

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD AUGUST 5, 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, Councilmembers Steve Adams, Paul C. James, Michael Nelson, and Craig L. Rasmussen.

**EXCUSED:** Councilmember Jared L. 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 21 citizens. City Recorder Stephanie Fricke recorded the minutes.

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

**PLEDGE OF ALLEGIANCE:** Councilmember Adams

**PRAYER:** Mayor Miller

**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 5, 2024 for a special meeting as written. Councilmember Nelson seconded the motion and Councilmembers Adams, James, Nelson, and Rasmussen voted aye. The motion passed.**

AGENDA

7. PUBLIC HEARING:

A. To receive public comment on a proposal to increase property tax revenue from the current rate of .000732 to the proposed rate of .000847. Hyrum City tax on a \$434,000 residence would increase from \$159.45 to \$202.18, which is \$42.73 per year. Hyrum City tax on a \$434,000 business would increase from \$289.91 to

\$367.60, which is \$77.69 per year. If the proposed budget is approved, Hyrum City would increase its property tax budgeted revenue by 27.01% above last year's property tax budgeted revenue excluding eligible new growth.

8. ADJOURNMENT

***PUBLIC HEARING:***

**TO RECEIVE PUBLIC COMMENT ON A PROPOSAL TO INCREASE PROPERTY TAX REVENUE FROM THE CURRENT RATE OF .000732 TO THE PROPOSED RATE OF .000847. HYRUM CITY TAX ON A \$434,000 RESIDENCE WOULD INCREASE FROM \$159.45 TO \$202.18, WHICH IS \$42.73 PER YEAR. HYRUM CITY TAX ON A \$434,000 BUSINESS WOULD INCREASE FROM \$289.91 TO \$367.60, WHICH IS \$77.69 PER YEAR. IF THE PROPOSED BUDGET IS APPROVED, HYRUM CITY WOULD INCREASE ITS PROPERTY TAX BUDGETED REVENUE BY 27.01% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH.**

Mayor Miller asked City Treasurer Todd Perkins to report on the proposed property tax increase.

City Treasurer Todd Perkins presented a power point presentation on the proposed tax increase. He explained that Hyrum City has not increased property taxes since 2010, however, the certified tax rate declines annually unless cities choose to go through the lengthy process so raise taxes. New growth, delinquent taxes, and interests and penalties are not included in the calculation of certified tax rate, since they vary from year to year. The certified tax rate in 2010 was .001658 and the 2023 rate is .000732. This is a tax rate decrease of 66% over the last 14 years. Hyrum City receives a very small portion of property tax dollars. The property tax assessment on a home with a market value of \$415,000 would be \$1,799.52. The taxable value of the home is 45% less than the actual home value. The taxable value on a \$415,000 home is \$228,250. Total taxes are \$1,799.52: \$1,276.60 to Cache County School District; \$342.83 Cache County; \$169.82 Hyrum City; and Mosquito Abatement. Hyrum City provides approximately \$2,270 worth of General Fund services to each home (not including solid waste collection or utility services. Which means that \$1,886.13 of those services must come from sources other than property tax. If the proposed tax increase is approved Hyrum City's taxes will still be the sixth lowest in Cache County only being higher than Paradise, Millville, Amalga, River Heights, and Trenton. Several cities adjust their tax rate annually but again Hyrum City hasn't adjusted its tax rate since 2010 and even with the proposed tax increase Hyrum City's tax rate will still be lower

than what it was in 2010. By not adjusting the tax rate Hyrum City isn't keeping up with inflation and the tax revenue needs to be adjusted in order to help fund General Fund services. The proposed tax increase on a \$434,000 home would be \$42.73 a year.

**ACTION**

**Councilmember Adams made a motion to open the public hearing at 6:43 p.m. to receive public comment on a proposal to increase property tax revenue from the current rate of .000732 to the proposed rate of .000847. Hyrum City tax on a \$434,000 residence would increase from \$159.45 to \$202.18, which is \$42.73 per year. Hyrum City tax on a \$434,000 business would increase from \$289.91 to \$367.60, which is \$77.69 per year. If the proposed budget is approved, Hyrum City would increase its property tax budgeted revenue by 27.01% above last year's property tax budgeted revenue excluding eligible new growth. Councilmember James seconded the motion and Councilmember Adams, James, Nelson, and Rasmussen voted aye. The motion passed.**

Mayor Miller said she received a phone call from Hyrum residents Mike and Linda Stauffer and was asked to inform the City Council that they are opposed to a property tax increase and asked the City to find other alternative ways to balance its budget. Mayor Miller then asked if there was any public comment.

