their systems without legislative oversight.

Mayor Bennion stated that she brought up Public Works because snow removal equipment has doubled in cost to almost \$500,000 per vehicle. Cottonwood Heights provides excellent services, and the Public Works Department runs as efficiently as the rest of the City. Council Member Hyland stated that she asked Mr. Shipp about the increase in infrastructure costs, and he indicated that they have increased by at least 25%. You cannot overcome 29% inflation without some type of increase, and the City cannot cut anymore. Mr. Shipp reported that the County will not just do snowplowing. They would want to take over the full Public Works Department, and the City has a brand-new Public Works building and staff. Council Member Newell stated that the building will add to the vehicles' useful life, which will provide a considerable return on the investment.

Those types of decisions will make a positive impact moving forward. He does not believe the City should consider contracting for services it already has available.

Mayor Bennion remarked that she hopes the public understands that the City Council is looking at the details and recognizes that the City has not kept up with inflation. Taxpayers in Cottonwood Heights have been underpaying for the past seven years, and now an adjustment is required. Council Member Hyland stated that Truth in Taxation is very difficult because the mill rate is frustratingly complicated to describe.

It was decided that the Citizen Committee would consist of seven members, one from each district and three at-large members. Applications will be required.

Council Member Hyland stated that Planning Commissioner Garry Barnes may be interested in participating. Mayor Bennion expressed concern about how busy the Planning Commission is with the General Plan. Council Member Birrell stated that anyone should be able to apply, but she does not believe favoritism should be shown toward Planning Commissioners. Council Member Hyland clarified that her question was whether they should be excluded. Council Member Birrell stated that she hears from many residents who want to do more, and she wants to ensure that they have the opportunity.

Mr. Gerber stated that Staff will work on an application and meeting schedule. He hopes to meet weekly and present the committee's recommendations to the City Council by March 30. He will modify his February newsletter article to include information about the committee.

Mr. Jurgens reported that the fire service area rate is higher than the City's base rate. If Cottonwood Heights were to join the fire service area rather than paying UFA directly, the City would pay the equivalent of \$8.5 million. He then discussed rates relative to home values in neighboring cities. Regarding the Recreation Center, he believes it should be part of Salt Lake County and taxed at the county rate. In response to a question raised by Council Member Holton, Council Member Hyland reported that she calculated her tax increase at 60% if the rest of the City were brought into the Recreation Center Service Area. Not including the potential increase, it would bring Cottonwood Heights property taxes to a level between Murray and Riverton. Three entities currently have General Obligation Bonds: Cottonwood Heights, Sandy, and Salt Lake City.

Mayor Bennion stated that she has heard from other cities that Cottonwood Heights has a great budget balance. Property taxes, sales taxes, fees, etc., are equal, which is not true for cities like Midvale. Some cities keep trying to raise their property taxes, but cannot generate the revenue they need. Overall, Cottonwood Heights is in a good place. Mr. Jurgens agreed. Combined revenue between property and sales taxes is approximately \$17 million. If that was comprised of two-thirds sales tax and one-third property tax, and the tax increase was based on that smaller amount, a much larger increase would be required to realize the same amount of funds. That is an issue in Sandy. Mr. Gerber remarked that prior to COVID, manufacturers were requiring automotive dealers to have larger lots with more storage, which is why many of them moved to South Jordan. Sandy then lost a large portion of their sales tax revenue. It is good that Cottonwood Heights' revenues are balanced.

Mr. Jurges stated that property taxes must be advertised using percentages; a separate ad can be run in conjunction that specifies the dollar amount and explains the increase in real numbers. Many people think the increase is on their full property tax of approximately \$4,500 on an average home, whereas it is actually only on the Cottonwood Heights property tax, which is 15% of the total amount.

Mr. Gerber reported that he and Mr. Jurges met with a consultant that helps municipalities with Truth in Taxation advertising, education, and outreach. Their services would cost approximately \$15,000. No one on staff has expertise in this area, and it would be helpful to have the assistance of someone who does.

