

## ALPINE CITY COUNCIL TRUTH IN TAXATION PUBLIC HEARING

Tuesday, August 23, 2022

### I. CALL MEETING TO ORDER

Mayor Carla Merrill called the meeting to order at 6:04 pm.

- A. Roll Call:** The following were present and constituted a quorum: Lon Lott, Jessica Smuin, Kelli Law, Greg Gordon, Jason Thelin
- B. Prayer:** Jessica Smuin
- C. Pledge:** Lon Lott

Staff: Shane Sorensen, Craig Hall, Heidi Jackman, Chief Brian Gwilliam, Chief Brian Patten, Bonnie Cooper

Others: Kerry Smith, Marianne Smith, Ron Rasmussen, Kathy Rasmussen, Jamie Hultquist, Michael, Johnson, John Magnusson, Bob Field, John H. Clark, Julie Harps, Phil Lammi, Whitey Anson, Will Jones, April Cooper, Steve Burrows, Steve Jorgensen, Amanda Collins, Brig Lambert, Bill Hesterly, Lynn Armistead, Kelly Hutchinson, Mrs. Kelly Hutchinson, Val Killian, Stephanie Herrera, Morgan Brown, Morgan Brown, Rachelle Maritn, Gordon Jacobson, Andrew Young

### II. Truth in Taxation Public Hearing

#### A. Presentation of the Proposed Tax Increase and FY2023 Budget

Mayor Carla Merrill explained why a tax increase was needed in Alpine City. Lone Peak Public Safety District (LPPSD) was down five police officer and we needed qualified candidates. The fire department also went from parttime employees to full time. That meant an increase to payroll which included health benefits. The LPPSD accounts for two thirds of the tax increase. Part of the increase is also due to the firehouse remodel and repayment of bond. Costs of anything has gone up including materials. The bid for Creekside Parks pickleball courts went from 140K last year to 280K this year a 50% increase. The city staff cut the costs of the pickleball courts by having city staff do as much work as possible. The city is ran by 13 full time employees a one part-time employee with six seasonal employees. Many of the full-time employees have multiply job titles and responsibilities. Along with being cross trained to cover for one another and help each other. Therefore, the city is asking for this tax increase.

Shane Sorensen presented the proposed tax increase, the truth and taxation that is required by state law. Without an increase, property tax revenue remains flat with a slight increase for new growth. The allocation for new growth for FY2023 \$44,728. Recommendation for additional revenue hold the rate 2021 at 0.001306% for 2022 + 36.87% for city portion. That would mean if your homes market value were \$100K you would have an increase of \$1.61 per month. The median home value in Alpine is \$868K which would calculate to approximately \$14.02 per month. This means an added revenue to the city of \$730K. The city would use the additional revenue for the increase wages for LPPSD at \$267K. Replace \$250K in sales tax revenue to secure fire station sales tax bond. The firehouse was built when Alpine City had a volunteer fire department. This was before anyone needed living quarters. The plan for the fire house is to have enough living quarters a new entrance for the trucks and addition of a community center. Other item that would be using the additional revenue funds would be for water system improvements, increased street maintenance, Staff has had several residents telling us that they want better roads. Residents have told city staff that they are willing to pay more taxes to have better roads. Grove Drive realignment to address safety concerns. The city wants to have an aggressive plan so that when an issue arises so we can address them.

Shane Sorensen explained the changes to the LPPSD budget. Police had their salaries increase for recruitment and retention of officers. Police also some of their vehicle's replaced. There was a resident that made a sizable donation that the police purchased new firearms. Fire department increased wages for recruitment and retention of employees. Some of the fire departments part-time employees went to full-time positions. Fire department increases two ambulances that way they can go on multiple calls. The fire department has had very low morale in the past. The new fire chief, Chief Brian Patten things have really turned around for the better. Alpine City's portion of the LPPSD costs  
CC 8-23-2022

are police 34.12% and fire 36.7%, the remainders is taken care of by Highland City. The overall increase from FY2022 to FY2023 is \$266,797. The police went up by 66% and fire went up by 33%. Construction cost increases have gone up since January 2021 by 113%.

Shane Sorensen explained where Alpine City residents' property taxes goes. The largest portion goes to Alpine School District with 71%. Utah County take 8%, Alpine City takes 15% and county water takes 4.15% of resident's taxes. He gave an example of a property within the city that is worth \$709K, the city would receive 15.87% of the property tax collected. He gave a summary of the past 20 years of property tax increases; they are as follows:

- 2006: Taxes increased by approximately \$15.79 per year for three new police officers.
- 2007: Taxes increased by approximately \$16.80 per year for street maintenance.
- 2011: Taxes increased by approximately \$133.50 per year for LPPSD wage increase.
- 2019: Taxes increased by approximately \$129.69 per year because Cedar Hills left LPPSD which caused Alpine City's portion to increase.
- 2022: Proposed tax increase of approximately \$196.96 per year for LPPSD wage increase, Firehouse Bond, Capital Improvements.

