

Welcome to the Public Safety Funding Open House



The Proper Protection – Funding First Response

- Total Public Safety Increase ~ \$701,000
 - Fire ~ \$536,000
 - Maintaining Level of Service
 - Police ~ \$160,000
 - Recruitment and Retention
 - District Administration ~\$6,000
- City Council considering:
 - Dedicated property tax increase OR
 - Public Safety Fee



LONE PEAK FIRE REQUEST

Fire Chief Reed Thompson





The Problem

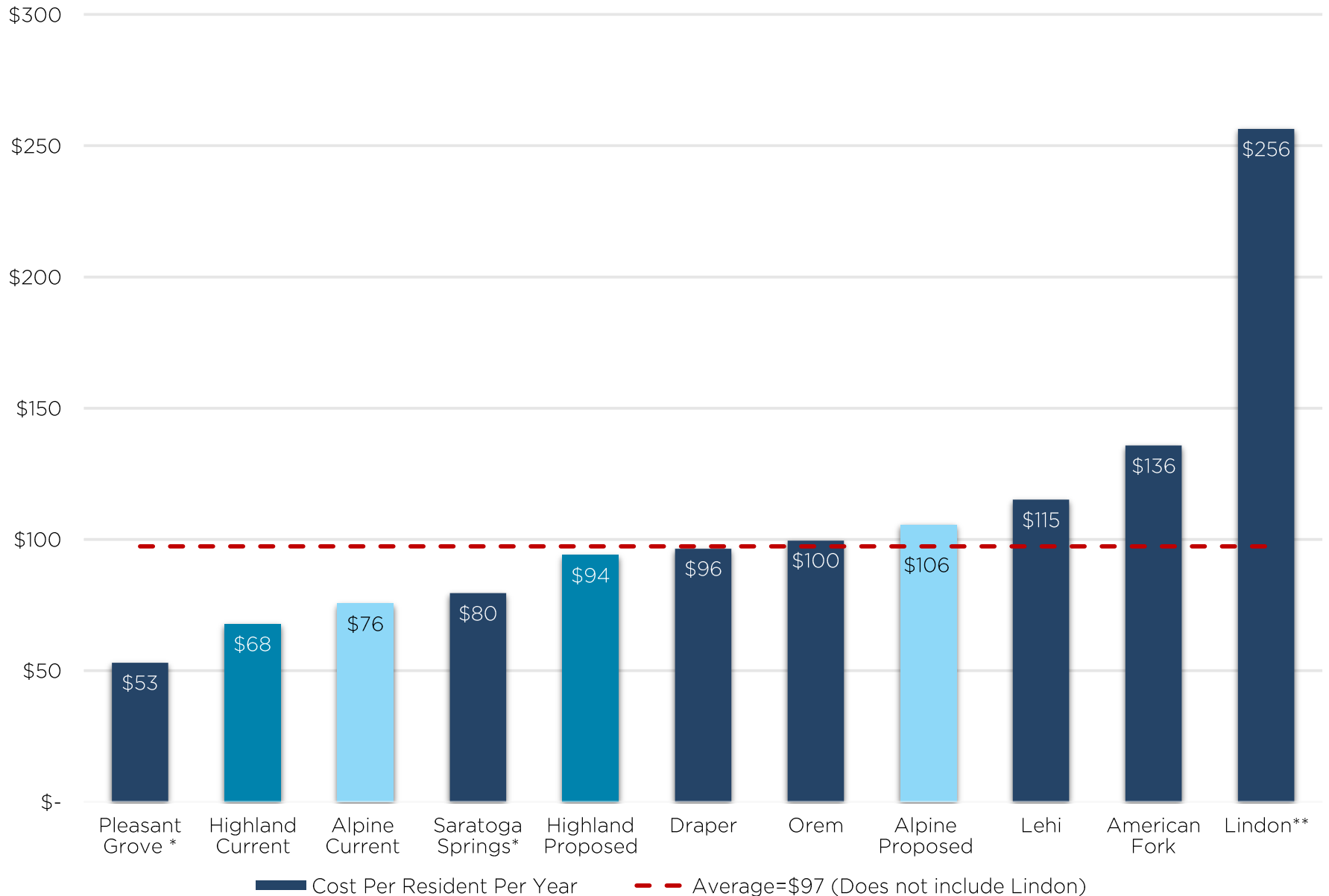
- How to maintain the existing level of service with a reduction in revenue?
 - Cedar Hills' exit
 - Loss in ambulance transport & city contribution revenue
 - Limited cost reductions
- Realistic Approach
 - National standard vs. our area's needs