Council Member Hyland was in favor of a consultant and indicated that South Jordan has “Property Tax 101” on their website. Something like that would be helpful to have on the Cottonwood Heights website at all times, not just during Truth in Taxation. Council Member Birrell recommended that it include education on terms like “service district” and “enterprise fund”.

Mr. Gerber asked for guidance on whether the City Council wanted to achieve balance, consider cutting costs, or enact a larger tax increase to get ahead of annual inflationary increases.

Council Member Birrell stated that she believes it would be a good exercise to ask each department what it would look like to create, for example, a 3% efficiency, what they would change to reach that goal, and why. Mr. Gerber stated that for cuts over 5% the answer is always personnel. Debt service, capital projects, and other fixed expenses cannot be cut, so a 5% decrease in the overall budget is really a 15% to 20% decrease in departmental budgets. He asked department heads to find a 5% decrease in their departmental budget, and even at that percentage, the cuts have to come from personnel. As discussed, the City has a very lean staff. That could be part of the education campaign: If 5% is cut from each budget, these services will be affected, and in this way.

Council Member Newell expressed concern about leaving residents and future City Councils in the same position. It is important to set things right now and institute a mechanism that keeps the City whole and thriving in the future. They must consider opportunities to cut back, but they also must ensure that the City is not put in this position again.

Council Member Hyland proposed a goal of making the City whole now and enacting enough of an increase to keep it whole for three to four years. At that point, the Town Center and Gravel Pit will no longer be unknowns and new decisions can be made.

Mr. Spung expressed concern that future developments are dependent on variables the City has no control over. For example, the Canyon Centre has been approved for a long time. Interest rates and financing issues mean that there is no guarantee when projects will come online or if current projects will be completed. The City has more influence over the Town Center, but the north Gravel Pit is unknown. They have zoning in place, but they need to obtain hundreds of millions of dollars in financing to move forward. He cautioned against assuming that it will be online within four years. Council Member Hyland clarified that she believes there will be more certainty about the project in that time.

Council Member Newell stated that he would like to make the City whole and then see some flexibility embedded in the plan. They cannot be too rigid because of unknown factors. There could be another pandemic or a boost in the economy, and building flexibility into the budget will allow the City to adjust to those changes.

Mayor Bennion stated that she would rather be on the progressive side. She would like to have a fourth firefighter at Station 116. The dry winter could lead to a very bad summer, and she does not want to be responsible for being down one person during an emergency. The City needs to spend \$150,000 to make its information technology systems safe from hackers. Other unknown costs could arise. The City should not have to go into its reserves again because it cannot cover necessary expenses. In response to a question from Council Member Hyland, she stated that she would be in favor of a 30% increase to compensate for the 29% inflation the City has experienced, with incremental yearly increases.

Council Member Birrell agreed that the City should be made whole next year and as much as possible into the next four to five years. She does not want taxes raised dramatically in one year. They can be increased again next year if necessary. In response to her question, Council Member Hyland clarified that she believes the increase should be higher because 29% will only compensate for inflation. It would be better to have a larger one-time increase that covers inflation for the next three to four years.

Mr. Gerber confirmed that a 30% increase would make the City whole for one year without covering additional costs. It will not increase reserves or plan for the future. Staff can run the model to determine the percentage increase that would be needed. Council Member Hyland stated that the increase may need to be as high as 50% or 60%, but that can be determined by the Citizen Committee. It is her opinion that the increase should cover the City's needs for three to four years. Mayor Bennion agreed.

Council Member Birrell indicated that, in addition to the fire department staffing challenge, the City has only begun to address its storm drain issues. Climate change may mean that the area's precipitation comes down as rain, not snow. Uncertainties like that may require the use of reserve funds.

Council Member Newell stated that he agrees with Council Member Hyland that they need to plan for three years. Beyond that, too many changes may take place.

Council Member Holton reviewed the potential property tax increase amounts. A 30% increase would make the total increase over the last few years approximately 54%, which he believes is too high. However, he looked forward to input from the Citizen Committee.

