

PERRY CITY COUNCIL
TRUTH IN TAXATION MEETING
PERRY CITY OFFICES
August 11, 2022

7:00 PM

OFFICIALS PRESENT: Mayor Kevin Jepps presided and conducted the meeting. Council Member Nathan Tueller, Council Member Blake Ostler, Council Member Toby Wright, Council Member Dave Walker and Council Member Ashley Young.

OFFICIALS ABSENT: None

CITY STAFF PRESENT: Shanna Johnson, City Recorder
Scott Hancey, Chief of Police
Bill Morris, City Attorney

OTHERS PRESENT: Kelly Billings, Teresa Billings, Mike Sumko, Jeff Dinsdale, Jennifer Dinsdale, Aaron Nielson, Kimberly Durrans, Dave Durrans, Todd Christensen, Don Breinholt, Joe Hillam, Dawn Kern, Jim Kern, Scott Goddard, Paul White, Lorraine Vernon, Tyne Secrist, Trevor Hirschi, Geoffrey Joosten, Darren Bauer, Mike Wood, John T Barker, Kim Barnard, Wendy Owellette,

ON-LINE PARTICIPANTS: Trush, Mark Kunz, MM Dea, Mel Hurst Family, Mark, Dan, Teresa, Dave, Tesla, Doyle, Holbrook, Andrew Watkins, Sabra Benford, Todd Bischoff, Tyra Bischoff, Kenneth Riding, Jacob Andrew, Anna Ostler, Paul Haynie, Melanie Barnhill, Ghislaine Richards, Darcie Vella, Shon Vella, Wesley Frampton

ITEM 1: CALL TO ORDER

Mayor Jepps welcomed and called the City Council meeting to order. He explained that in 2019 the council adopted the procedure of going through the Truth in Taxation process. In order to better understand the certified tax rate and the effect that it had on the city budget. He said that this year the majority of the cities in the state also chose to go through this process. This caused about a 50 percent increase in the Truth in Taxation processes from prior years. He then remarked that local publications showed Box Elder County residential property values have increased approximately 25 percent. As a side note, he heard other counties have had increased property values of as much as 48 percent from this market driven increase. He said of this property tax increase that only about 25 percent (of the increase in the tax bill) was for Perry City. For the average home owner this equates to approximately \$10.00 per month. Since the other four tax entities are receiving the bulk of the tax increase, he encouraged the citizens to go to their public hearings and express their views too.

ITEM 2: PRESENTATION – PROPERTY TAX FOR 2022 TAX YEAR/ FISCAL YEAR 2023

Shanna Johnson thanked the citizens that attended and proceeded to explain her job and responsibilities for the city. She began her presentation (see attached slides) by explaining how an annual tax bill was determined. She said the taxing entity will take the Certified Tax Rate (CTR)

given to them by the state. If the city chooses to adopt the CTR it will give them the same amount of revenue from the prior year plus growth. Otherwise, the city may pass a different rate (see slide 3). She explained the city revenue that will be received if the council selects the CTR compared to maintaining the prior year's tax rate (see slide 4, 5). She said that she had an interesting conversation with the assessor about property tax shifts. Traditionally the economy places the tax burden on commercial businesses but when economy was driven by increased home values, it shifts to a residential tax burden. In addition, if a big business goes out of business then it will effect the tax burden and it will be reflected on the property owner's tax bill (see slide 6). She noted that Perry City went over a decade without a property tax rate increase and during that time, there were things that suffered: capital projects were not completed and operations lacked in their needs. Because of this, in tax year 2020 the city implemented a general policy to consider maintaining a 0.002175 tax rate and agreed that each year they would do a Truth in Taxation process. This process allows the city to get public opinion if they want to continue with capital projects or choose what is in the best financial interest of the city and the citizens. By maintaining that rate the past couple of years, the city has generated tax revenue that has been applied to projects (see slides 7, 8). If the city continues with maintaining this tax rate, the proposed FY2023 tax rate will give a 4.7 percent increase to total General Fund revenue. She explained the three main reasons the increase was needed: increased operation costs due to inflation, staffing and retention, and project progress (see slide 9). She pointed out that 70 percent of short-term project and 80 percent of the long-term projects identified in FY2021 have been funded (see slide 10). For clarification on the new City Hall she explained that property tax will not fund that project. She explained the funds were already in place through lease revenue, capital project savings, land sales, and a repurposing of bond funds previously used for a special improvement bond at Pointe Perry and monies being used to pay the new bond are not part of the tax rate increase (see slide 11). She briefly explained the projects planned in the Perry City FY2023 budget. She noted that there is a cost for progress and that this proposed increase would cost an average residence \$10 a month (see slide 12, 13). She advised that 72.8 percent of the increase people are experiencing on their property tax bill was going to other taxing entities, of which 55 percent of the increase was school related. She hoped the citizens will take the time to research why the tax increase was needed for both Perry City and the other taxing entities. She gave contact information for the County Assessor's office and stated that if they had questions regarding their property assessed values they should contact the Assessor. She also provided a website address where citizens can apply for tax relief programs if needed. She thanked them for attending the meeting (see slides 14, 15).