| | Current | Proposed |
|--|--|--|
| Station Count | 3 | 2 |
| Vehicle Count | 3 | 3 |
| Firefighter/ Paramedic Count | 9 | 8 |
| Response Ability Without Mutual Aid | <ul style="list-style-type: none"> Initial response for 1 to 2 simultaneous EMS calls Treat 2 patients | <ul style="list-style-type: none"> Initial response for 1 to 2 simultaneous EMS calls Treat 2 patients |
| Station Closed During Transport Time | X | |

| | Rejected Consideration: National Standard | Rejected Consideration: Dedicated Ambulance for Alpine |
|---|---|--|
| Station Count | 2 | 2 |
| Vehicle Count | 4 | 4 |
| Firefighter/ Paramedic Count | 12 | 10 |
| Response Ability Without Mutual Aid | <ul style="list-style-type: none">• 2-3 simultaneous EMS calls• Treat 3 patients | <ul style="list-style-type: none">• 2 simultaneous EMS calls• Treat 2 patients |
| Station Closed During Transport | | |
| Cost Increase* | ~\$347,000 or \$6.13 per month on fee or tax increase | ~\$174,000 or \$3.07 per month on fee or tax increase |
| Added Benefits | <ul style="list-style-type: none">• Fire units manned with 4 | <ul style="list-style-type: none">• Add to PT pool• Redundancy in both stations |

| | Rejected Consideration: Reduce FT for PT | Rejected Consideration: Elimination of Dedicated Ambulance |
|-------------------------------------|--|--|
| Station Count | 2 | 2 |
| Vehicle Count | 3 | 2 |
| Firefighter/ Paramedic Count | 8 | 6 |
| Response Ability Without Mutual Aid | <ul style="list-style-type: none"> Initial response for 1 to 2 simultaneous medical calls Treat 2 patients | <ul style="list-style-type: none"> 1 EMS call |
| Station Closed During Transport | | X |
| Cost Savings* | ~\$62,000 or \$1 per month on fee or tax increase | ~\$174,000 or net \$0.13 per month on fee or tax increase |
| Revenue Loss* | | ~\$167,000 |
| Other Concerns | <ul style="list-style-type: none"> Layoff 3 FTE (Morale Impact) Recruitment and Retention (FT&PT) Less daily staffing consistency Less staff during major incident | <ul style="list-style-type: none"> Extremely limited coverage Nearly eliminate PT pool Higher home insurance rates 2 less firefighters for fire incidents Cannot provide aid to neighbors |