Mr. Gerber asked if the City Council was interested in considering creating a public safety service area. It would operate like a community redevelopment agency, and Truth in Taxation would only be required for that specific budget. Council Member Newell stated that he would be interested in exploring the idea. Council Member Holton asked if the Citizen Committee could discuss the option. Mayor Bennion remarked that her research indicated it would add at least one staff member, and she wants the police department to be part of the City. Mr. Gerber stated that it can

be discussed with the Citizen Committee to determine their level of interest. Council Member Holton indicated that it may be beneficial to research whether other cities' service areas had worked as envisioned and how they affected the overall tax burden. The Council agreed that a service area should not be created at this time but may be worth exploring at a later time.

Mr. Gerber stated that in previous years, mid-year project funding was an issue. He asked the Council to decide on all projects during the budget cycle rather than approving smaller projects throughout the year.

**a. Possible Citizen Committee.**

The Citizen Committee was discussed in conjunction with Item 4.

*Break/Lunch 12:00 p.m. to 1:00 p.m.*

**5. City Council Priorities and Goals.**

Mr. Gerber requested that all feedback and requests for information on the Town Center be funneled through him. Ken Melby has indicated that he is happy to speak with individual Council members, but he has received conflicting feedback and direction. If Mr. Gerber is the main point of contact, they can ensure that the direction Mr. Melby receives is from the full Council and not individual members.

In response to a question raised by Council Member Newell, Mr. Gerber clarified that there had been some communication and meetings with Council members that he was not involved in or aware of. He had been out of the office so that was understandable, but moving forward he should be copied on any communications.

Council Member Birrell remarked that the Council should discuss the project's status. Mr. Gerber agreed that regular updates are important but indicated that there was currently not much to report. Council Member Birrell stated that she would like there to be more transparency. She had been reminded that an agreement passed in early 2025 specified that the Mayor, Mayor Pro Tempore, and City Manager would meet with Onyx and Thrive, but she had not realized that was part of the document. Mr. Gerber stated that he will ensure everyone is kept apprised.

The property owner had exercised two extensions options on the purchase agreement for the property under Walgreens, but the sale is expected to close mid-February. Onyx tendered a letter of intent on the leasehold for the building, but the owner received a much higher counteroffer. That will need to be negotiated once the land purchase is finalized. Dollar Tree is still in limbo. Mr. Topham stated that the deadline is five years from the date the initial plan was adopted, which was in December 2022. Some initial steps are required in case the Community Development and Renewal Agency ("CDRA") makes the decision to pursue eminent domain. The CDRA must first be amended to allow for that action, and studies are required in order to amend the plan.

Mr. Gerber will be meeting with the design team in February. The City agreed to reimburse up to \$200,000 for design work, and they want to move forward with design so that the project can begin as soon as the land is cleared.

Mr. Topham reported that an appraiser is working on the fair rental value of the property. The rent amount included in the Agreement to Lease is a placeholder based on capitalization rates, and the City has a few months to make that adjustment if necessary. If there is a discrepancy, the matter will be discussed with the Council to determine next steps.

The City is putting more money into property maintenance. For example, only one parking lot light is currently operational, and there had been issues with break-ins. In response to a question raised by Council Member Newell, Mr. Gerber reported that he had not heard of any recent issues with overnight parking so that issue seems to have been resolved by the management company.

Council Member Birrell recalled that during the meetings prior to the purchase of Hillside Plaza, the Council discussed the importance of activating the area for walkability, including creating a long-term vision for a main street section Fort Union Boulevard. She is concerned that the initial design has two-story buildings on both 2300 East and Fort Union Boulevard. In response to her question, Council Member Newell stated that the design is not finalized but he has been happy with the initial drafts. He questions how many people will walk to the Town Center from outside the immediate neighborhood and where they will walk from. The developer has presented what they would like to build, but they also indicate that they are flexible on the design. He would reserve his opinion until the final design is presented.

Council Member Birrell stated that in response to her questions, she was told that the uphill grade does not lend itself to activating the street, which was new information. She has advocated for activating Promenade Drive so people from nearby neighborhoods can enter the Town Center via that route. She wants to ensure that the foundational concept is a shared vision, and she would not have supported the project had she known that the vision was for most people to arrive by car.