ITEM 3: PUBLIC HEARING

A. Public Hearing Regarding Proposed Tax Increase for Tax Year 2022 / Fiscal Year 2023

Mayor Jeppsen briefly explained the rule of the Public Hearing then he opened the public hearing at 7:21 pm.

Mike Wood at 2132 S 820 W – thanked Ms. Johnson for the presentation because it answered his questions. He sees that people feel the pain of inflation, yet it is nice to see the house values increased. He is concerned for the children and their future. He said for the last two years the citizens have had their taxes increased and he wanted to see where those taxes went or were going. He said Ms. Johnson did a wonderful job of showing them that information. He thinks the purchase of the Lodge was an excellent decision. He supports what the council is doing and thanked them. He said hopefully we will get a handle on inflation soon.

Todd Christensen at 2325 S Perry Street – pointed out that he was on City Council eight years and they did not have a tax increase during that time. However, they did come close and were nervous about it. He mentioned that one thing they did do, which hasn't changed and was still on his bill,

was a MET (Municipal Energy Tax) increase (with a promise that it would help the city). It was a 6 percent tax through Dominion Gas and one of the ways they were able to avoid having property tax increases. He said that his vote was for the council to adopt the CTR and not increase the current rate. According to his economic and finance background along with other reports there will be a tipping point. He expressed that Utah and the western states where the gas was artificially high has been dropping back to pre-Ukraine War prices. He feels that we have weathered that storm. He was against the Lodge and was concerned because the city could not give him the total square footage of the \$9mil building. He said he knows the tax increase was not for the building or the justification for adopting a higher tax rate. He noted that Perry City was not the only municipality who was raising taxes. He mentioned he read an article that stated municipalities are the cause of local inflation. He understands that Perry was in a particular situation with the bigger communities around it. He said that Perry needs to provide services and provide the people. The economy is fluctuating and moves around and trying to pin it to one thing is difficult. As a prior council member, he understand the need to keep money in the General Fund account but he would like to see the Fund balance at 6 percent and not the 8 percent presented in the budget.

Jeff Dinsdale at 380 W 2500 S – gave the council paper copies of a presentation that he had put together to help explain his concerns. From a spreadsheet, he showed the breakdown of year over year amounts for his 1999 – 2022 property tax bills. He pointed out that in 1999 his bill was \$209.69 and now this year it was \$893.40 which is a 300 percent increase. Next he mentioned road conditions. He used for an example a cul-de-sac near him that he said was installed in 1999 and has not been maintained. He noted that this road has hydro-mining when it rains and the road was past the point of repair. Other road issues he gave were not visible stop signs, stop and yield signs together, crumbling, cracking, and sinkholes in the roads. He showed pictures of unmaintained city property on 400 W 2500 S. and Mountain View Park. He said local residents have tried to clean the area by pulling the weeds so the kids can use the sidewalk. He mentioned that at another park the playground equipment was removed and not replaced. He said the function of the city was to provide a safe, secure place to live and provide basic services. He said if the city was going to continue to increase taxes and ask for more money of citizens he wants something in return and he's not getting it. He expressed his love for Perry City and the great people that live in it.

