

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD AUGUST 15, 2024 AT THE HYRUM CITY COUNCIL CHAMBERS, 60 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 P.M.

CONDUCTING: Mayor Stephanie Miller

ROLL CALL: Mayor Stephanie Miller, and Councilmembers Steve Adams, Paul James, Michael Nelson, and Craig L. Rasmussen.

EXCUSED: Councilmember Jared Clawson

CALL TO ORDER: There being four members present and four members representing a quorum, Mayor Miller called the meeting to order.

OTHERS PRESENT: City Treasurer Todd Perkins, and seventeen citizens. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Miller welcomed everyone in attendance and invited audience participation.

PLEDGE OF ALLEGIANCE: Councilmember Nelson

INVOCATION: Councilmember Rasmussen

APPROVAL OF MINUTES:

The minutes of a regular meeting on August 1, 2024 were approved as written.

ACTION

Councilmember James made a motion to approve the minutes of a regular meeting held on August 1, 2024, as written. Councilmember Nelson seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

The minutes of a special meeting on August 5, 2024 were approved as written.

ACTION

Councilmember Rasmussen made a motion to approve the minutes of a special meeting held on August 5, 2024, as written. Councilmember Adams seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was emailed to The Herald Journal, posted on the Utah Public Notice Website and Hyrum City's Website, provided to each member of the governing body, and posted at the City Offices more than forty-eight hours before meeting time.

ACTION

Councilmember James made a motion to approve the agenda for August 15, 2024, as written. Councilmember Rasmussen seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

8. PUBLIC COMMENT
9. INTRODUCTION AND APPROVAL OF RESOLUTIONS AND ORDINANCES:
 - A. Ordinance 24-09 - An ordinance amending Title 3 Revenue and Finance of the Hyrum City Municipal Code by adding Chapter 3.34 Municipal Transient Room Tax.
 - B. Resolution 24-30 - A resolution establishing the Municipal Certified Tax Rate for Fiscal 2024-2025.
 - C. Resolution 24-31 - A resolution establishing Hyrum City Fire Prevention Inspection Fees.
10. OTHER BUSINESS:
 - A. Consideration and award of bid for the reconstruction of 2024 road projects (Canyon View Drive and Leo C. Nielsen Subdivision).
 - B. Budget report.
 - C. Mayor and City Council reports.
11. ADJOURNMENT

PUBLIC COMMENT:

Mayor Miller asked if a citizen had a question or comment to please speak no longer than three minutes, if the person is speaking for a group of people to speak no longer than five minutes.

Kelly Jessop said he is with the Hyrum Farm Kids Market and the group would like to use the Elite Hall for free again for a winter market on December 14 from 4:00 p.m. to 8:00 p.m. The City Council asked Kelly to contact the office to reserve the building.

Steve Miller said he attended the 4th of July parade in Hyrum and noticed there were a lot of commercial vehicles in the parade rather than floats and marching bands. He asked if the city charged commercial businesses to be in the Parade. The commercial businesses are getting a lot of exposure along the parade route and a parade entrance fee should be charged if it's a commercial

business. The revenue generated in entrance fees would help offset a portion of the money that would be generated in the proposed tax increase tonight. He understands the City needs to increase property tax, but a 27% increase is a major hit. Property values have drastically increased over the last three to five years and it is difficult for those people living on a fixed income. He would hope the City Council would look at generating revenue from other sources, such as, charging an entrance fee in the parade for commercial vehicles, rather than rubber stamping a property tax increase.

Mike Stauffer said arguments could be made for and against the proposed property tax increase. Four years ago, his property tax increased by \$700 and this year it will increase \$800. He knows the City's portion is a small portion of that increase, but he is living on a fixed income, and he relies on social security and his pension to pay his bills. Social security and his pension have not increased at the same percentage as taxes. He asked the City Council to remember that there are people in its community living on fixed incomes and people who are struggling financially to keep up with inflation.

Ryan Eccles said the property taxes on his home have tripled since he bought it. He is not living on a fixed income but would prefer to use the money on things he needs or wants. Hyrum City does a great job with its parks and facilities, however, there are a lot of citizens of Hyrum that can't afford the tax increase for the City to maintain/build its parks and facilities at the level it has.

