

Minutes of the Truth in Taxation meeting of the Syracuse City Council held on August 11, 2020 at 6:00 p.m., held virtually via Zoom, meeting ID 815 4627 6280, and streamed on the Syracuse City YouTube Channel in accordance with House Bill 5002, Open and Public Meetings Act Amendments, signed into law on June 25, 2020. Pursuant to written determination by the Mayor finding that conducting the meeting with an anchor location presents a substantial risk to the health and safety of those who may be present due to infections and potentially dangerous nature of Infectious Disease COVID-19 Novel Coronavirus.

Present: Councilmembers: Lisa W. Bingham
Corinne N. Bolduc
Dave Maughan
Jordan Savage
W. Seth Teague

Mayor Mike Gailey
City Manager Brody Bovero
City Recorder Cassie Z. Brown

City Employees Present:

Administrative Services Director Steve Marshall
City Attorney Paul Roberts
Public Works Director Robert Whiteley
Parks and Recreation Director Kresta Robinson
Fire Chief Aaron Byington
Heath Rodgers
Community and Economic Development Director Noah Steele

1. Meeting Called to Order.

Mayor Gailey called the meeting to order at 6:00 p.m. as a special meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Councilmember. Councilmember Bingham provided an invocation and Councilmember Teague led the audience in the Pledge of Allegiance.

COUNCILMEMBER TEAGUE MOVED TO ADOPT THE AGENDA. COUNCILMEMBER SAVAGE SECONDED THE MOTION; ALL VOTED IN FAVOR.

2. Consideration of Final Budget for Fiscal Year 2020-2021. Truth in Taxation Public Hearing and consideration of Proposed Resolution R19-27 setting the certified tax rate and adopting the final budget for the Fiscal Year (FY) ending June 30, 2021.

A staff memo from the City Manager and Administrative Services Director explained that as required by Utah Code Annotated 10-6-118, “before June 22 of each fiscal period, or, in the case of a property tax increase under Sections 59-2-919 through 59-2-923, before September 1 of the year for which a property tax increase is proposed, the governing body shall by resolution or ordinance adopt a budget for the ensuing fiscal period for each fund for which a budget is required under this chapter.” A copy of the final budget for each fund shall be certified by the budget officer and filed with the state auditor within 30 days after adoption.”

The memo further explained the City Council is considering a truth in taxation and raising property taxes by \$220,000 to fund two firefighters moving to full-time status ~\$150,000. The council is also considering benchmark adjustments in the police department ~\$46,000. Finally, the council proposes to fund the additional 2.27% URS pickup for employees in public safety ~ \$15,000 and conversion of seasonal position to p/t ~ \$10,000 in streets.

Since the Council is considering increasing the tax rate above the county certified tax rate, it is considered a tax increase under state law and requires a truth in taxation process. The council just completed a truth in taxation public hearing to discuss increasing the tax rate. The council will now need to decide to accept the proposed tax rate, accept a portion of the rate increase, or reject the rate increase and accept the certified tax rate from the county. The City advertised in the newspaper once individually and once on a county combined advertisement the intent to increase taxes. This increase shows on the property tax bills that were sent to all residents during late July. The tax bill shows that a TNT meeting will be held and gave a date and time of the public hearing.

The memo then explained that prior to accepting public comment, City Administration wished to present information regarding the intent of this hearing. The following is a slide plan for the presentation:

Presentation Slide Plan

1. An understanding of all City revenue sources
 - a. Pie chart explaining how the City receives revenue
 - b. Distinguish sources from taxpayer’s vs other sources