Lorraine Vernon at 2506 S 400 W– agrees with Mr. Christensen and Mr. Dinsdale. She feels the same that there has not be proper maintenance of the roads. She stated she was on a neighborhood watch and the fire hydrant by her house have not been tested. She said the condition of Mountain View Park was upsetting to her also and there has not been any notice for what was being done for that park. Brigham City has received a grant for new equipment for their parks but she did not see anything like that for Perry City. She expressed her concerns of the budget going up. She suggested for the city to not to make all the repairs or complete projects at the same time. She feels the city should wait until the cost of materials go down in price. In regards to the tax increase she commented about the commercial growth that we don't have and reminded the council that home values shift. She said every time the city raises taxes it never goes down. Then ended by saying that citizen should go to the tax meetings and look what the entities are doing with the tax payers' money.

Paul White at 390 W 2500 S – said he appreciates the information given in the presentation. As he was sitting there he realized that there were pictures of three of his ancestors that were former Mayors of Perry City. He pointed that out because he learned and understands the intangible value of being a member of this community. He wanted to encourage the council to not shift the tax burden to homes (through residential property tax). He recommended they go back and look to see if there was something else that may be done.

Mike Sumko at 220 W 2000 S – said when you attribute tax value to the home it contributes to the increase of inflation. He expressed that he feels the house he has lived in for several years currently

was valued wrong because he was not going to sell it. He expressed that if the value of his home goes down the taxes will not. He said it was very relative and hurts inflation where we are.

Dave Durrans at 2040 S 370 W – agrees with a lot of what other people have said. The previous year he had bashed the old city office building so he was glad to see we saved \$4mil to buy the Lodge. He said in 2014-2022 his property tax have increased 54 percent or an average of 6-8 percent per year. School taxes increased only 19 percent or an average of 2.5 per year. For him the increase in taxes for the Perry line item was more than Box Elder School District. He asked what Perry was doing to justify a threefold increase in taxes over what Box Elder School District did.

Aaron Nielsen at 3057 S 1450 W – said over the years he has worked with city staff and have been successful in finding solutions to problems. He doesn't feel a tax increase was a solution to a problem. He hadn't yet seen his increase in property taxes for his storage unit business. He stated that his customers would feel the impact of a tax rate increase to his business. He said that last year his annual taxes went from \$8,500 to \$29,000 and he passes the increases to the customers, therefore they are dinged twice. He commented that he struggled with the Lodge being called a savings, it might be a cheaper than the alternative but not savings. He proposed that the city does cuts this year suggested they create a panel of citizens to find ways to make these cuts. Maybe the \$48k on the Gun Range, which he said was run by volunteers and funded by the National Rifle Association (NRA), could be one of the cuts. He mentioned endless vehicles leases as another type of cut the city could make. He feels that we as a city could do better and we really don't need to spend the amount of money we are on a regular basis. He offered to be on the panel to make cuts and said his jobs have always required him to create cost savings projects. He recommended making employees responsible for making cuts.

Wendy Owellette at 2410 S Hwy 89 – said her bill reflected a 35 percent increase and she said taxes in Willard are half of Perry City. She wondered what Willard was getting that we are not getting. We have this big business, Walmart, that should have helped bring our taxes down but she does not see that has helped us. She said that sewer and others cost have increased ever since Walmart has come to Perry. She feels that big business hasn't helped us and wondered since Willard doesn't have a big business why they are cheaper than us. She said she does not agree with the tax increase.

Don Brineholt at 531 W 2350 S – expressed with inflation he feels the citizens need compassion from the city, and for the city to hold expenses down for a year or two, until things get back to normal. His property tax bill has almost tripled in the past 25 years. He mentioned that he was retired and on a fixed income and has to look at that side. With the Lodge he said the city took a commercial property off the market and out of the tax rolls and cut their commercial income (through sales tax). He wasn't aware of the Lodge purchase meetings and public hearings and felt it could have been more visible and publically promoted. He voiced the option of the city to hold expenses down this year and maybe not take the whole increase. He said he does understand that costs and wages go up along with everything else.

Jim Kern at 422 W 2750 S – said that as an Architect the original bid of \$9million was absolutely unreasonable for a new City Hall building. He was shocked when he heard we were keeping the present City Hall building. Why are we keeping it, we should sell it to offset the expenses of the Lodge, City Hall building. He said fuel costs have gone up and because of this in his family they have prioritized their needs and got rid of their wants. As a retired person on a fixed income, he was now very aware of where his money was going. He would second what has been said and for us not to be reactionary to inflation when we can see it was very fluid. He remarked that he couldn't go to someone else for additional money and say my taxes went up, so he hopes the City Council would do the same thing. He said live with what you got. He mentioned he was a Safety Range Officer (RSO) a few year ago and the city made money off of the gun range. He saw that last year it was a

\$10,000 expense and this year \$30,000 expense with an estimation of a \$48,000 expense for next year and wanted to know why.