Cost Per Resident Per Year for Fire/Emergency Medical Services





LONE PEAK POLICE REQUEST

Police Chief Brian Gwilllham



The Problem – Recruitment & Retention



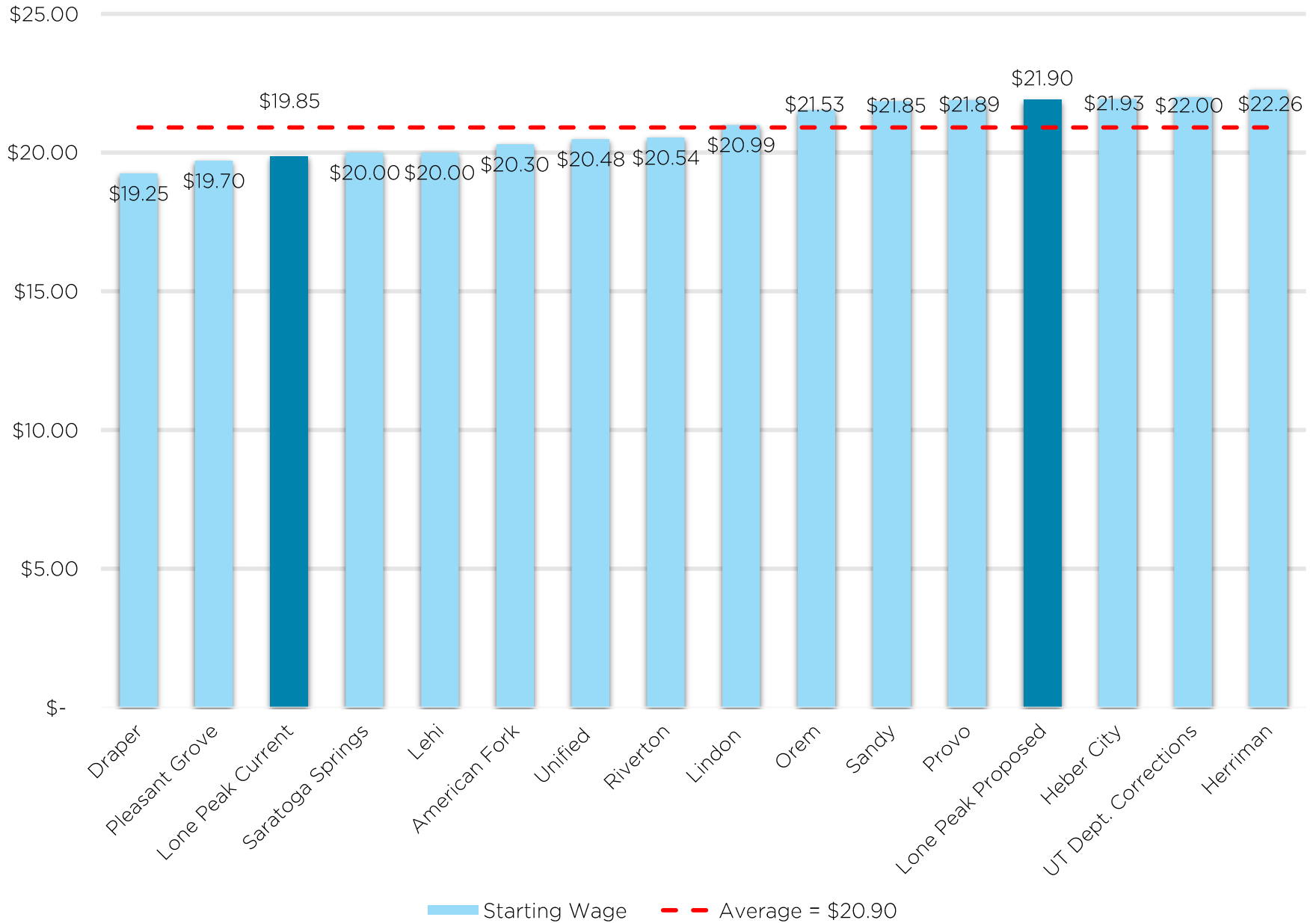
- Limited pool of applicants
 - Wages & Benefits
 - Negative Public Perception
- 2019 Recruitment = 5 Applicants for 2 Positions



