

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting
August 20, 2024

APPROVED Minutes

**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 Heidi Franco called the meeting to order at 7:00 p.m. and welcomed everyone present.

City Council Present: Mayor Heidi Franco
Council Member Yvonne Barney
Council Member Aaron Cheatwood
Council Member Mike Johnston
Council Member Sid Ostergaard
Council Member Scott Phillips - Remotely

Staff Present: City Manager Matt Brower
Finance Director Sara Jane Nagel
Planning Manager Jamie Baron
City Engineer Russ Funk
City Attorney Jeremy Cook
City Recorder Trina Cooke
Chief of Police Parker Sever

Staff Participating Remotely: IT Director Anthon Beales, Human Resources Manager Cherie Ashe, Public Works Director Matthew Kennard, and City Engineer Russ Funk.

Also Present: Linda L Middleton, Grace Doerfler, Carole Gallagher, Chuck Kelly, Annie McMullen, Jane Marsh, and others who did not sign in or whose handwriting was illegible.

Also Attending Remotely: (names are shown as signed-in online) TMT, Shorty5, Luke Searle, Kim D, Kelli, Jeffrey Kim, Janine H., and Jami Hewlett.

II. PUBLIC HEARINGS:

1. Public Hearing Truth in Taxation (Sara Nagel, Finance Manager)

Finance Director Sara Nagel shared the guidance offered by the office of the Utah State Tax Commission for the public hearing process. She explained the purpose of the proposed property tax increase was to balance the City's budget, mitigate the City's reliance on sales tax revenue, and to combat inflationary pressures. Ms. Nagel described the Truth in Taxation process requirements the City had to meet in order to increase property tax as outlined by the State. She provided examples to help homeowners calculate the effect on their property taxes and listed the services the taxes paid for.

Mayor Franco opened Public Hearing for public comments at 7:14 p.m.

Carole Gallagher asked where the Fire Department representation was found. Mayor Franco answered that the Fire Department was under County jurisdiction. City Manager Matt Brower referred to the slide that showed the Fire District received 4.5% of all property taxes. Ms. Gallagher suggested enlarging the slides or providing the attendees with paper copies as she found them difficult to see.

Jane Marsh asked how the home value was determined and how the new developers were contributing. Mayor Franco explained that home valuation was under the County's jurisdiction and that developers paid impact fees. Mayor Franco described the transition from home development by the developers to the homeowners, who would then be assessed property taxes. Ms. Marsh indicated she owned two homes in Heber and was being charged a higher rate for the second home.

Linda Middleton lived off Southfield Road. She expressed dissatisfaction with the constant construction vehicles traveling on Southfield Road through her neighborhood. Her home value had gone up every year except last year because she had the County Assessor come to her home to see that her basement was unfinished. She wished to express, on behalf of her neighborhood, the difficulty faced by people on a fixed income. She did not feel the home valuations were appropriate. She felt the City Council Members should be representing her and the City residents to the County Council, the Legislature, and all the way to the President of the United States. She felt the development had hit like a rock and was upset about hail damage, water damage, the dump trucks, constant construction, noise, and light pollution. She wanted the City Council to understand that they should not represent industry and she was tired of paying for development. Ms. Middleton stated the residents who lived in Heber City were paying for the new construction and the City could not afford a new cemetery building and artwork everywhere. She asked that the Council represent the residents better.

John Heinie read the property tax revenues projected by the City in the past 3 years: in 2022, 2.2 million dollars; in 2023, 2.3 million dollars; in 2024, 3.1 million dollars. He wanted to know how the numbers were established and why the City had not met the targeted amount. He felt that if the City had met the projected amounts, the current meeting would not be necessary. City Manager Matt Brower explained that the City's budget process began in January, before the benefit of the assessment values were available. Therefore, the City began the budget process using estimated amounts. Mr. Heinie acknowledged the County-level assessment process but asked that the City better represent the citizens. He wanted the City Council to hold the County accountable. He provided examples of local business assessments that he felt were highly inaccurate and suggested the City hire a data analyst. He asked the City to look to Moab and find out why they have had no property taxes in 30 years. Council Member Johnston pointed out that Moab received resort tax revenue that Heber City was unable to assess. Mr. Heinie offered to help the City if needed. Mr. Brower noted the City had imposed only five tax increases in 27 years.

Annie McMullin had lived in Heber since 1979. She had worked her entire life and had served a term on the Wasatch County Council. She asked why the solution was always for the City to raise taxes and felt the City should live within its means. She saw only growth when she looked around the City. Ms. McMullen recognized that the County benefited more from property tax but noted the City benefited more from sales tax revenue. She acknowledged it was not a large tax increase the City was asking for but it all added up collectively. Her house had been reassessed and her payment had gone up \$530 a month and all her utilities and services had gone up as well. Her Social Security had increased only \$87 per month the previous year. Everything added up and it was difficult for aging residents to continue to stay in their homes. She wished to remain in Heber but was struggling with all the increased costs. She asked what the additional revenue the City was seeking with the proposed tax increase was needed for. She wanted to see the slide exhibiting what property taxes paid for. She did not think there was enough crime to warrant the amount being dedicated to the police department. She reminded Council that a large portion of the population was aging and felt they were being priced out. She felt the logical solution to the traffic problem was for the bypass to go directly through the North Fields. Further discussion with Council regarding the bypass ensued.