Bob Willmore said he has lived in the same home for 30 years. He is retired and living on a fixed income. The proposed tax increase of 27% is too high for one year and it will create a hardship for people who live on a fixed income. Hyrum does a great job, but he would encourage the City Council to find other ways to generate revenue rather than raising taxes. There is a lot of new building, and the City should look into increasing those costs to help offset the financial impact growth is having on the City.

There being no public comment, Mayor Miller moved to the next agenda item.

INTRODUCTION AND ADOPTION OF RESOLUTIONS AND ORDINANCES:

ORDINANCE 24-09 - AN ORDINANCE AMENDING TITLE 3 REVENUE AND FINANCE OF THE HYRUM CITY MUNICIPAL CODE BY ADDING CHAPTER 3.34 MUNICIPAL

TRANSIENT ROOM TAX.

Mayor Miller said Ordinance 24-09 will amend Title 3 Revenue and Finance of the Hyrum City Municipal Code by adding Chapter 3.34 Municipal Transient Room Tax. Utah State Code allows cities and towns to impose a tax known as the transient room tax of up to 1% on charges for amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days. The proposed ordinance will set the rate of the tax levy at 1% on amounts paid or charged for accommodations regularly rented for less than 30 days as described in Utah State Code 59-12-103(1)(i). The proposed tax would start January 1, 2025.

Councilmember Rasmussen said this tax levy probably won't generate a lot of revenue, but it will help locate short term rentals in Hyrum.

A short discussion ensued about encouraging Cache County to purchase a software system that would help track short term rentals and have all cities in Cache County participate in the cost.

ACTION

Councilmember James made a motion to adopt Ordinance 24-09 an ordinance amending Title 3 Revenue and Finance of the Hyrum City Municipal Code by adding Chapter 3.34 Municipal Transient Room Tax. Councilmember Adams seconded the motion. A roll call vote was conducted: Councilmember Adams voted aye; Councilmember James voted aye; Councilmember Nelson voted aye; and Councilmember Rasmussen voted aye. The motion passed.

RESOLUTION 24-30 - A RESOLUTION ESTABLISHING THE MUNICIPAL CERTIFIED TAX RATE FOR FISCAL 2024-2025.

Mayor Miller said Resolution 24-30 is a resolution establishing the Municipal Certified Tax Rate for Fiscal 2024-2025.

Councilmember Rasmussen said he has listened to the comments made by Hyrum citizens regarding the proposed tax increase and the desire for the city to approve a smaller percentage of increase. The percentage of the increase seems high but the actual dollar amount on the average home in Hyrum is \$44 a year. Hyrum City hasn't had a tax increase since 2010, and the tax rate has dropped every year for the last 13 years. Hyrum City has one of the lowest tax rates in Cache Valley. Hyrum City didn't implement a tax increase since 2010 because it wasn't necessary, however, it is time for the City to implement the tax increase as proposed to

help fund the additional personnel that the City needs. The city has not created new positions for four years. Additional City Staff members are necessary to keep up with new State mandates and community growth.

ACTION

Councilmember Rasmussen made a motion to approve Resolution 24-30 a resolution establishing the Municipal Certified Tax Rate for Fiscal 2024-2025. Councilmember Adams seconded the motion.

Councilmember Nelson said the city held a public hearing and invited citizens to attend to express their concerns on the proposed tax rate. The residents are saying they can't afford an increase in property taxes and have asked the City to find alternate revenue sources. There are ways the City could generate additional revenue rather than increasing property taxes. He spoke with the City Treasurer Todd Perkins about the impact it would have on the City if the Council didn't increase property taxes this year. Todd told him that the city wouldn't be able to put money into its reserves without a tax increase. He would prefer the reserves be reduced rather than increasing taxes this year and for City Staff and the City Council to find ways to generate revenue and look at areas where it could reduce expenditures.

Councilmember James said Hyrum City's taxes are a very small portion of the property tax assessed by Cache County. Cache County Schools get the largest portion of property tax. The City Council has not raised taxes in 14 years due to concerns about what financial impacts an increase would have on our residents. Hyrum City cannot continue to provide the level of service it provides to its residents at one of the lowest tax rates in the County. In the last 14 years Hyrum City's property tax percentage has decreased every year but costs have increased every year. Hyrum City has been hit hard with inflation and it has tried to keep costs at a minimal. Hyrum City needs additional staff and in order to find staff the City has to be able to offer a competitive wage. If we don't have staff, then Hyrum City won't be able to provide reliable and safe services. He has compassion for the residents of Hyrum and the City Council is very conscious about rates and taxes. Hyrum City has some of the lowest utility rates in the State and even with the proposed tax increase it still has the 6th lowest property tax rate in the Valley. This year the City needs additional revenue to cover the basic services Hyrum City's residents expect. The City is increasing it by 27% but remember it is only \$44 a year.