Trevor Hirchi at 619 W 2300 S – echoes what others have said and does not think the Lodge was a wise investment at this time. He gave the analogy that when trees go through a struggle they don't focus on growth they focus on sustaining life. Perry City should do things like that to offset these troubling times because people are on fixed incomes. He stated that he works for the State of Utah and he can't go and say give me more money because they don't do that, it take a long time and you have to go to more schooling and things like that. Adding to Perry Park (referring to Mountain View Park) he asked why the city didn't repair the wooden playground equipment. It was the equipment he grew up playing on and it could have been repaired. He said that it would have been cheaper to fix it than to buy new playground equipment. Inflation will continue to rise and his thoughts were that gas was going to go back up again. He indicated that we can watch and change our driving to increase our fuel economy. Why can't Perry (Public Works and employees at work) do that. He has lived in Perry most his life and he doesn't want to move because of the increase in the cost of living here or even living in or moving from the State of Utah. He said lets make things better for people and not tax them, but help them.

Mayor Jeppsen opened the floor and comments to the on-line participants attending the meeting. At that time there was none so Ms. Johnson reviewed a couple of written comments she received.

Melanie Barnhill who said she was in favor of lowering the tax rate this year but also in favor of the increase to take care of the wage issue.

Anonymous person said they would be in favor of a mid-level increase, between what was being proposed and the certified tax rate, to help with the cost of inflation. They would also like to see if people may choose to opt in or out of capital projects, such as a cemetery.

Jennifer Dinsdale at 380 W 2500 S – said she was not in favor of increase. She stated that her family has changed their life style to live within their means and thinks this was what the city needs to do. For example, she said in order to cut back her family hasn't gone on vacations. As a family, they try to not rely on other things and she didn't like the comment regarding tax relief program option. She said they like to pay for things on their own and do not rely on the government to help them pay for things. She expressed that her friend who worked in the banking industry had recently made three loans for people to pay for groceries. She doesn't think the City Council is aware of how some people are struggling and how this will add to it. She said we have cut back and as a city, we need to cut back and help the citizens in our city.

Don Brineholt at 531 W 2350 S – asked for a second comment and said he was thinking about the 1200 west expansion (he later clarified that he was referring to Maddox Lane). He recommended the city talk to the people involved in that area and get public comments before the city proceeds with taking any land.

Ms. Johnson pulled and read a few new comments that were received from on-line participants.

Kenneth Riding at 390 W 2400 S – said he has lived here for 11 years and seen an increase in property tax every year, but the increase this year was the largest ever proposed. He wrote that he understands small increases as cost rise over time but the proposed amount this year was too much.

Melanie Barnhill – wanted to make sure her email message gets to the council.

Brandon Doyle at 3260 S 1300 W – stated that he agrees with what the residents have said and does not agree with the proposed tax increase.

Suzy Trush 1293 W 3000 S – wrote that if you want to increase the tax rate for Perry she feels they should do it on a gradual increase over five to ten years. She wrote she was on a fixed income and you cannot increase my taxes and expect me to pay a 25.5 percent increase. It was impossible for her to come up with the difference.

Darren Bauer 2727 S 820 W – said he moved here in 2004 and it always seemed everyone wanted to move to Perry, to be the last one and then close the door behind them. He voiced that Perry City and the people living here need to decide what kind of city they want to be. For example, he doesn't think the people use the parks and trails around here. He said the city tries to build an infrastructure that it has a tough time sustaining. These are things that get very small usage but everyone pays for them. They are not well maintained because there was not money for them. He recommended the city doesn't start or install something they can't sustain or maintain. He acknowledged the strong volunteer spirit in Perry but suggested the city shouldn't depend on it. He asked if we want the barebones of basic needs and what were our priorities, because we can't have everything. He said that the city needs to collectively decide what was important to us. It seems like right now it is just the basics because of inflation.

Ms. Johnson read a couple more on-line comments.