Karen Risueno said she lives at 415 East 400 South and asked how the property tax value and rate is determined. Who assess the value of a home and how often is it reappraised.

Councilmember James explained that the Cache County Assessors office is responsible for determining property values. The assessor's office reassess property every two to three years. If a property owner disagrees with the assessed value, the property owner has a specific timeline to file an appeal. The appeal is made to Cache County and not Hyrum City. Hyrum City sets its tax rate but does not determine the actual property value nor the other tax rates for, schools, county, and districts.

Lindsey Preece said he lives at 580 East 200 south and does not feel the City has provided enough information to the public to justify a tax increase. The City has not given information on the cost of roads, building permits, and other services. He is concerned that taxpayers money is subsidizing new growth, which isn't right. Why does the City need to increase property taxes when the City should be receiving plenty of revenue from the new

growth. The City should be providing the residents with detailed justification on expenditures and revenues and how the proposed tax rate increase money will be used. This past winter he never seen the City removing the snow in front of his house. He wants to know what the money is being spent on. Why does the City need it and where is the revenue going that comes from the new growth in Hyrum. He would like more information before this is voted on.

City Treasurer Todd Perkins said the budget is available on the City's website and a public hearing was held in June 2024 to discuss the new budget. He explained the City doesn't make money off of building permits but all new growth pays impact fees for the city to recover the costs for services that have already been paid for by the tax payers. Impact fees for general fund services are charged for parks and roads.

Mayor Miller said Hyrum City has experiences a large amount of growth over the past ten years and the City has tried to stay under the equivalent of 50 full time employees to help keep costs low. Federal Law requires an employer with more than 50 full time equivalent employees to provide health insurance to all employees working more than 30 hours a week. Hyrum City has fewer employees than other cities in the Valley with lower population and fewer departments, and smaller budgets. Hyrum City desperately needs more employees in order to meet citizen expectations, comply with state and federal laws, and provide a balanced level of service. Over the past few years Hyrum City has been operating with fewer employees than what it employed in 2020. This year the City will have more than 50 full time equivalent employees and there are a number of part time positions that have been reduced to 29.75 hours per week and several new full time and part time positions have been included in the budget. The City can not continue to operate under staffed. The proposed tax increase will help fund these new positions.

Karen Risueno said if new growth is costing the City money then why wouldn't the City charge more for a building permit so it didn't cost existing tax payers money. The City needs to slow down on growth so that it can get the infrastructure in place and determine the fees that need to be charged to new development rather than requiring existing residents to take on the cost.

The City Council explained that the City does charge new growth impact fees to recover its costs so existing residents don't pay for new growth. Hyrum City hasn't increased its property tax since 2010 and the tax rate has decreased more than half. Inflation has

occurred and the City is not exempt from inflation. Hyrum City's tax rates are incredibly low not just in Cache County but when you take into the services Hyrum City provides to its residents. Hyrum City isn't trying to raise taxes because it wants more money, Hyrum City needs the additional tax revenue to continue to provide the same level of service it has in the past.

Councilmember James said several years ago the City would transfer funds from its utility funds into the general fund. The transfer of money would help provide general fund services. However, the City hasn't transferred funds from utility funds into the general fund for several years now and the general fund needs to support the services the City provides that are not utilities. Due to inflation and decrease in property tax rate Hyrum City can no longer financially continue to provide the same level of service as it has in the past without increasing property taxes. Hyrum City charges new growth impact fees to ensure existing residents are not paying for new growth. Hyrum City is very conscious of its financial situation and has been financially conservative.

Carl Lundahl said he lives at 383 West 30 North and he understand inflation has increased prices over the past couple of years. However, he was shocked by the amount his property taxes have increased since 2010. Hyrum City's tax rate hasn't increased since 2010, but the amount of taxes owed has. He would recommend the City increase the property tax rate in smaller more frequent increments rather than increasing the tax rate at a higher rate at all at one time. The dollar amount of the increase may not sound like a lot, but the percentage of the increase is higher than what it should be. A lower percentage increase would be preferred every two years.