Major Budget Changes

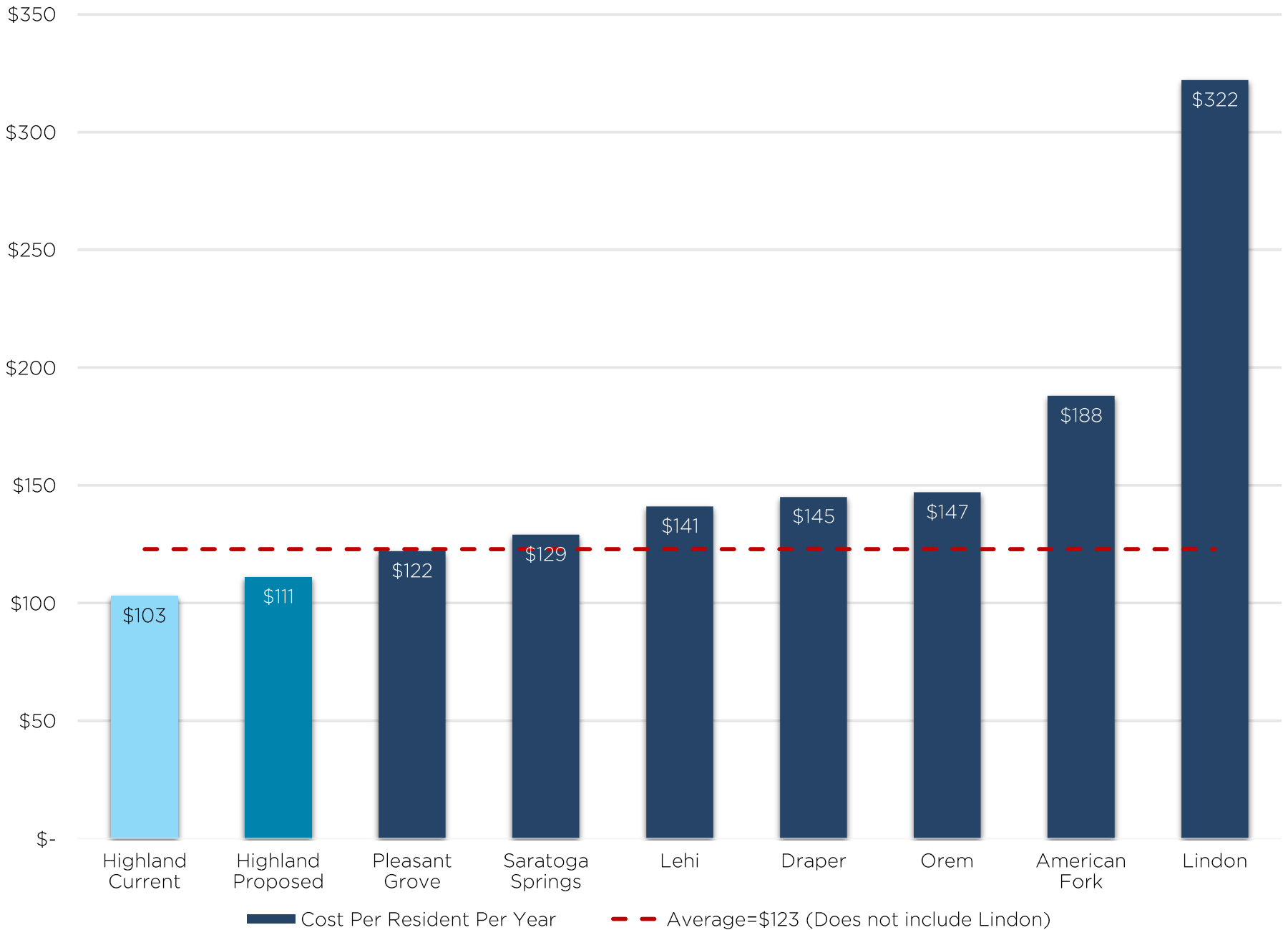
- Wages
 - \$2.05 starting wage increase
- 2.5% 401K Match
 - Increase competitiveness
- Retirement
 - State Legislature mandated increase

Starting Wages for New Officers



| Department | 401K/ Match | Tier II Contribution | Tuition Reimbursement | Medical Insurance | Life Insurance | Take Home Vehicle |
|------------------|----------------|-------------------------|--------------------------|----------------------|-------------------|-------------------------|
| American Fork | X | X | X | X | X | X |
| Draper | X | X | X | X | X | X |
| Heber | X | X | X | X | X | X |
| Herriman | X | X | X | X | X | X |
| Lehi | | X | X | X | X | X |
| Lindon | X | X | X | X | X | X |
| Lone Peak | X | X | | X | X | X |
| Orem | X | X | | X | X | X |
| Pleasant Gove | | X | X | X | X | X |
| Salt Lake | X | X | X | X | X | X |
| Sandy | X | X | X | X | X | X |
| Santaquin | X | X | | X | X | X |
| Saratoga Springs | X | X | X | X | X | X |
| Unified Police | X | X | X | X | X | X |

Cost Per Resident Per Year for Police





HIGHLAND CITY BUDGET OVERVIEW & FUNDING OPTIONS

Nathan Crane, City Administrator/Community Development
Director

Options Council Is Considering to increase funding

1. Property Tax Increase or
2. Public Safety Fee

Property Tax Information

- The City's tax rate is calculated by the County to generate the same amount of revenue each year.
- If property values go up, the tax rate goes down.
- The only increase the City ever sees in property tax revenue is from new growth or if the City requests a revenue increase.