Kelli Gomez, participating online, felt the residents were feeling squeezed from every direction with prices going up everywhere. She wondered if, within the budget, other things could be cut in order to not add pressure to the residents with another tax increase. She felt the City was trying to grow too much, especially with the Olympics coming, and did not feel that most of the residents could support the growth. City Manager Matt Brower explained the budget process, inflationary pressure, and measures taken by the City to reduce added costs where possible.

Jami Hewlett, participating online, felt the pressure of increased prices. She wondered why, with the value of houses automatically going up and increasing the taxes paid residents which would generate higher tax revenues for the City, the City needed to impose another tax increase. The Mayor explained that the City's property tax revenue did not increase with the increased valuation of homes. The Truth in Taxation process allowed the City to increase its revenue with a minimal tax increase. Ms. Hewlett had noticed that Moab did not allow density to increase. She said Moab had done a study showing that the residents paid for themselves for seven years, then became a liability. She felt it was inaccurate, as more people moved in, there were more schools, teachers, and police officers needed, which increased taxes. She asked why the City pushed density instead of commercial development that would make the City money. City Manager Matt Brower explained that the City tried to balance the residential and commercial development to provide the most cost-effective services it could. Ms. Hewlett stated there were a lot of older people awaiting their parent's death in order to get a free house but were concerned with the high property taxes preventing them from doing so, and that didn't include the price of their home because they would be inheriting it. She was wondering what the City could do for those types people whose parents were 90 and they were 70, living on a fixed income, trying to move back into their homes, and could not afford the taxes. Mr. Brower said the City could only control what they controlled, and the City did try to keep the organization small as the City grew in order to help minimize the impact on situations such as Ms. Hewlett described. Mayor Franco advised Ms. Hewlett of the County's Board of Equalization that residents could appeal to in order to pay a reduced property tax rate. Mayor Franco added that there was a certain level of income requirement that needed to be proved and suggested Ms. Hewlett reach out to the County Assessor's Office.

Lynda Middleton proposed the City not give any more of its land away to the State or Federal Government, or to developers; to not pave Heber anymore; use the parking lots it already had; lower the speed limits; preserve the climate; and if the City needed to raise taxes to keep Heber, Heber, so be it.

Chuck Kelly asked if the County did a Truth and Taxation process as well. He asked if the City Council would be amenable to attend the County's Truth in Taxation meeting to represent the residents. He felt it would be appropriate for the County to go through the Truth in Taxation process as they reassessed the local homes at such higher amount. City Manager Matt Brower informed that residents were able to take their concerns to the County Council. Council Member Cheatwood Aaron indicated his willingness to advocate on the resident's behalf.

Carole Gallagher asked about the contribution of developers' impact fees for schools, roads, structures, and the fire and police departments. Mayor Franco replied that it was currently not legal to charge impact fees for schools, but developers were charged impact fees for all other amenities in the community. Ms. Gallagher asked where she could find the impact fees in order to be better informed.

Mayor Franco referred her to the Consolidated Fee Schedule found in the Budget document and on the City website. Special Service District fees and County fees could be found on their websites. She described the legal standards the City was required to meet to impose impact fees. Mr. Brower provided Ms. Gallagher with his card and invited her to contact him for further discussion.

Jane Marsh asked the Council to try to live within their means. She appreciated the Budget book information. She said the tourism department was asking for a million dollars for a new conference room. Mayor Franco advised the tourism department was through the Wasatch County.

With no further members of the public coming forward to comment, Mayor Franco closed the Public Hearing at 8:18 p.m.

III. ACTION ITEMS:

1. Resolution 2024-08 Adopting Fiscal Year 2024-2025 Budget Including the CRA (Community Reinvestment Agency) Budget (Sara Nagel, Finance Manager)

Each member of the Council expressed gratitude to the public for their attendance and comments. They noted that Council had held many lengthy discussions to arrive at the decision to propose a tax increase. It had been a difficult decision for each of them. The Council thanked Staff for their hard work on the budget. Mayor Franco noted that item two on the agenda to adopt the certified tax rate needed to be approved before the budget adoption and moved the meeting ahead to agenda item two.

Motion: Council Member Johnston moved to approve Resolution 2024-08 adopting the 2024-25 Fiscal Year budget as presented. **Second:** Council Member Cheatwood seconded the motion. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. The **Motion Passed Unanimously, 5-0.**

2. Resolution 2024-09 Adopting a Certified Tax Rate (Sara Nagel, Finance Manager) - *10 min*

Motion: Council Member Cheatwood made the motion to adopt Resolution 2024-09 adopting the certified tax rate as presented. **Second:** Council Member Johnston made the second. **Voting Yes:** Council Members Phillips, Ostergaard, Cheatwood, Barney, and Johnston. **Voting No:** None. The **Motion Passed Unanimously, 5-0.**

IV. ADJOURNMENT:

Motion: Council Member Cheatwood made the motion to adjourn. **Second:** Council Member Barney made the second. The meeting adjourned at 8:35 p.m.



Trina W Cooke
Trina Cooke, City Recorder