

SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA

A RESOLUTION OF THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA (SLVLESA) BOARD OF TRUSTEES STATING ITS INTENT TO LEVY A TAX RATE FOR CALENDAR YEAR 2022 THAT EXCEEDS ITS CERTIFIED TAX RATE, THE DOLLAR AMOUNT OF THE ESTIMATED AD VALOREM PROPERTY TAX REVENUE THAT WOULD BE GENERATED BY THE PROPOSED INCREASE, THE PURPOSES FOR THE ADDITIONAL AD VALOREM PROPERTY TAX REVENUE AND THE APPROXIMATE PERCENTAGE INCREASE IN THE AD VALOREM PROPERTY TAX REVENUE GENERATED BY THE PROPOSED INCREASE AS REQUIRED BY SECTION 59-2-919 OF THE UTAH CODE.

WHEREAS, section 59-2-919 of the Utah Code requires that before the Salt Lake Valley Law Enforcement Service Area (SLVLESA) considers to levy a tax rate that exceeds the certified tax rate for calendar year 2022, it must, within 14 or more days before the regular general election, at a duly noticed public meeting, state that it intends to levy a tax rate that exceeds its certified tax rate, the dollar amount of and purpose for the additional property tax revenue and the approximate percentage increase in the property tax revenue based on the proposed increase; and

WHEREAS, the Salt Lake Valley Law Enforcement Service Area (SLVLESA) Board of Trustees (the "Board") wants to make a statement consistent with section 59-2-919 of the Utah Code of the Board's intent to increase budgeted property tax revenue by 16.5% for calendar year 2022 and increase budgeted property tax revenues for calendar year 2022 by \$2,903,624.

NOW THEREFORE, be it resolved by the SLVLESA Board of Trustees as follows:

1. SLVLESA intends to levy a tax rate that exceeds its certified tax rate for calendar year 2022.
2. The estimated dollar amount of additional property tax revenue that would be generated by the proposed increase is \$2,903,624.
3. The approximate percentage of the proposed property tax increase is 16.5%.
5. The purposes for increasing the budgeted property tax revenue are:
 - a. Property taxes within its jurisdiction is the sole source of revenue for SLVLESA to fund law enforcement services for its members.
 - b. Even though the cost for law enforcement services has continued to increase, for calendar year 2021, the Board did not consider a property tax increase for 2021 because SLVLESA was less than 2% below the statutory tax rate cap of .0023.

The Board determined there was no value for the Board to consider a property tax increase if SLVLESA was only 2% below the statutory tax rate cap. In June 2021, the Salt Lake County Auditor determined that the certified tax rate for calendar year 2021 is .001973 which is approximately 16.57% below the statutory tax rate cap. The Board adopted the certified tax rate of .001973 for calendar year 2021. This change in the certified tax rate is due to an increase in assessed property valuations within SLVLESA. With the authority to increase budgeted property tax revenue to meet its needs, SLVLESA did financial projections with an assumed increase in costs for law enforcement services of 5% (which is a conservative projection). Based on the financial projections, a property tax increase for calendar year 2022 is necessary to maintain the financial viability of SLVLESA. Without an increase in budgeted property tax revenue, SLVLESA would need to cut severely law enforcement services. Such a cut would jeopardize the safety of the SLVLESA communities. The Board does not want to cut necessary law enforcement services to the SLVLESA communities.

- c. Compensation and benefits for law enforcement personnel account for 80% to 85% of total cost of law enforcement services. Across the country, the pool of qualified applicants for police officers is limited. Law enforcement agencies within the Salt Lake Valley are competing to recruit from the limited pool of available applicants while they struggle to retain their veteran officers. As a result, law enforcement agencies must remain competitive in compensation and benefits for entry level and veteran police officers. For example, this year, Salt Lake City increased entry level officer pay by approximately 30% and implemented other increases for its existing officers. West Valley then implemented a matching increase in compensation for their police officers. This forced other agencies throughout Salt Lake Valley, including West Jordan and South Salt Lake, to increase compensation for their police officers to remain competitive. SLVLESA will need to work with their contract agency to increase police officer compensation to remain competitive in the market for police officers.
- d. SLVLESA contracts with the Unified Police Department (UPD) to provide law enforcement services to its members
- e. Demand for law enforcement services continues to increase as caseloads rise, populations grow and the use of the canyons and other areas of SLVLESA increase. Increases in budgeted property tax revenue is necessary to meet these demands including the need for additional staffing. For example, it was necessary to increase sergeants in Kearns and Magna to meet law enforcement demands.
- f. The police officers contracted from UPD to provide service for SLVLESA should have up-to-date equipment to do their jobs safely. The costs of this necessary equipment continue to increase. Inflation increases at approximately 2% a year.
- g. Cost for training continues to increase for many different reasons, including the variety of skills today's police officers must have and legislative mandates.
- h. SLVLESA is funded through property taxes which includes the centrally assessed value of utilities, railroads and mining in its jurisdiction, a value that can fluctuate dramatically each year. This tax increase will place SLVLESA at the

statutory tax cap rate increasing its ability to prepare for the future budget needs while being held harmless should centrally assessed valuations decrease causing SLVLESA to be above the certified tax rate.

- i. SLVLESA needs to maintain a healthy fund balance to hedge against unanticipated large expenditures. Projections show that without an increase in budgeted property tax revenue, SLVLESA would, in the next two years, have a fund balance below the statutory minimum of 5%.
- a. Generally, SLVLESA needs additional revenue to meet the increased cost of law enforcement services.

6. The SLVLESA District Administrator is directed to provide notices, letters and resolutions as required by sections 59-2-919, 17B-1-1003 and 17B-2a-903 of the Utah Code so the Board can consider an increase in property taxes for calendar year 2022 at its December 16, 2021, meeting.

Approved this 19th day of August, 2021.

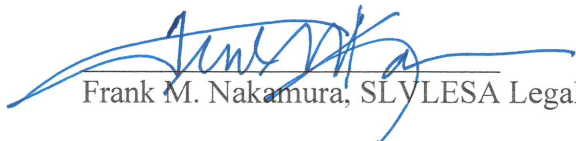
Board of Trustees
Salt Lake Valley Law Enforcement Service Area


Jim Bradley, Chair

ATTEST:


Marcie Kay, SLVLESA Clerk

APPROVED AS TO FORM:


Frank M. Nakamura, SLVLESA Legal Counsel

Trustee Bradley voting Y
Trustee Brems voting Y
Trustee Theodore voting Y
Trustee Flint voting Y
Trustee Olsen voting Y
Trustee Peterson voting Y
Trustee Prokopolis voting Y
Trustee Keigley voting Y
Trustee Stavros voting Y