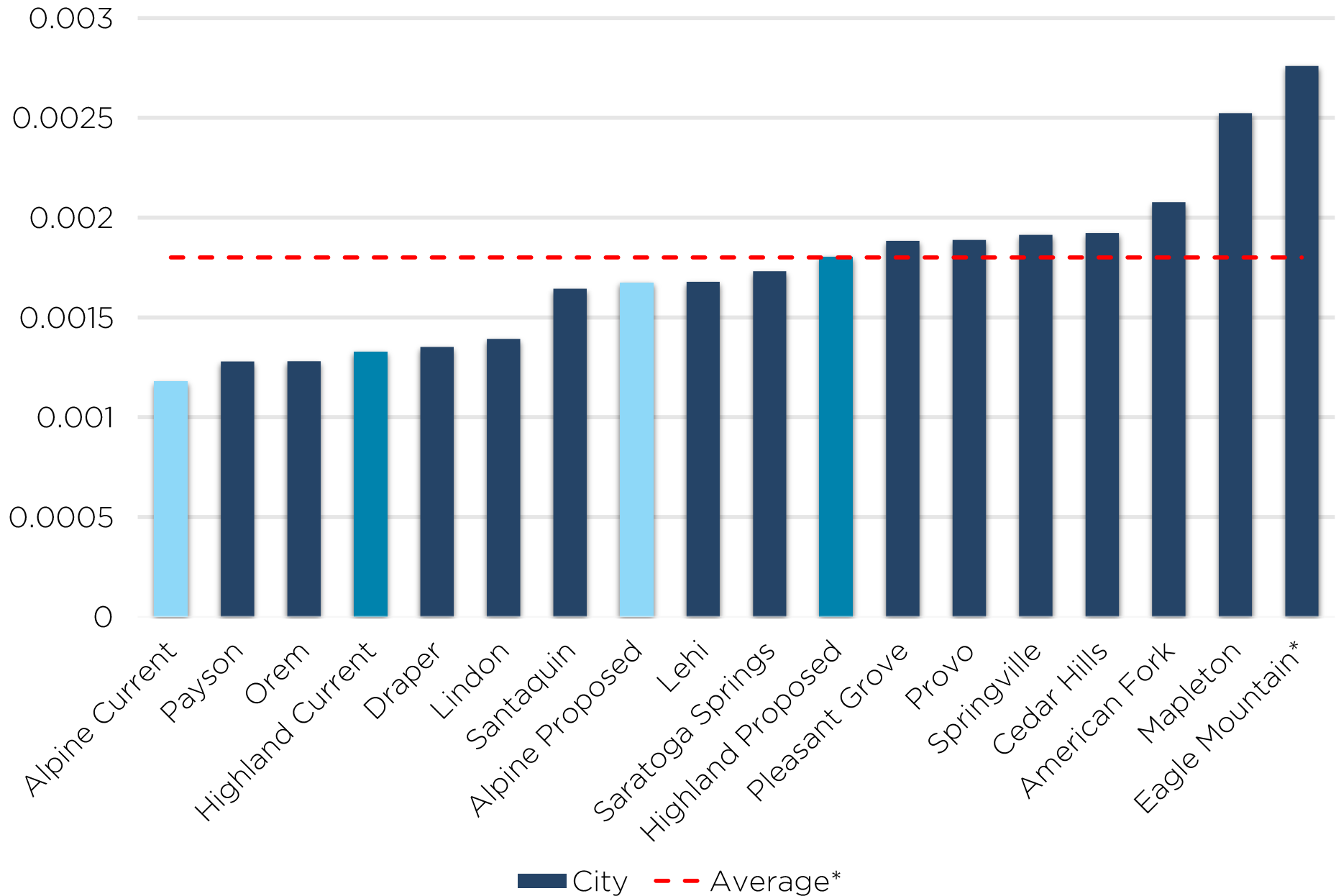
Property Tax History

- Increase in 2006 for Public Safety
 - \$324,197
- Library tax added in 2007
 - \$200,000
- Decrease in 2010 for City-wide cuts
 - \$67,900

Option 1: Property Tax Increase

- \$146.80 per year on a \$561,290 home
 - Equates to \$12.23 per month
 - 36% increase on City portion of property taxes
 - City portion is 18% of entire property tax bill
- Dedicated/Restricted to Public Safety
- Tax deductible for some
- Not uniform
 - Individual increase based on home value
 - Tax exempt properties don't pay
 - Businesses pay at full rate