Shane Sorensen gave some comparisons to other cities. Highland City has something they call a public safety fee, this fee is \$15 a month per household. Highland City also charges a fee for street maintenance fee of \$18 per month. Some of Highland City residents that live adjacent to open space also pay a monthly fee. Maintaining level of service in public safety and continued funding for capital projects that are not funded by enterprise funds. Alpine City does not charge any of the same fees as Highland city. The county and state have some tax abatement options for if a resident living on a fixed income and are unable to afford the tax increase. To qualify for an abatement there is a link on the back of the resident's property tax notice.

<https://www.utahcounty.gov/Dept/ClerkAud/TaxAdmin/Abatements/index.asp>

## **B. Public Hearing on the Proposed Tax Increase**

Mayor Carla Merrill opened the public hearing portion of the meeting. Giving instruction to the public that each person had two minutes. Asking resident to try not to repeat anyone's comments but to just add any additional comments they might have reminding them of the regular meeting following.

**April Cooper**  
**717 E 100 S**

*April Cooper thanked Shane Sorensen and Mayor Merrill for the information presented tonight. She asked where she could find the current budget on the website.*

Shane Sorensen instructed Ms. Cooper on where to find the budget on the website. Jason Thelin offered Ms. Cooper a copy of the budget. \*(a copy of the budget is available on [alpinecity.org](http://alpinecity.org) website or at City Hall 20 N Main Street)

**Kerry Smith**  
**886 S 1230 E**

*Kent Smith thanked the Mayor and City Council members for meeting with him during the past week. He purchased his house in 2010. The value of the house has gone up 35% from 2010 to 2020. He explained that he had researched Cedar Hills and Lindon City to compare tax increases and revenue. Property 182% revenues 2023 228% increase. I'm sure we can all do the math. 145% have increased since moving in 2010. He said Alpine spends 30% more than Cedar Hills. Public safety has increased considerably. It seemed to him that all the city's revenue is going to safety instead of infrastructure.*

**Phil Lammi**  
**375 Silverleaf Drive**

*Phil Lammi said he returned to Alpine from California. Many of the council know that he is a libertarian and believes taxes are a theft of the citizens. He said he has a streetlight that is out for some time now. He was not sure if that is the city's responsibly but would like it fixed. He suggested there are other ways the city can bring in income/revenue into the city. He suggested doing some rezoning for small businesses to come into Alpine. The city could capture the money that goes to highland or Cedar Hill.*

Shane Sorensen said Rocky Mountain Power is responsible for streetlights that are out. He suggested that Mr. Lammi call City Hall and ask them for help getting the light repaired.

**Greg Clark**

**114 W Cascade Ave.**

*Greg Clark said whenever there is an increase for a police or safety that is understandable. He suggested maybe the city should hold off on other non-essential projects throughout the city such as putting in a pickleball court and remodeling the fire house.*

**Bob Field**

**433 N County Manor Lane**

*Bob Field asked the council if they were aware of a petition that had been around the city. The petition was regarding the status of the Alpine Cities finances.*

Shane Sorensen said the city was aware of the petition. He addressed that the information was misleading. He said the city is stable financially.

*Bob Field said he had moved to Alpine from California. In California they had a Proposition Bill 13 which was called The Howard Jarvis. The bill was for those that had their home values increase but could no longer afford the higher taxes. The Jarvis bill would allow the resident to stay in their home without losing their homes.*

Mayor Carla Merrill said residents can apply for a tax abatement through the county. A bill like the Jarvis bill would need to come from the state legislator. A bill like that could not be done at a city level. A bill like that may come up next year at the state legislator.

**Kelley Hutchinson**

**239 Fort Creek Drive**

*Kelley Hutchinson said he appreciated the work that the city council is doing and the public safety district. He understands because he worked for a city in the past. He also worked for a city. He feels that he doesn't live in an expense part of Alpine. He is now on a fixed income. He asked if the city would be open up to finding other avenues to find income for the city.*

**Lynn Armistead**

**400 Westfield Road**

*Lynn Armistead said his property evaluation has double since he moved in. He said he is familiar with land use issues and has worked on them in the past. He knows many of the Alpine residents want Alpine to remain a small town with the small-town feel. He said now that we have increased the population of Alpine City the property values have increased.*

**Amanda Collins**

**1593 Rosanna Lane**

*Amanda Collins said she feels this tax increase is unconstitutional. She suggested the council and city find tax dollars from a different source.*

City Attorney Craig Hall explained to Ms. Collins that the tax increase was not unconstitutional.