2. Explanation of how property taxes work in Utah
 - a. Understand how property taxes automatically move, even without Council action.
3. Explanation of how, without Council action, inflation erodes the City's capability to provide services.
 - a. Compare inflation impact of 2010 vs 2020
 - b. Explain that property tax from new growth is design to serve new growth, not cover inflation for the entire City.
4. Explanation of where your entire property tax bill goes.
 - a. Understand that vast majority of tax bill goes to places other than the City.
 - b. Understand the amount an average home in Syracuse pays in property taxes to the City.
5. Gain perspective on the total property tax obligation from the City
 - a. Compare property taxes to cost of other consumer or utility goods, such as cable/internet, cell phones, etc.
6. Explain the tax proposal.
 - a. Outline the issues, needs, and goals the City will address with the additional revenue.
7. Explain the financial side of the tax proposal.
 - a. Outline the rate change.
 - b. Outline the amount of revenue to be received by the City.
 - c. Outline the estimated additional payment required from the average residence in Syracuse.
8. Explain some of the outstanding issues that the City is facing, which will not be addressed due to the City's concern for moderating the tax burden of citizens.
 - a. Emphasize the care and concern the Council has for minimizing taxes on citizens.
9. Understand the City's tax rate versus other Davis County cities.
 - a. Emphasize the value citizens receive with lower tax rates and quality services.
 - b. Dispel myths about Syracuse taxes being relatively high.
10. Q and A

Mr. Bovero reviewed the staff memo and used the aid of a PowerPoint presentation to provide additional information regarding the matter before the Council this evening. He noted the City's General Fund is made up of various revenue sources, including sales tax, investment earnings, grants and contributions, property taxes, franchise taxes, charges for services, and other miscellaneous revenues. He provided an illustration to communicate the manner in which the property tax changes from year to year; regardless of a change in values, the tax rate is adjusted to ensure the tax income for the City remains the same. Inflation impacts the City by making it difficult to provide the same level of service from year to year; the value of a dollar in 2020 is much less than in 2010, but new growth requires the City to provide additional services. The property tax formula is not intended to offset inflation. He then provided a pie chart illustrating the manner in which a resident's total property tax paid is divided among the various taxing entities; the portion that comes to Syracuse City is 13 percent, or \$305.02 per year based on the average home value of \$347,000. By way of comparison, the amount a household pays for annual average City property tax is much less than their average annual cell phone bill (\$1,368) or their cable/internet bill (\$1,284). He then discussed the prioritized list of items that will be funded with the additional tax revenue, if the tax increase is approved:

- \$150,000 for 2 additional full-time firefighter/AEMTs (wages, benefits, uniform, etc.).
- \$15,000 needed to cover additional retirement contribution for Tier II public safety employees (SB 129).
- \$46,000 Wage Competitiveness Adjustments in Police, Fire, and Parks & Rec Departments.
- \$10,000 Convert Seasonal Streets position to regular part-time

Without the proposed property tax rate adjustment, the City's rate would drop from 0.001512 to 0.001467. The proposal to adjust the rate upwards to 0.001593 would generate an approximate \$220,000 in additional revenue; this equates to \$18.21 per year or \$1.52 per month for the average residence. Ongoing needs not addressed by this proposal include construction of a Parks Maintenance Facility; West Davis Corridor betterments; development of a Traffic Safety Unit in the Police Department; increase staffing in the Fire Department/Emergency Medical Services (EMS); park improvements; park development; and street repaving projects. Mr. Bovero concluded his presentation by providing a chart comparing the City's tax rate with tax rates in surrounding communities; Kaysville, West Point, Clearfield, and Fruit Heights are also holding truth in taxation hearings to consider a tax increase.

Mayor Gailey opened the public hearing at 6:40 p.m. He stated that tonight's meeting agenda provided instructions for residents to email their public comments to City Recorder Brown by 5:00 p.m. tonight in order for them to be read into the record of the meeting. He asked Ms. Brown to read the written public comments into the record.

Robert W. Bolster wrote: I own the property at 1901 W. 2250 S., Syracuse. Recently I received the notice of re-assessment, up 2 % from last year , from the Davis County Assessor's Office. My rents are off about 20 percent because of the

COVID-19 pandemic, so I requested that my property tax not be raised above last year's level until things return to normal. Last year the taxes were \$9,288.85. Shairise Bills, Confidential Administrative Assistant to the Clerk/ Auditor for Davis County, directed me to speak with you regarding the actual tax which would be applied to my property. So that is what I am doing. Please let me know whether Syracuse can hold off raising my property tax until next year or until things get back to normal .