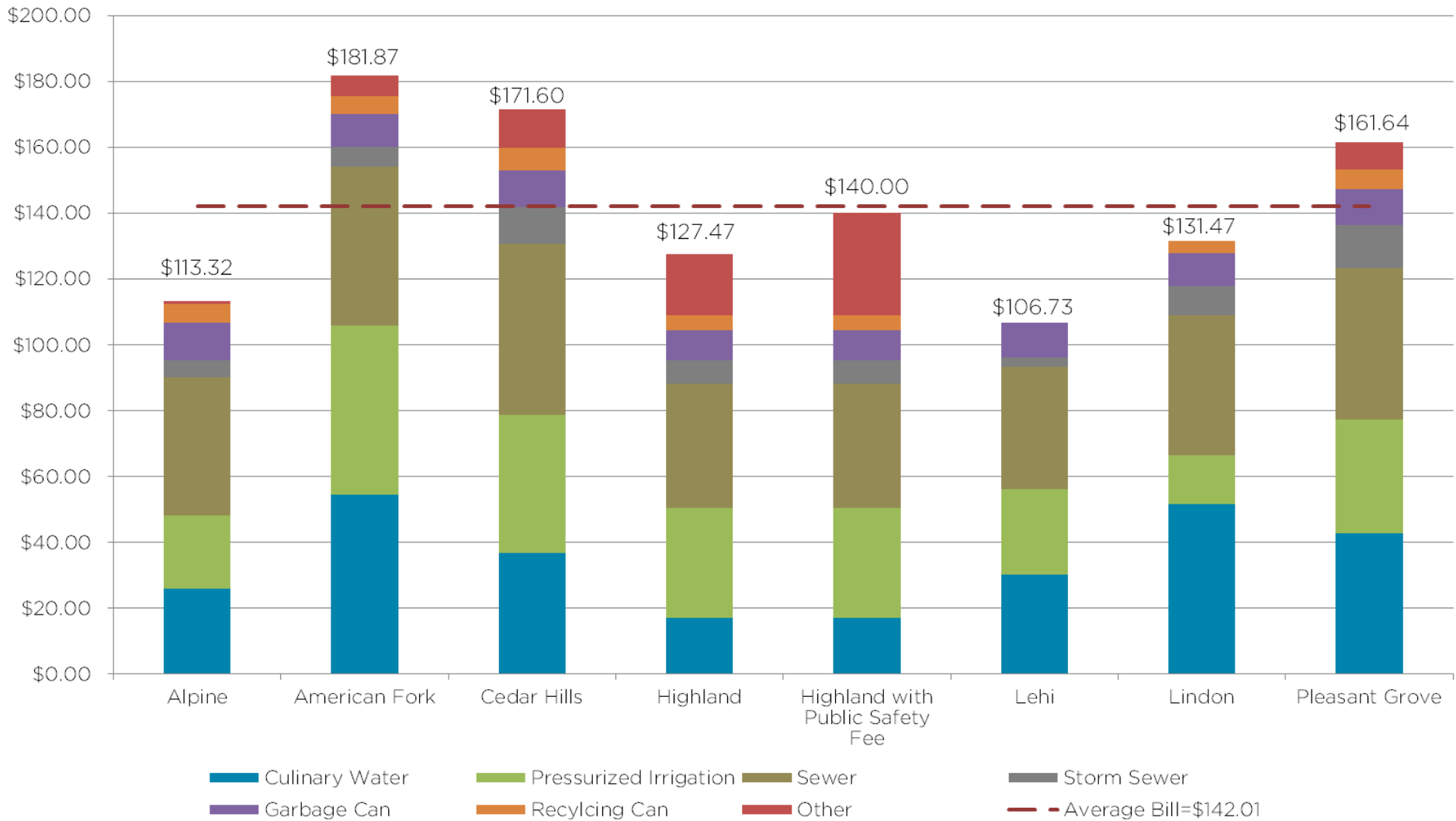
Property Tax Rate Comparison



Option 2: Public Safety Fee

- \$12.53 per month on utility bill
- Dedicated to fire and police
- Uniform
 - Tax exempt properties included
 - Businesses pay the same as residents
- Not tax deductible