Darcy Vella - said she appreciates all the feedback and perspectives shared. It was good to hear what others think and noticed that we all have different windows from which we see. She was not in favor of any tax increase at this time but was open to see what was promised in the past come to fruition. She feels maybe if the citizens of Perry saw more what was promised delivered.

Andrew Watkins – remarked that the City Hall building will be a good investment for the city. Time will tell how much this building will be needed as well as the current building for Public Works. He said over the last four years an abundance of deliberation, visits to different city hall buildings, and consideration to future needs has been invested into this decision. Financial decision are difficult especially during a year like this. These decision are a culmination of many hours of input and deliberation. He was grateful to have a chance to give and was able to listen to input, then thanked City Council.

Scott Goddard 785 W 2820 S – wanted to suggest the city purchase a helicopter for the police to use the heliport on back of the lodge. He said it was just a consideration.

Kim Barnard 3000 S – echoed sentiments that the taxes are way too high and higher than anyone else's tax. These increases are taxing her out of keeping her property. Her bill has gone from approximately \$200 to \$1,000 and she disagrees that taxes need to be that high. She asked that they take a hard look at this while they think of people on fixed incomes who can't afford this high of a tax increase. She told the council she appreciated all they do.

Sabra Benford 615 Independence Circle – appreciated all who have spoken. She would like to see taxes not jump so high, but wants to see things done for the taxes the citizens do pay in. The excesses are fun when the city can do them and we all like that. She next stated that she has lived in Perry for 26 years and never seen her fire hydrants tested, but they have painted it over the years. She said the streets are sad and that her street is in such disrepair that it needs to be ground down and totally redone. She knows the cost of that will be extreme compared to the cost for just

maintaining it. She has noticed there were many roads in Perry that need this service and was concerned for the amount of money it will take for these improvements. Another issue of concern was for a city cemetery, which is good but it comes with lifetime maintenance. The city is responsible, with your tax dollars, to maintain that landscaping. She said before we considered a city cemetery we should fix the roads, fire hydrants and road signs.

Trevor Hirchi - commented that LED lights are good for savings but bad for health in the long-run. He has studied health biology lighting circadian rhythms and found that LED streetlights are bad and that there are better options for the city.

Mike Wood – recommended that the city newsletter highlight some of the city projects that are getting done. He said that would probably make the citizens feel better. He mentioned that last year he attended this particular meeting and asked for the city to be slow with their tax increases and wanted to reiterate it again this year. He hoped the city could take less of the proposed 25 percent increase, because of inflation.

Ms. Johnson read an on-line comment from Melanie Barnhill who pointed out that it was really helpful to attend city public meetings that are available almost on a weekly basis. It has helped her to understand the workings of the city and given her an understanding of all that goes into a city. She said she recommends it to everyone.

Council Member Tueller thanked everyone who attended the meeting and appreciated their comments. He said the doors were always opened and they liked to hear other's ideas. There were great things (with the city) that have happened behind the door and are not always communicated. He said the council was open to be contacted and the more input they get the better decisions they will make.

Council Member Wright said he was a citizen just like all in the room and it's also hard for him to have the taxes increased. He pointed out that he currently pays \$800 a month for gas and he doesn't know if that will change. All he knows was what he can do right now. This city is great and he understands that there are many roads that need repair or to be replaced. He mentioned that he has heard of cities that are removing asphalt roads because of the high maintenance cost. He said he doesn't know what a good solution is but he loves the city as much as the citizens. They may call him anytime. He said he wanted to help the city but some of the decisions are difficult. He expressed that he wanted the citizens to know that when the council and he make a decision it was well thought out and not just done on a whim. And some have even taken years to make.

Council Member Walker said he agreed with Council Member Wright. He commented he was thankful for the people who came out. He appreciated when people took the time to study things. . He mentioned that he had someone who had gone through the budget and packet before they called to ask him questions.

Council Member Young said that we are all on the same team, we are all citizens. Then noted that Ms. Johnson and Mr. Barnhill are very helpful when information is confusing. She recommended that the people call them when they have questions or need a more in depth explanation.

Mayor Jeppsen thanked everyone for their participation adjourned the Truth in Taxation public hearing.

ITEM 4: ADJOURNMENT

The meeting adjourned at 8:26 p.m.

Shanna Johnson, City Recorder

Kevin Jeppsen, Mayor

Anita Nicholas, Deputy Recorder