Council Member Holton stated that he and Council Member Hyland had voiced the position that the Town Center is for the entire City. Residents of the far west side of Cottonwood Heights will drive there and people who live nearby will likely walk. There needs to be ease of access for everyone, and he believes that has been a consistent message throughout the process. Council Member Hyland suggested that the conversation be continued in a future work meeting.

Mr. Topham stated that he has represented people and businesses in real estate transactions for over 40 years. Typically, each side has one point of contact that conveys their team's position and negotiates until a middle ground is reached. The Town Center project is different as the CDRA is a public entity and five people are part of the decision-making team. It is fine to meet with the developer to obtain information, but he recommended that no commitments be made. Several key issues are still open, including whether there will be an extension option on the lease and whether the lease will be bifurcated. He cautioned the Council to not discuss their opinions directly with the developer. That should be discussed as a body so that the public's interest is met.

The City Council next discussed their goals and priorities.

## **Mayor Bennion**

Mayor Bennion reported that as she interacted with residents in her other role over the past five years, she heard a clear message that there need to be additional ways to involve residents. Other cities make it easy to volunteer via online portals, for example.

Council Member Hyland stated that the Council has discussed how to reach citizens. There is a newsletter, but she does not know how many people read it. Draper residents can opt in to receive occasional text messages. She does not see many comments on social media anymore. How people are consuming information is changing, and there is competition for attention. She would like the Council to discuss the possibility of providing information via text messages.

Council Member Holton agreed and remarked that many residents would have liked to know about the water main break before driving in that direction. However, the City would need to be very sparing in how it communicates.

Council Member Newell stated that the City has improved greatly in communicating traffic issues online, so it may just be a matter of capturing more people.

Mr. Gerber stated that everyone uses a different platform and each platform has a cost. Staff could research the matter and present options to the Council.

Council Member Birrell remarked that she has heard that the use of artificial intelligence is making it difficult for businesses to get enough clicks to properly evaluate their advertising. Communication methods are changing quickly, and she is in favor of opt-in text messages.

Mayor Bennion stated that one resident was very impressed with the FlashVote survey on the budget. She thought the questions were very helpful, and she would love to participate in more surveys.

Depending on the outcome of budget discussions, the Council will need to consider the staffing requirements to meet those priorities. Mayor Bennion stated that some Council members have wondered if an assistant city manager needs to be brought on to help with the Town Center, which requires different a different skill set. Mr. Gerber has indicated that this is not a typical project for a city of Cottonwood Heights' size, and she believes an open discussion is needed about the staffing required to achieve the best outcome.

Council Member Hyland remarked that the Gravel Pit may attract a large, national developer. She believes that bringing in an assistant city manager with experience in this area will save a lot of Staff time, headaches, mistakes, liabilities, and lost opportunities. Draper and Midvale both have the position, and she believes it would increase Staff productivity.

Mr. Gerber stated that it would be an investment in economic development because that could be the assistant city manager's area of focus. He and Ms. Higgins have been working to reduce the cost to the City. Council Member Hyland suggested that it should be someone with expertise in

both public finance and economic development. Council Member Birrell expressed support for the position.

Mayor Bennion stated that she would like to eventually hire a fourth firefighter for Station 116, although she understands that it may need to wait one to two years.

### **Council Member Holton**

Council Member Holton stated that his priority is to create contingency plans for any external government agencies or service areas that the City relies on. There are bills every session that address special districts and municipal service districts, and there is a push for counties to stop providing these services. He believes Herriman will eventually leave the Wasatch Front Waste and Recycling District, which will change the financial dynamic of the district, and he wants to ensure that the City has a backup plan.

Council Member Holton received an email from a teacher at Ridgecrest Elementary School who indicated that the fifth grade class voted on names for the street in front of the school. Bella Vista and Ridgecrest are combining, and the children voted for Tiger Cub Way in honor of both schools' mascots. The children would like to present a request to honorarily rename the road at a City Council meeting.

The Parks, Trails, and Open Space Committee has requested an additional \$3,000 to purchase shirts and signs. Members have been paying out of pocket for these items, and Council Member Holton believes it is a reasonable request that they be reimbursed up to \$3,000.