Alex Merchant said he lives at 1541 East 320 South and he moved to Hyrum a few months ago. He concurs with his neighbors that taxes are always a dangerous thing. There is always a need for money to provide the services that the citizens expect. Hyrum City has done a good job in keeping its tax rates consistent since 2010. He hopes the City would look for other ways to generate revenue rather than increase taxes. The proposed tax increase is a half tank of gas, a weeks' worth of groceries and that hurts those residents that are living a tight budget. He would be willing to help the community to help cut costs so the City would not have to increase tax rates.

Councilmember Rasmussen said Hyrum City is looking for 300 volunteers on Saturday, September 7 and residents can sign up to

volunteer on justserve.org.

Councilmember Adams said the City Council has discussed taxes over the past two to three years, but each year it was determined that the City could find other ways to fund projects or to cut unnecessary items rather than increasing property taxes. The City Council did not want to raise taxes before it needed to. Some communities increase taxes on an annual basis, but Hyrum City is trying to be financially responsible and not rely on increasing property taxes every year.

Rosella Kropf at 231 East 1200 South and she wishes they would have increased taxes gradually over 14 years. A little bit each year would have been preferred. She lives on a fixed income and every increase affects her. She asked why the decision to eliminate the green waste bins based on a survey through facebook rather than in a utility bill so everyone could get a chance to participate in the survey. She doesn't need her own green waste can and would have preferred to use a community green waste bin rather than paying for her own green waste can, which wouldn't be filled every week.

Mayor Miller said Logan City provided solid waste service to all the communities in Cache County. Logan City decided it was no longer going to provide that service and the cities only had a couple of months to find a new provider for that service. The Mayors in all of the communities got together to find a provider at the lowest cost for solid waste services. Green waste was originally not in the bid, but the residents wanted green waste. That is when the City conducted the survey to find out if residents preferred to pay a fee for a community green waste bins or if the majority preferred residents paying for their own green waste can if resident needed it. A strong majority responded to have residents pay for a green waste can if they need one and to not charge all residents for a community green waste bin. There comment was why should I pay for a community green waste bin if I am not using it.

Helen Merchant lives at 1541 East 320 South and she is very grateful for everything the City does. She questioned why the City chose a 27% increase and how that number was determined. It is possible for the City Council to approve a lower property tax rate increase. There are things the City could do to decrease costs to reduce the property tax rate increase. The City could use interns from Mountain Crest High School or Utah State University and it would be free labor to the City. This would

decrease costs while also allowing students to earn credits doing internship work. By using interns, it would decrease the number of staff the City needs to hire without raising property taxes.

City Treasurer Todd Perkins said the percentage of the increase was determined by the amount of money that was needed to balance the budget. City budgets had already been reviewed and requests by departments were denied to help decrease costs to balance the budget. However, the budget didn't balance and the only other source for revenue was to increase the property tax rate by a minimal dollar amount of \$43 per year. The 27% increase generates the amount needed to balance the proposed budget. A public hearing was held in June where the budget was reviewed in depth. Hyrum City has less employees now than 15 years ago. Everyone is trying to be conscious of taxpayers money and trying to do what they can for the least amount of money possible. Most employees of Hyrum City are residents of Hyrum and they do not want their tax rate increased either. Hyrum City hasn't raised the property tax rate in 14 years and the City can no longer provide the level of services it has been without a property tax rate increase.

Lonnie Adams said he lives at 495 East 535 South, and he understands taxes very well and it is a necessary evil. He worked for a City for 33 years and he understands the City's need to balance the budget. It looks like the City is trying to do a good job at keeping taxes under control. There are only 20 people here tonight and he thinks the City hasn't noticed this public hearing very well. He doesn't know where it was posted and wanted to know if it was only posted at City Hall and how long ago was it posted.

City Recorder Stephanie Fricke said she noticed the meeting in accordance with State Law and then she posted the notice in additional places to try to inform the residents of Hyrum of the public hearing on the proposed tax rate increased. It was posted on the Hyrum City Website, the State of Utah Public Notice Website, Ridley's Grocery Store, Hyrum City Office, Hyrum Senior Center, Hyrum Library, Hyrum Medical Clinic, Cache Valley Bank, and Mannings Short Stop. It was posted on July 3, 2024 and again on July 20, 2024 due to the date stating Thursday, August 5 rather than Monday, August 5. The public hearing notice was also included in the property tax notice from Cache County and there was a display ad in the Herald Journal.