**Jerry Bitter**

**1040 E Alpine Drive**

*Jerry Bitter said he does not mind paying higher taxes for public safety. He suggested the city raise the requirements for the police officers. He said the county tax rate has increased 9.54%. His concern is that residents will not be able to stay in their homes. He said he has seen this happen. He said he like the idea of the California proposition 13.*

Shane Sorensen took a moment to go over how the residents tax fee are broken out.

**Will Jones**

**7 W Elk Court**

*Will Jones suggested by annexing in Box Elder South. By annexing them we gain 150K. The city should consider doing more annexations to take our tax rate down. The city should look at all aspects of ways not to raise taxes.*

**Brig Lambert**

**661 S Pheasant Ridge Ct**

*Brig Lambert asked if the city has more details on where and when roads are going to be improved. He asked if there is place that the residents can check out which road will be worked on. He asked what percent of the budget will be going towards infrastructure. He suggested the city may want to reconsider postponing projects with the prices of material being so high.*

**Fred Roberts**

**875 E Quail Hollow Circle**

*Fred Roberts said his insurances is going up \$300 a month, not to mention grocery plus everything else. This is a bad time to raise taxes. He believes the police choose to work here in Alpine. The residents who live here choose to live here. The same goes for where we all work. Every time the city raises taxes it is a big deal. This is especially true if someone is on a fixed income.*

**Steve Burrows**

**163 W Meadowlark Drive**

*Steve Burrows said none of us can foresee the future. He asked when there will be an opportunity to mitigate through taxes. The city should look at other ways of bringing in revenue sources.*

Lon Lott said Mayor Merrill is in the building almost daily and can meet with people to go over the budget and tax increase. He said he is also willing to meet with residents. Mayor Carla Merrill said the city staff is currently working on the financial benefits of Box Elder South annexation. She said she and council will look into all of the future annexations. The Box Elder South annexation had been delayed because the City Planner had left. Jessica Smuin said we need to start planning when it comes to annexations in the future.

**Whitey Anson**

**484 W Westfield Rd**

*Whitey Anson said he has lived in Alpine City for over 50 years. He has seen the city make several mistakes over the years. He has seen the city grow significantly. He said his cost of living has gone up. He would like to see the city come up with other revenue ideas.*

**Udell Blackham**

**698 Ridge Lane**

*He said he believe the City Council members and Mayor are all affected by the tax increase just as the residents are. He said he appreciated Shane Sorensen making the budget and annualize the city taxes. He said he personally support looking into other idea to find other tax revenue bases.*

### **C. Ordinance 2022-24A: Adopting the Budget for Fiscal Year 2022-2023**

Mayor Carla Merrill asked each council member to give their thoughts on ordinance 2022-24A. Lon Lott said he appreciated Mr. Blackham comment, as he pointed out that as City Council members all live in Alpine are also affected by the tax increases. Being a Council member is not comfortable place to be seated as the city discusses money, budget, and tax increases. He said he moved to Alpine in 1986. His home has not changed much in all the years. He said his home evaluation had gone up 350%. He feels like he had been given a good deal with the taxes that he had paid over the time he has lived in Alpine. He said especially when it comes to schools and education. He does not have children at home anymore, but he feels like his children got a good education. He said he understands that other residents paid their taxes for the schools even when they did not have children at home. He said he pays four times more in taxes than in 1986. He said he understands that the city needs to find way to find other ways to bring in revenue. He said he has great respect for those that choose to work for the LPPSD. He said you could not pay him to be a firefighter or policeman. The public does not always see what the LPPSD does. He said he had been an alternate on the LPPSD board. The board members are always trying to save money by buying cheaper items. The City Council from Highland City and Alpine do scrutinize the budget of the LPPSD. All expenses have gone up the same for everyone. As a city we are not trying to make money. As a city we must come up with other ways to save. He has

observed past City Council member that have been frugal over the years to save the city money. We are a well-run city; we do have problems on occasion but fiscally we are sound and use the funds properly.

Jessica Smuin said in considering this increase to the city and we are trying to think into the future. She gave an example of the city being like a Homeowners Association (HOA) and how do we maintain the way of life here in Alpine. What happens if all 20 out of 30 roofs need to be replaced. Hundreds of hours have been spent on this and looking at the overall numbers.

Kelli Law said he like all the creative ideas to in bringing in other revenue. He suggested that residents come to more City Council and Planning Commission meetings with your ideas. The council has spent a lot of time on this subject. Prices for everything has gone up for all of us. The city has asked police officers to work here for less. The city has tested how little they will work for and that does not work. The officers will go elsewhere. The council is considering annexations. The city does not want to burden our residents so they can no longer stay in their homes.

