

**HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting
August 15, 2023**

APPROVED 9.5.2023

7:00 p.m. Special Meeting - Truth in Taxation

I. TRUTH IN TAXATION - 7:00 P.M.

1. Call to order (Heidi Franco, Mayor) -

Mayor Franco called the Special City Council Meeting to hold a Truth in Taxation Public Hearing to order at 7:01 p.m.

City Council Present:

Mayor Heidi Franco
Council Member Yvonne Barney
Council Member Mike Johnston
Council Member Rachel Kahler
Council Member Scott Phillips
Council Member Ryan Stack

Staff Present:

City Manager Matt Brower
Assistant City Manager Mark Smedley
Finance Manager Sara Nagel
Community Development Director Tony Kohler
Planning Manager Jamie Baron
City Engineer Russ Funk
City Attorney Jeremy Cook
Police Lieutenant Branden Russell
City Recorder Trina Cooke

Staff Participating Remotely: Assistant City Manager Mark Smedley and Public Works Director Matthew Kennard.

Also Present: Eric Carlson, Linda Middleton, Rob Winder, Patty Sprunt, Wendy Kunkle, Del Barney, Jeff Olsen, Colleen Oshier, Bob Morrison, June Marsh, Tori Broughton, and others who did not sign in or whose handwriting was illegible.

Also Attending Remotely: (names are shown as signed in) Aaron Cheatwood, Danny Hill, cf, Kelli, KPCW Radio, The Wave, and Shorty.

II. PUBLIC HEARING:

1. Staff Report Public Hearing for Truth in Taxation Fiscal Year 2024 (Sara Nagel, Finance Manager)

Heber City Finance Manager Sara Nagel explained that governmental entities in the state of Utah were required to complete the Truth in Taxation process in order to implement a tax increase. She provided an overview of the process. The reason a tax increase was needed in Heber City was to cover the cost of an additional employee needed and the cost of living increase and merit increases for City employees. The tax increase proposed by Heber City was 8.06%. The dollar amount was \$27.02 on an average market-rate home in Heber. She shared an image to show how tax-payer money was allocated for the cost of running the City.

Mayor Franco opened the Public Hearing at 7:09 p.m. for public comment.

Heber City resident Linda Middleton asked if the City followed the state-implemented algorithm that the County used. Mayor Franco informed that the City did not assess property values, but rather the County. Mayor Franco referred Ms. Middleton to the County. Ms. Middleton felt the residents in Utah cities and the businesses were the pillars of societal health. She said her home taxes went up \$200 the previous year. She asked the last time the City had increased taxes. City Manager Matt Brower answered that the City had only three tax increases in the past 25 years with the most recent in 2020. She felt every entry into the community was annexed into Heber City. As a resident committed to the community, Ms. Middleton felt Heber City was targeted. The businesses were leaving town. She had to go to Provo to visit businesses. She felt the tax increases were being piled on. She noted the inner corridor of Heber City was walkable. She felt Heber City was the target of the surrounding entities. She wanted the entry-ways into Heber to present a welcoming first impression to entice people to shop and support the businesses. She felt the City was not getting the help from the State, who owned Highway 40. Council Member Phillips informed that the following year would bring a commercial tax increase, alleviating the burden of an additional tax increase on the residents.

Aaron Cheatwood asked if there was an additional headcount added for City employees or if just existing employees would receive the cost-of-living pay increase. The cost of living increase was for existing employee's city-wide. He asked if it was the same for the 3% merit increase. Mr. Brower explained the merit increases were only for the employees not maxed out on the pay scale. Mr. Cheatwood asked how the City would cover the costs of the pay increases and an additional employee if the tax increase was not approved. The answer was that the City would have to take the money from its reserves. Mr. Cheatwood pointed out the decision did not allow more spending but rather prevented the City from reaching into its reserves. He was pleased to see the City was keeping employees employed and that the City was aware of the reality of inflation. He was pleased there had been consideration as to who was given merit increases. He loved the trees and the City's beautification projects.

Colleen Oshier asked how property values were assessed. She asked how her taxes had almost doubled when her property value had decreased. Mayor Franco and Finance Manager Sara Nagel did not know the answer to how the County assessed property values. Mayor Franco recommended Ms. Oshier take her concerns regarding her property tax increase to the County's Board of Equalization meeting. Mayor Franco suggested that Ms. Oshier go to the County Assessor's office as well to question how home values were assessed. Council Member Phillips recommended filling out an online form for assistance with property tax. He felt the Board of Equalization was easy to work with when a homeowner was able to provide home value comparisons.

Heber City resident Patty Sprunt expressed appreciation for the services provided by the City. She asked if the Council would be present at the Wasatch County School District Truth in Taxation meeting the next night to represent the residents of Heber City. She said her taxes had continued to go up since she had returned to Utah. The proposed School District tax increase would raise her house payment an additional \$200 per month. Ms. Sprunt wondered if she would have to work until she died. She expressed gratitude for the information to receive property tax relief, especially for her elderly neighbors. She read a quote from Jason Gardner, a spokesperson for the Utah State Tax Commission, who said that as property values went up, property tax should go down. She read a quote from Krista Albert of the Wasatch County School District that stated there would be no increase in property taxes because of the lease revenue bonds funding strategy. She wanted to know why the School District was proposing a 47.5 % tax increase. She was sad to see how few citizens had attended the City's Truth in Taxation Public Hearing. She thanked the Council for listening.

Kelli commented online that she wished to echo Ms. Sprunt's comments and that she, too, was worried about being taxed out of her house.

With no further Heber City residents coming forward to comment, Mayor Franco closed the Public Hearing at 7:34 p.m.

III. ACTION ITEMS:

1. Adopt Resolution 2023-13 Adopting a Certified Tax Rate for Fiscal Year 2023 - 2024 (Sara Nagel, Finance Manager)

Council Member Johnston pointed out the tax rate had lowered across the City due to home values increasing. He noted it was important for the City to remain fiscally sound and felt Heber City was very well-run by Staff. The tax increases needed to keep up with inflation.

Motion: Council Member Johnston moved to adopt Resolution 2023-13 adopting the Certified Tax Rate for Fiscal Year 2023-2024 as proposed. **Second:** Council Member Phillips made the second.

Discussion on the motion: Council Member Barney thanked the concerned citizens who had attended the Public Hearing. She noted the issue of necessary tax increases was being felt nationwide. She wanted the community to know she had the same concerns but felt it was important to take care of the Staff that took care of the City. She added that the decision to impose a tax increase had not been taken lightly by the Council. Mayor Franco added that the Council was not escaping the property valuation assessments and tax increases. The Council Members and City were experiencing the effects of inflation as well. Mayor Franco noted the great quality of life Heber City residents experienced.

Voting Yes: Council Members Kahler, Johnston, Barney, Stack, and Phillips. **Voting No:** None. The **Motion Passed Unanimously, 5-0.**

2. Adopt Resolution 2023-14 Adopting the Final Budget for Fiscal Year 2023 - 2024 (Sara Nagel, Finance Manager)

Mayor Franco noted how much the population and the budget had grown in the nine years she had been on the Council.

Motion: Council Member Phillips made the motion to approve Resolution 2023-14 to approve the final budget. **Second:** Council Member Stack made the second. **Voting Yes:** Council Members Kahler, Johnston, Barney, Stack, and Phillips. **Voting No:** None. The **Motion Passed Unanimously, 5-0.**

IV. ADJOURNMENT:

Motion: Council Member Phillips made the motion to adjourn. **Second:** Council Member Kahler made the second. The meeting was adjourned at 7:45 p.m.



Trina Cooke, City Recorder