Utility Bill Comparisons

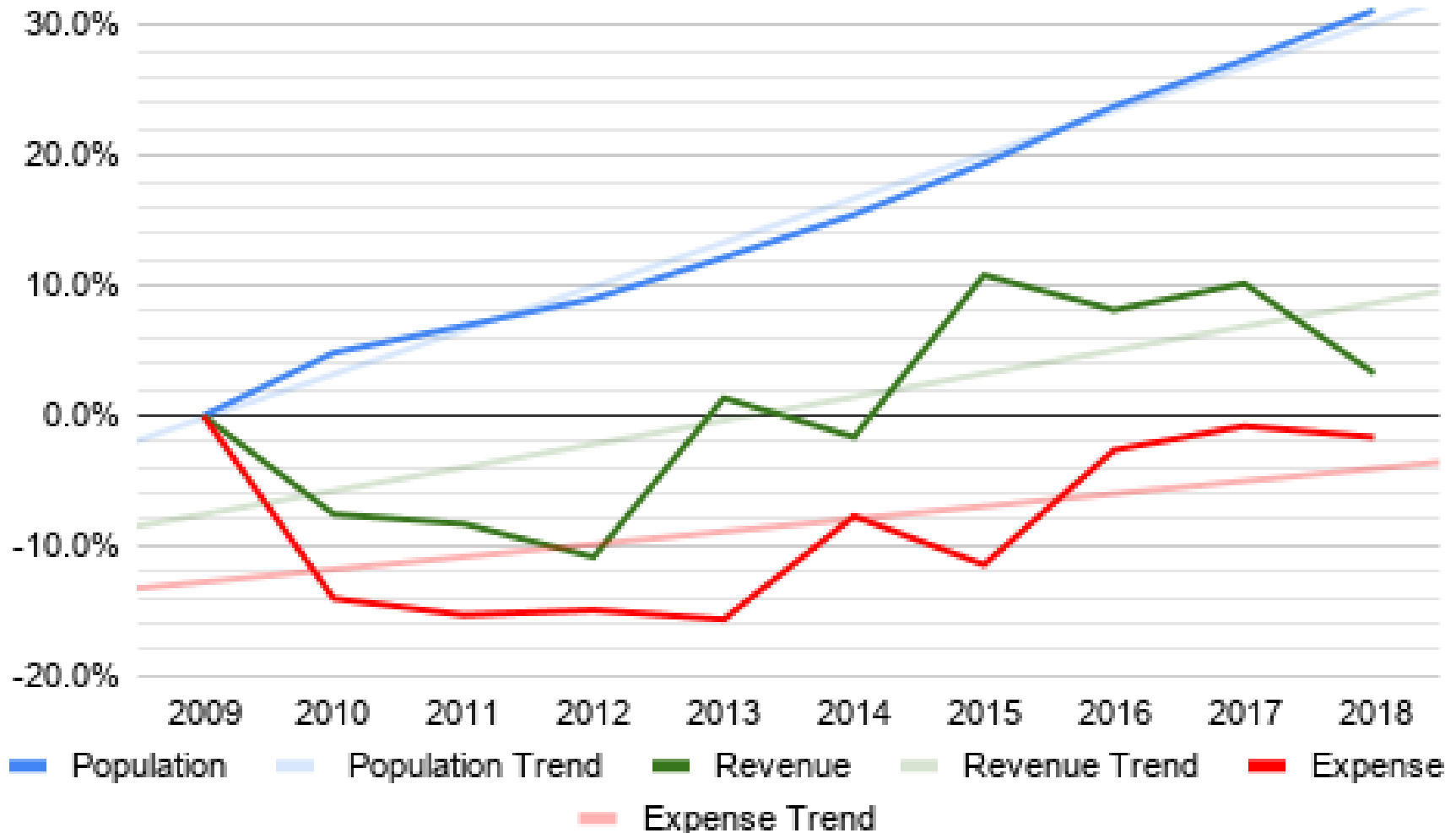




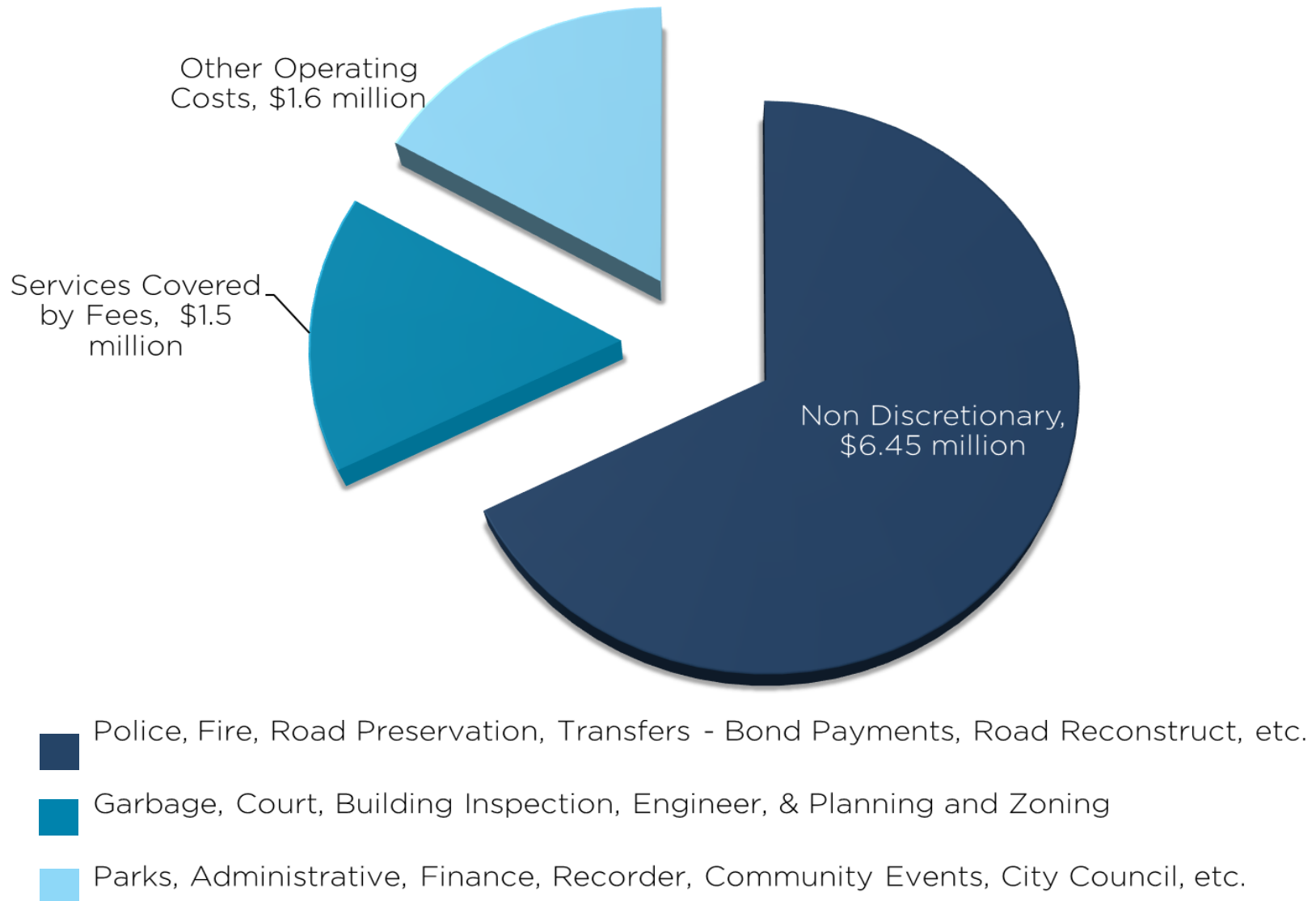
OTHER CONSIDERATIONS

Population, Revenue & Expense Changes for Highland

General fund figures are adjusted for inflation. Base year is 2009



FY2020 Proposed General Fund Allocations



Why not....find it in existing funds?

- Unfunded Needs
 - Park Open Space Maintenance/Improvements
 - Playground Replacement
 - Fleet Replacement
 - Cemetery Fence
 - General Plan Update
 - Maintenance Equipment Replacement

Why not....use reserves?

Fund Balance by Year*

| Budget Year | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|-----------------------------|-------------|---------------|---------------|---------------|---------------|
| Total General Fund Revenues | \$8,602,022 | \$8,603,274 | \$8,865,649 | \$9,135,524 | \$9,389,633 |
| O & M Expenses | \$8,658,507 | \$9,673,073 | \$10,151,473 | \$10,500,449 | \$10,938,642 |
| Capital Improvement | \$0 | \$0 | \$0 | \$0 | \$0 |
| Budget Surplus/ (Deficit) | (\$56,484) | (\$1,069,799) | (\$1,285,824) | (\$1,364,925) | (\$1,549,009) |
| Target Percent Fund Balance | 20% | 20% | 20% | 20% | 20% |
| Fund Balance | \$2,149,190 | \$1,079,391 | (\$206,433) | (\$1,571,357) | (\$3,120,367) |
| Percent Fund Balance | 25% | 13% | -2% | -17% | -33% |

*Updated April 16, 2019

Next Steps

- June 18 – Council Vote on Budget
 - Fee or Tax
- August 6 – Truth in Taxation Meeting
 - If property tax option is taken
- Share information with neighbors.