Greg Gordon said South Salt Lake raised their taxes 110%, plus a new public safety levy, is three times the size of Alpine and they had well fewer people show up at their meeting than we have here tonight, which is a credit to our community. The city had an engineering company study our water and they found insufficiencies. The key is to manage our funds very carefully. If people have suggestions bring them to the city. The city lowered costs of the pickleball courts by having our city employees do some of the work. Maybe supplies for the firehouse will go down next year. The city outside auditor, Greg Ogden came in last year and said he wished every city was fiscally ran like Alpine. We do not discourage businesses from coming into Alpine. He said he loves the idea of adding more retail business to the city. The city can work more on that; however, it is not easy to do because of our location. The city has not adjusted for inflation since 2007. The city has been more and more efficient since then.

Jason Thelin said in working with the LPPSD and police and fire chiefs, two thirds of our tax increase is going to them, and there needs to be a change. The police force other cities are raising salaries, making it difficult to hire, find and retain quality emergency personnel. Some of the firearms for the police force were donated by a resident in Alpine. He asked Alpine City Attorney Craig Hall to respond to resident's questions if this is unconstitutional. Craig Hall explained we are not taxing on the increase of resident's houses. Property tax is a levy system. Jason Thelin said a third of the taxes would be used on infrastructure. The feedback he has received from a significant number of residents is they want better roads.

Mayor Carla Merrill none of us want to raise taxes. Most are restricted accounts. We could move things around but that is not the best practice. Highland implemented a road fee or a safety fee. Our city runs lean and mean. She met with Lehi City you need to We have 13 full time and 1 part time and 1 fulltime intern and 6 season workers. I feel like our employee work. They are all doing multiple jobs and they are covering for each other.

**Motion:** Greg Gordon moved to approve Ordinance 2022-24A adopting the budget for FY2022-2023 which includes the property tax rate of 0.001306. Kelley Law seconded the motion. no vote was taken a substitute motion was made.

**Substitute motion:** Greg Gordon moved to approve Ordinance 2022-24A adopting the budget for FY2022-2023 which includes the property tax rate of 0.001306 and with the following conditions:

1. Focus on attracting businesses into our commercial district.
2. Work with public safety on cost management planning.
3. Explore annexations that would benefit the city.
4. Summarize and make available the city's long-term plans and cost structures for public view.
5. Promote a non-profit foundation for private citizens to make donations.

Lon Lott seconded the motion. No vote was taken.

Jason Thelin questioned why the council would want to add all the condition that might cause triggers. He didn't think that is what the city is intending with the ordinance. He also questioned mentioning a non-profit in the motion and whether that would be legal. Greg Gordon said the motion would let residents know what the council is committing to. The city is trying to plan for the future. The city does not want to burden our residents so they can no longer stay in their homes. Mayor Carla Merrill said the tax abatement is for those who are on fixed incomes. Shane Sorensen said we are changing the rate tonight and that needs to be a separate motion. Lon Lott said he appreciates everyone's comments and staff for keeping the city running.

**Rescinded substitute motion:** by Greg Gordon

**Motion:** Kelli Law moved to approve Ordinance 2022-24A adopting the budget for FY2022-2023. Greg Gordon seconded the motion. There were 5 yes votes, 0 no votes and 0 excused as recorded below. The motion passed unanimously.

<u>Yes</u>	<u>No</u>	<u>Excused</u>
Lon Lott		
Jessica Smuin		
Kelli Law		
Greg Gordon		
Jason Thelin		

**D. Resolution R2022-35: Adopting the Certified Tax Rate**

Shane Sorensen said the city is required to adopt the certified tax rate each year. The Utah State Tax Commission publishes the rate that will maintain the same property tax for the City, in addition to new growth. Alpine City is proposing a property tax increase this year, holding the rate from the previous year at 0.001306, which is anticipated to generate \$2,549,874 in property tax revenue. The tax rate that will be adopted will be determined by a vote of the city council after the truth in taxation hearing.

**Motion:** Greg Gordon moved to approve Resolution R2022-35 adopting the certified tax rate of 0.001306 %. Lon Lott seconded the motion. There were 5 yes votes, 0 no votes and 0 excused as recorded below. The motion passed unanimously.

<u>Yes</u>	<u>No</u>	<u>Excused</u>
Lon Lott		
Jessica Smuin		
Kelli Law		
Greg Gordon		
Jason Thelin		

**Motion:** Lon Lott moved to adjourn to the regular City Council meeting. Greg Gordon seconded the motion. There were 5 yes votes, 0 no votes and 0 excused as recorded below. The motion passed unanimously.

<u>Yes</u>	<u>No</u>	<u>Excused</u>
Lon Lott		
Jessica Smuin		
Kelli Law		
Greg Gordon		
Jason Thelin		

**Moved to regular City Council meeting at 7:50pm**