Council Member Holton has met with House and Senate Appropriations staff over the past two years, and as of the previous day \$2.1 million had been allocated to the Department of Justice for a public safety training facility in Cottonwood Heights. No matching funds are required. The facility will offer de-escalation training, simulations, live fire, etc. He has obtained commitments from citizens willing to donate the cost of any necessary infrastructure improvements. Chief Russo reported that Murray charges \$500 per day to use their training facility, so the facility will also be a revenue source to cover maintenance and upkeep costs.

In response to a question from Council Member Birrell, Council Member Holton clarified that the training facility is modular, so no construction is required. The City will need to determine an appropriate location.

Council Member Newell thanked Council Member Holton for his efforts as it was not an easy task.

Council Member Birrell expressed confusion that it was done on behalf of the City but she had not heard about it previously. Council Member Holton indicated that it had been discussed in the past. In response to her question, he clarified that it was discussed as a gun range. It is a fully encapsulated training facility that includes gun training, not a traditional outdoor gun range. He wants to ensure that Cottonwood Heights has the best-trained officers in all areas, and the facility has a remarkable focus on de-escalation. Officers are run through various de-escalation scenarios, and the scenario adapts based on how the officer responds.

Council Member Newell remarked that he has gone through FBI de-escalation training, and the simulators do a phenomenal job. He believes it will be a great asset for the City.

Council Member Holton stated that the school district was very supportive of his efforts as the facility will enhance the Guardian program by ensuring that they receive real training. Mayor Bennion clarified that she spoke with the school district and they informed her that they were neutral. If the facility is available, they will use it, but they are also neutral on the Guardian program. Council Member Holton stated that he received a letter from the superintendent expressing full support.

Council Member Birrell stated that there needs to be transparency. She is a sitting Council member but has never seen anything in writing about the facility. She learned about the gun range through hearsay. She wants the most excellent training for Cottonwood Heights police officers. However, she wants to ensure this is the appropriate avenue and the City is not taking on more O&M expenses. She believes the item was advanced without thorough deliberation by the Council.

Council Member Holton stated that he began lobbying for the facility when he was first elected to the City Council. Former city manager Tim Tingey was part of the effort, as was Mayor Weichers and Council Member Newell. Council Member Birrell asked to be provided with the meeting minutes as she did not recall discussions on the matter. Her constituents have asked her for transparency, accountability, and clarity. Council Member Holton stated that he was not asking for City funding for the project. It will bring value to the police department, and it is paid for.

Mayor Bennion asked if Council Member Holton had recommendations on a location for the facility. Council Member Holton stated that ideas had been discussed over the past year, but that decision is not in his purview. Mr. Gerber reported that a location has not been determined.

Council Member Holton stated that the money has been awarded. If a Council member wanted to put forward an action declining the funds, that it their prerogative. Council Member Birrell asked that it be discussed in regular meeting and done with transparency. The Council believed there would be no money attached to the sister city project, yet it was a \$17,000 expense in 2025. She would like to see a written proposal.

Council Member Holton stated that the sister cities expense was discussed at the last retreat. He hoped that his Council colleagues could see the benefit of receiving funding to bring value to the workforce and community without spending taxpayer resources. The Council talks about grants all the time, but those often require matching funds. The federal government will pay for additional training for the police department, and he does not understand how it could be controversial.

Council Member Holton remarked that he would hope his colleagues would acknowledge the energy he put into securing the funding. When a Council member does something that brings value, they should be complimented. Council Member Hyland did an incredible job of bringing homes into the City, and he believes this is the same. It was discussed and he spent two years bring it to fruition. If the City Council wanted to vote against accepting \$2.1 million to benefit the police department, they could do so.

In response to a question raised by Mayor Bennion, Assistant Police Chief, Chris McHugh stated that there are not a lot of training facilities in the area. A shooting range is much less expensive, but they wanted to create a training environment for de-escalation and other training that officers currently cannot participate in unless the City borrows the Attorney General's simulator, which is very hard to obtain. The facility will bring training in-house and remove the department's dependency on other cities' schedules. Murray's range has been closed for three months, and that was the only available range in the area. The facility has been designed to provide flexibility and make the agency better. He thanked Council Member Holton for his efforts and indicated that he hopes the City approves the facility as it will improve the department and provide sister agencies with access to training as well.