Mayor Gailey then invited in-person public comments.

Kaye Volk stated she understands there are people who are hurting at this time and that this tax increase may be difficult for them, but as she watched Mr. Bovero's presentation, she realized it is a very small amount for residences and she feels it is very fair. She wished to address the need for increased revenue to fairly pay police officers; she understands that discussions about the need to retain police officers and pay higher wages started before the nationwide unrest relative to law enforcement; she believes that the proposal put before the Council tonight is a good start, but more needs to be done next year and in future years. It is important to educate people how small the tax increase actually is, but that it is being used to pay those that put their life on the line every day to protect Syracuse residents and business owners. She then thanked the Mayor and Council for their service; having served as a Councilmember herself in the past, she understands it is a thankless job.

Wayne Volk echoed the comments made by his wife; after watching Mr. Bovero's presentation and understanding the impact that the loss of R.C. Willey will have on the City, he is not sure how the City can move forward and continue to provide the same level of service. He supports the proposal to raise taxes and asked the Council to vote for it. He stated that he has been friends with Councilmembers in the past who have had to make very tough decisions; the same is true for this current City Council and he encouraged them to decide what is right and what is wrong rather than what is popular.

Linda Johnson stated she is a mother of a Syracuse Police Officer, Casey Johnson, who has 17 years of service with the Police Department. He can retire at 20 years and during his entire employment with Syracuse he has talked about how officers here are not paid as well as their counterparts in other cities and that drives many to look for employment elsewhere. As the Council makes decisions regarding the budget, she would encourage them to think about those Police Officers who take care of this City. It is important to retain quality employees in that Department.

Mayor Gailey then invited input from Zoom participants. No comments were made.

The public hearing was closed at 6:48 p.m.

Councilmember Bingham stated this is a great place to work and live and that is because of the service and dedication of City staff. She wished that economic conditions were not as they currently are so that it would be more palatable to the citizens to accept a tax increase sufficient to support increased wages for Police Officers.

Councilmember Savage agreed; he would like to do the same for all first responders of the City. However, it was too difficult to do this year because so many families in the community are struggling due to the impact that COVID-19 has had on the nation. He concluded his grateful the Council was willing to work together to reach a compromise.

Councilmember Maughan thanked Mr. Bovero for the information provided regarding the problematic State policy that prohibits a municipality from capturing increased revenues based upon inflation. The City is forced to maintain the same level of service year after year, though the value of a dollar decreases from year to year based upon this policy. He agreed with Councilmember Savage that it was appropriate for the City to be more conservative regarding an appropriate tax increase due to the problems created by COVID-19. He also wished it were possible to fully fund the pay increases needed by City staff, but this is the most that can be done at this time.

Councilmember Teague stated he has been so impressed and proud of the effort made by Department Heads of the City to compromise and adjust their needs to develop a budget that can fund an appropriate service level. He wished more could be done as well, but he definitely supports this budget and the associated tax increase.

Councilmember Bolduc stated she also hopes it is possible to address the wage issues in the Police Department next year; she prays that the economy recovers quickly as COVID-19 is brought under control.

COUNCILMEMBER MAUGHAN MADE A MOTION TO ADOPT RESOLUTION R20-27 SETTING THE CERTIFIED TAX RATE OF 0.001593 AND ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR (FY) ENDING JUNE 30, 2021. COUNCILMEMBER BOLDUC SECONDED THE MOTION; ALL VOTED IN FAVOR.

At 6:57 P.M. COUNCILMEMBER MAUGHAN MADE A MOTION TO ADJOURN. COUNCILMEMBER TEAGUE SECONDED THE MOTION; ALL VOTED IN FAVOR.

Mike Gailey

Cassie Z. Brown, MMC

City Council Truth in Taxation Hearing
August 11, 2020

Mayor

City Recorder

Date approved: September 8, 2020