Amended
09/18/2024

~~A roll call vote was conducted: Councilmember Adams voted aye; Councilmember James voted aye; Councilmember Nelson voted aye; and Councilmember Rasmussen voted aye. The motion passed.~~

Councilmember Rasmussen said he is not comfortable with using reserves to fund the General Fund. The reserves are there to protect the City if there is an emergency, not to cover annual budget costs.

Councilmember Adams said he looked at other cities in Utah that were proposing tax increases and was surprised to see that a city proposing a 6% increase would generate \$60 per year on the average house. Hyrum City has tried to keep its property taxes low and that is why the percentage seems high, but the actual dollar amount increase is very low when compared to other communities in Utah. He understands that inflation has hit families hard, it has hit his family as well. By voting for a tax increase, his taxes will go up as well. However, he has a responsibility to the City and its citizens not to compromise the City's financial situation in a negative way. Hyrum City does not have excessive staff, in fact, it has fewer employees than cities much smaller than Hyrum that don't have departments, such as, a library, senior center, museum, power department, water reclamation department, cemetery, animal control, etc.

Mayor Miller said she appreciates the City Council and City Staff for looking at ways to generate revenue and reduce expenditures over the past few years. Hyrum City does need additional staff and has needed additional staff for several years, however, hiring additional staff would have put Hyrum City over the 50 full time equivalent (FTE) employees making it an applicable large employer (ALE) under the Affordable Care Act (ACA). Hyrum City had five employees that were working more than 30 hours a week but under 40 hours a week. Hyrum City and its employees have tried to stay under the 50 FTE so that these 5 employee's hours weren't reduced, having a financial impact on them. In accordance with the ACA once Hyrum City becomes an ALE employer it is required to provide all its employees working 30 hours or more with health insurance. Health insurance is very expensive and with the additional benefits for these 5 employees if the City classified them as full time (40 hours per week) it would cost the City approximately \$33,000 per year, per employee in benefits alone. She has tried to do her part in helping the City stay under 50 FTE and also to save money for the City. When the City Administrator retired November 2022,

she agreed to take back her State Statue responsibilities as a Mayor and not hire a City Administrator. If the City would have hired a City Administrator at that time it would have put the City over the 50 FTE and either those five employees' hours would have been immediately reduced to under 30 hours per week, or the City would have had to fund an additional \$33,000 per employee. She took the job as the City Administrator to keep costs down and to help the City and its citizens. By resuming all of her duties and not hiring a City Administrator it has saved the City over \$100,000 a year in salary and at least \$50,000 in benefits. It has been a lot of work, stress, and hours than she had anticipated but she has tried to keep taxes low and to help the City with its financial situation. As the Mayor she is willing to make personal sacrifices for the city she loves, the City Council, City Staff, and its residents. The proposed tax increase was in no way a quick decision by herself, City Staff, nor the City Council. Raising taxes is a difficult proposal and decision, but after 14 years of not increasing taxes, there is no other way to keep the city financially sound and provide the same services its citizens have become accustomed to.

There being no further discussion, Mayor Miller called for roll call vote on the motion.

Councilmember Adams voted aye; Councilmember James voted aye; Councilmember Nelson voted nay; and Councilmember Rasmussen voted aye. The motion passed.

RESOLUTION 24-31 - A RESOLUTION ESTABLISHING HYRUM CITY FIRE PREVENTION INSPECTION FEES.

Mayor Miller said Resolution 24-31 a resolution establishing Hyrum City Fire Prevention Inspection Fees. The Hyrum City Fire Department met with the City Council this past year about establishing fees for fire prevention inspection fees.

A short discussion ensued regarding the proposed fee schedule and what other communities with a fire department charge for these services.

ACTION

Councilmember James made a motion to table Resolution 24-31 a resolution establishing Hyrum City Fire Prevention Inspection Fees until the next City Council meeting and for the Fire Department and/or City Staff to provide the City Council with fee comparison including other communities with a fire department. Councilmember

Nelson seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

OTHER BUSINESS:

CONSIDERATION AND AWARD OF BID FOR THE RECONSTRUCTION OF 2024 ROAD PROJECTS (CANYON VIEW DRIVE AND LEO C. NIELSEN SUBDIVISION).