Mayor Bennion asked if there could be an opportunity to partner with another city that has available land. Council Member Holton stated that the public safety world has been discussing the facility, and multiple municipalities have reached out to Chief Russo. He has received calls from members of Congress indicating that other municipalities were going after the funding. Cottonwood Heights was currently spending money to train elsewhere. The facility will be paid for, donations will cover any ancillary charges, and other municipalities will pay to rent the space.

Chief Russo expressed shock that anyone was unaware of the planned facility. They had conducted presentations, and he had letters of support from the Attorney General and school district. Every police chief in the Salt Lake Valley voted in support because there are no ranges in the area. If the facility is located outside of Cottonwood Heights, the City will lose control of it. Their vision was that it will be a community asset. He wants to open it to the public to train people on things like gun safety. It would also be a revenue generator. Other municipalities will pay to use the facility, which will cover ongoing upkeep costs. The facility has low maintenance costs.

In response to a question from Mayor Bennion, it was confirmed that both virtual and live ammunition will be used. Chief Russo stated that the facility Mayor Bennion attended the Citizens Academy at is very different. In this facility, you fire live rounds at the simulator. It can also be operated as a traditional gun range.

Assistant Chief McHugh reported that it is a fully contained, modified shipping container. The Secret Service keeps a similar facility on the White House compound to qualify their guns. He believes its biggest asset is that Cottonwood Heights police officers can be trained to a high level of competence in all areas, and the scenario simulations will be used more than the shooting range. If live ammunition is not needed, simulations can use a laser. It is a complete, wraparound system unlike any in the state.

Council Member Newell stated that he is excited about the educational aspects of the facility. Utah has an armed citizenry, but there is a lack of training. That type of education will be invaluable for the populace.

Council Member Holton stated that he hoped to obtain a Council majority to direct Staff to locate a space for the facility. If there is not a suitable location in the City, he agreed that the Council should discuss other locations.

Council Member Hyland expressed appreciation that the facility will be budget neutral. She was not in support of withdrawing acceptance of the funds. She participated in a simulation and was shocked at the level of psychological training required for de-escalation.

Assistant Chief McHugh stated that if there is an issue with an officer, they can immediately be put into a training scenario to address the issue. Chief Russo added that when someone has an unfortunate event, it can be duplicated in the simulator. That has been done in other cases, and it completed changed the narrative. He asked that the Council not consider placing the facility in other City. It is regional facility that nobody else has.

In response to a question from Council Member Hyland, it was clarified that the facility is 101 feet long by 30 feet wide and contains six lanes, which is enough to train and qualify one shift. Chief Russo stated that it may fit on the side of the building.

### **Council Member Hyland**

Council Member Hyland reported that she has tried to bring revenue to the City, and as an economist she knows that economic development brings revenue. Businesses create jobs, and jobs allow families to take care of themselves. The City is at a pivotal point where it will miss opportunities if it does not maintain focus. She requested that Cottonwood Heights not drag its feet like Holladay did with the Cottonwood Mall redevelopment. They went many years without revenue because of processes that bogged the redevelopment down. She applauded Council Member Birrell for arranging the very product transportation meeting. The City needs to engage partners such as the WFRC and the Utah Governor’s Office of Economic Opportunity.

As Commissioner Steinman pointed out, the acreage at the Gravel Pit is likely beyond a local developer’s scope, so Cottonwood Heights will need to attract a national developer. If the City does not have the right staff in place and the right vision, opportunities will be missed. Those opportunities will benefit residents by way of lower property taxes due to the increased sales taxes and additional property taxes. She understands that development requires increased services, but it will result in a net benefit.

Council Member Hyland would like increased AI training and investment. A citizen recently told her that they could not find Design Review Committee meeting minutes, and she defended Staff by saying that they might not even have the necessary tools. AI can listen, transcribe, summarize, and create a bulleted list of action items. Mr. Steinman sent her a summary and list of action items from the Short-Term Rental Subcommittee meeting in less than two minutes. She believes these kinds of tools will prevent the City from needing additional staff and provide more transparency for citizens.