Lonnie Adams said then it was posted in several places, and he must not have seen them. He gets notification from the City on his phone why wasn't that notification service used. He said

rather than the City raising property tax rates he would prefer the City look over the budget and find additional ways to cut. He sees Hyrum fire trucks all over the Valley and is unsure why a volunteer fire department is given a truck to drive for personal use. Also, each Department Supervisor should review their budget and find ways to cut, if someone says there is nothing that can be cut then the City should hire someone new. There are always way to cut and eliminate waste.

Mayor Miller said the City no longer uses the callout system for community events and now it is only used for utility emergencies. Hyrum City was getting too many complaints from the residents and residents asked to have their number removed. This caused the City to not be able to contact its residents when an emergency occurred. The City does allow the residents to sign up for community events notifications and they will be the only ones notified for those type of events.

Debra Ward said she lives at 25 East 500 South. She thanked the City Council for their service and everything they do. She lives along and is living on a retired income. She doesn't have a choice to pay taxes, and she can't cancel the service. She worked until she was 70 years old and she learned to live within her means and take responsibility for saving and planning for the future. As an adult you have to take responsibility for what is coming down the road. She doesn't have cable tv or internet because she can't afford it. She lives very frugal; she doesn't have anywhere else she can cut. Even though the proposed increase is a small amount, there are people who can't afford even a small increase. She has been responsible with her finances, and she asked the City Council to not be irresponsible with her finances. This small amount is significant to her and her budget. She asked the City to reconsider this increase and find places to cut and be responsible. Please don't ask her to find money in her budget when she doesn't have the money to find. She wants to do her part. It is a privilege to do my part in this Country, but she is asking the City do their part this year. The City needs to think outside the box to balance its budget rather than increasing the property tax rate. The City doesn't have to increase it 27% this year. It is easy to blame inflation but its time to stop blaming and find a solution.

Erica Reynolds said she lives at 525 South 655 East. A few months ago she found out that Hyrum City is giving nonresidents a greater deal on a library membership than its own residents. Hyrum residents pay more through taxes for the library than a nonresident



does for a membership. Her nonresident friends can go to the Hyrum library cheaper than she can as a Hyrum resident. Hyrum charges \$41 a year for a nonresident to have a library card, but residents pay \$44 a year for a membership. Logan City charges \$163 and North Logan City charges \$90 a year for nonresidents. Why are residents being charged more than nonresidents. Why are we giving people living outside of our City a lower rate on library use rather than our own citizens, and then we turn around and raise property tax rates for our residents. If nonresidents paid a higher membership fee it would generate additional revenue and Hyrum resident's taxes would not have to be increased. After looking at library budget she noticed the proposal had an increase in employee benefits of 65% and salary increase of 25% for a total budget increase of \$92,900 nearly \$75,000 went to increase in salaries and benefits. There is only one full time employee, and the other employees are part time. The City needs to increase nonresident rates to use the library and then look at other departments to find financial discrepancies like she has found before increasing costs to Hyrum residents.

Mayor Miller explained this is the first year the Hyrum Library will have a full time employee. Hyrum library's director was offered a full time position this budget year and that is why there is a 65% increase in benefits. She thanked Erica for bringing the nonresident charges to the City Council's attention.

**ACTION**

**Councilmember James made a motion to close the public hearing at 7:31 p.m. on the proposal to increase property tax revenue from the current rate of .000732 to the proposed rate of .000847. Hyrum City tax on a \$434,000 residence would increase from \$159.45 to \$202.18, which is \$42.73 per year. Hyrum City tax on a \$434,000 business would increase from \$289.91 to \$367.60, which is \$77.69 per year. If the proposed budget is approved, Hyrum City would increase its property tax budgeted revenue by 27.01% above last year's property tax budgeted revenue excluding eligible new growth. Councilmember James seconded the motion and Councilmember Adams, James, Nelson, and Rasmussen voted aye. The motion passed.**

**ADJOURNMENT:****ACTION**

**There being no further business before the City Council, the Council Meeting adjourned at 7:32 p.m.**

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Stephanie Miller  
Mayor

ATTEST:

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Stephanie Fricke  
City Recorder

Approved: August 15, 2024  
As Written