Mayor Miller said Hyrum City received three bids for the reconstruction of 2024 Road Projects (Canyon View Drive and Leo C. Nielsen Subdivision). Hyrum City Staff has reviewed the three bids and is recommending the bid be awarded to LeGrand Johnson Construction in the amount of \$237,893.33.

<u>Contractor</u>	<u>Amount</u>
LeGrand Johnson Construction	\$237,893.33
Staker Parsons	\$271,450.00
Morgan Pavement	\$387,730.00

Councilmember Rasmussen said he has questions regarding the road thickness level varying between contractors and also if the City wants the asphalt tailings from the milling. LeGrand Johnson's bid is lower because it is keeping the tailings. Before the bid is awarded he would like to ensure that Hyrum City's road department does not need the tailings.

Mayor Miller said this item could be put on the August 21 Special City Council Meeting Agenda.

ACTION Councilmember James made a motion to table the award of bid for the reconstruction of 2024 road projects (Canyon View Drive and Leo C. Nielsen Subdivision) to allow City Staff to respond as to whether the City wants the tailings, and if the road thickness is appropriate. Councilmember Adams seconded the motion and Councilmember Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

BUDGET REPORT.

Mayor Miller reviewed the 2024-2025 General Fund and Enterprise Funds budgets expenditures and revenues in detail. This is the beginning of the new fiscal year and all budgets are where they should be for being two months into the new budget year.

MAYOR AND CITY COUNCIL REPORTS.

Mayor Miller said Cache County Deputies that are assigned to Hyrum came in and met with her today regarding the frequent vandalism of City parks and restrooms. There have been sinks broken into pieces, toilets clogged, toilets broken into pieces, graffiti, etc. The deputies asked if the City would consider closing the parks and/or restrooms in the evening hours, and installing security cameras. Smithfield City's parks are open from dawn to dusk; Logan's parks are open from 5:00 a.m. to 10:00 p.m.; Brigham City closes at 7:30 p.m.; Layton closes at 11:30 p.m.; Eagle Mountain closes at 5:30 p.m. There are communities all over the State that are closing restrooms and bringing in porta-potties due to vandalism. The City will be looking at setting times when parks are closed. She has had a request from a department regarding four - 10 hour days so that employees aren't called back to work after leaving. Public Works employees work 7:00 a.m. to 3:30 p.m. Monday through Friday. She spoke with the other departments about changing schedules and the other public works departments expressed that they didn't have a large enough staff to provide sufficient coverage with four - 10 hour shifts. The City Council would have to approve a Personnel Policy amendment if the hours were to be different from what is currently set.

The City Council discussed various options and how to ensure the hours were serving the citizens. The City Council preferred shifts being staggered and have employees start at 7:00 a.m. or 8:30 a.m. which would provide coverage until 5:00 p.m. Monday through Friday, or possibly 7:00 a.m. to 4:30 p.m. with a half day on Friday.

Councilmember Adams said there was a great turn out on National Night Against Crime. Life flight came and everyone in attendance seemed to enjoy the evening and hamburgers. He thanked the City Council for its help.

Councilmember Rasmussen said the Museum Board met and discussed the summer programs the Museum held this year and how to improve next year's program. The Museum would like a summer helper next year to help with the Summer Program from June through August. Museum Director Jami Van Huss and Curator Cortney Cochley will be attending the Utah Museum Conference in October and both are involved in several presentations. The Historic Preservation Commission is hosting a tour of Hyrum's historical homes and the cemetery in September. The Elite Hall wooden floor is being restored and the braces and springs under the floor are being repaired as well. He has also been reviewing the Request For

Proposals for Hyrum City's General Plan Update. He should have it finished by next week.

Councilmember Nelson said he wants to ensure that the residents will be involved with the updating of the General Plan. It is their city and they need to have input on how it should grow. He is continuing to meet with people and group on Hyrum City's emergency plan and there are a couple of steps that he is reviewing the operations plan.

ADJOURNMENT:

ACTION

There being no further business before the City Council, Councilmember James made a motion to close the Meeting at 8:20 p.m. Councilmember Rasmussen seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.

ATTEST:

Stephanie Miller
Mayor

Stephanie Fricke
City Recorder

Approved: September 19, 2024
As Amended