Council Member Hyland wants to ensure that the short-term rental policy compliance and ordinance updates are completed in 2026. The City is potentially missing hundreds of thousands of dollars in transit revenue taxes. Mayor Bennion remarked that if City ordinances hold short-term rentals accountable, those that are not may choose to convert to long-term rentals. It will have many positive impacts. Council Member Hyland indicated that other cities require long-term

rentals to register, which may be an inevitable part of what comes after the short-term rental ordinance and compliance are cleaned up.

Council Member Birrell asked what will be required to finalize the process. Mr. Spung reported that Granicus is still gathering the data. They need to make decisions regarding enforcement. Granicus can provide information on noncompliance, but the City must determine what it will do with that information. One challenge is that Cottonwood Heights is a criminal enforcement jurisdiction, so civil penalties cannot be imposed. Council Member Holton stated that a bill will be considered by the legislature that will prevent municipalities from regulating online platforms, but the language had been amended to somewhat protect local authority.

Mr. Spung stated that one question is whether Granicus can request that a listing be removed on the City's behalf. They are working to ensure that Granicus has the data it needs to provide information regarding unlicensed short-term rentals that it finds on third-party websites. They can then determine the scope of noncompliance and decide on next steps.

Mayor Bennion stated that she has been working on the issue for at least four years because citizens are very concerned about how their neighborhoods are changing. She recommended that Julie Davies start meeting with the working group to discuss ordinance changes that can be made. Ms. Davies is an expert in helping cities avoid litigation regarding short-term rentals. Council Member Hyland remarked that she and Council Member Birrell participated in a training with Ms. Davies and were very impressed.

Council Member Hyland stated that she heard from Staff that they have reached out to other cities that use Granicus but chose not to use their payment processing. It will be used as a compliance tool, and licensing will still be paid through Xpress Bill Pay. Mr. Gerber clarified that they are working to move licensing online, which may be through a different platform. If the short-term rental can be made legal, the process should be as easy as possible. Council Member Hyland stated that it is all part of the transformation they had discussed. People expect to be able to do things in one click, not to have to interact with the City three or four times to complete a process. She supports Staff in having the tools to make things easy for themselves and customers.

Council Member Hyland remarked that it sounded like the City needs to discuss an Administrative Law Judge and civil penalties. However, the first step is to find out where the short-term rentals are so they can determine how big the problem really is. In response to her question, Mr. Spung stated that the process should not take much longer to complete.

### **Council Member Newell**

Council Member Newell expressed concern about the stormwater system inherited from the County that is becoming dilapidated. Every time work is completed in the City, the infrastructure is found to be falling apart. It is sometimes discovered by happenstance and other times because of a break. It is important to ensure that the proper funding is in place to address the issue.

The City has a Stormwater Fee, but the question is whether it is sufficient to cover the expense. The broken pipe that was found during installation of the High-Intensity Activated Crosswalk

("HAWK") light at Bella Vista Elementary School cost over \$40,000 to repair. Those incidents will continue to occur, and the budget needs to be adjusted accordingly. Residents must understand that the City wants to be able to provide the safe and viable infrastructure necessary for the community to continue to thrive.

Mr. Shipp reported that the Stormwater Master Plan was under internal review prior to presentation to the City Council. The fee will be reevaluated based on the plan. Some incidents are covered as Acts of God, but sometimes the City must complete unplanned replacement projects like on Pepper's Hill where \$1 million in storm drain lines were installed to stop issues at one house. The infrastructure is dilapidated. It recently cost \$300,000 to replace a pipe across King's Hill Drive. The utility fee is a great benefit to the City and allocates dollars specifically to stormwater infrastructure, and he appreciates the Council's support for the replacement effort.

Mayor Bennion expressed the Council's full support for the preventative work on the City's storm drain infrastructure.

### **Council Member Birrell**

Council Member Birrell stated that her priority regarding departmental deficiencies was discussed earlier in the meeting. In her four years of service, she has come to believe that it would be beneficial for the City to keep deliberations related to the budget and compensation in one discussion rather than breaking it off into separate committees. The conversations need to be comprehensive and publicly sighted. She believes the process should be changed and all meeting be held publicly.

Mayor Bennion asked if it is common among other cities to have these discussions in public City Council meetings. Mr. Gerber stated that in his experience, briefings and individual discussions happen prior to deliberation of the budget at a public meeting.

Council Member Birrell stated that at the spring Utah League of Cities and Towns ("ULCT") meeting, she was in a breakout session on budgets with approximately 50 representatives of other municipalities. She asked if any of those cities deliberated on these topics in separate private meetings between two Council members. The only other person in the room who indicated that they do so was from a township. She intends to bring more transparency to the process.

Mr. Gerber asked if the other cities have multiple meetings focused on the budget. In other cities he has worked in, the budget is simply presented to the Council because they do not have the same level of interaction and involvement as the Cottonwood Heights City Council. Council Member Birrell stated that in a strong-mayor government, the mayor creates the budget and the council deliberates on it. Even though Cottonwood Heights has a different form of government, she believes it is the same idea of the deliberations being publicly sighted.

Mr. Topham agreed that the entire Council needs to have a chance to study, weigh in, and vote on the budget. He did not have an opinion on how the initial budget is generated but indicated that there likely needs to be preliminary work groups to formulate the budget that is eventually presented to the Council for consideration.

Mr. Gerber remarked that not many cities involve the council in those preliminary steps. Cottonwood Heights brings the Council in early and provides them with a chance to sit on the committee. The issue with bringing the discussion into an open meeting every time is that they are discussing ideas, not actions. That is not appropriate for public discussion because it can needlessly hurt overall morale, start rumors, etc. Staff develops budgets in other cities that the Council spends one or two meetings deliberating on.

Council Member Newell stated that he enjoys the City's process as it helps him better understand the budget and allows the Council to interject and share their knowledge.

Council Member Holton stated that there is not enough time to dive as deep in Council meetings as at committee meetings. He sees value in the committee meetings, but he believes they should have some bearing on the final budget. In the past, committees would have an in-depth discussion that did not end up affecting the budget. He recommended that committees present a report of their findings to the Council. However, he did not have an issue with the overall process.

Mr. Gerber stated that a Citizen Committee could be part of the process. However, he does not believe brainstorming sessions should be held in a public forum because the ideas considered in those sessions may be misconstrued.

Ms. Higgins stated that since she and Mr. Gerber had to speak with department heads about the budget being so tight, employees are very nervous. The City already has a very high turnover rate, and she would like to prevent people from leaving before there is cause for panic.

Mayor Bennion thanked everyone for the discussion. She recommended that other options be considered in future years, but the current year's discussion should retain the existing format.

Council Member Hyland suggested that the Council representative for the Budget Committee should also sit on the Citizen Committee. She would prefer to sit on those committees than the Compensation and Benefits Committee. Council Member Birrell stated that she would also prefer to sit on the Budget Committee. After discussion, it was decided that Council Member Hyland and Council Member Birrell would sit on the Budget Committee. Council Member Newell and Council Member Holton will sit on the Compensation and Benefits Committee. Mr. Gerber asked that the Council forward any budget requests to him within two weeks.

After discussion, the Council decided to reduce its travel and training budget. Council Member Holton recommended removing the City Council from employee compensation discussions. Mr. Topham clarified that the compensation schedule for City officers, which includes elected officers, includes an automatic adjustment tied to the employee cost-of-living increase.

## **6. Wrap Up and Future Retreat**

The next Budget Retreat was to be held on Tuesday, March 24, 2026, from 2:00 p.m. to 5:00 p.m.

The City Council Retreat adjourned at 2:23 p.m.

*I hereby certify that the foregoing represents a true, accurate and complete record of the Cottonwood Heights City Council Retreat held Saturday, January 24, 2026.*

Teri Forbes

Teri Forbes  
T Forbes Group  
Minutes Secretary

Minutes Approved: \_\_\_\_\_