

CITY OF NORTH SALT LAKE  
CITY COUNCIL-TRUTH IN TAXATION HEARING  
AUGUST 8, 2016

**FINAL**

Mayor Arave called the meeting to order at 7:02 p.m.

PRESENT: Mayor Len Arave  
Council Member Brian Horrocks  
Council Member Ryan Mumford  
Council Member Matt Jensen  
Council Member James Hood

EXCUSED: Council Member Stan Porter

STAFF PRESENT: Barry Edwards, City Manager; David Frandsen, Public Works Director; Janice Larsen, Finance Director; Chief Craig Black, Police Chief; Brent Moyes, Golf Course Director; Linda Horrocks, Deputy Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Tyler Farrer, Erin Farrer, Bryant Mills, Jo Mills, Michelle Nelson, Michael Phillips, residents.

1. INTRODUCTION BY MAYOR LEN ARAVE

Mayor Arave said the City is anxious to hear input from residents to help determine what direction the City should take regarding the proposed tax increase.

2. PUBLIC HEARING ON NOTICE OF PROPOSED TAX INCREASE FOR THE CITY OF NORTH SALT LAKE

Janice Larsen reported that the City's current financial situation is stable and that with no additional services the current projected revenue is sufficient to meet operating needs. Additional revenue would be required if services are increased. She explained that the reasons for the tax increase include the need to hire additional police officers and funds for capital repair and replacement projects. The officers are needed due to an increase in population, increased crime rate and increased service calls. The annual cost per officer is approximately \$110,000.00 with the cost per household at \$12 per month. The City has over \$16 million dollars of depreciable assets in capital infrastructure such as buildings, parks and roads. Many of the parks need repairs to the bathrooms, playground equipment, pavilions, parking lots and updated irrigation systems.

Decreased funding is available for roads due to a hold harmless clause related to the fuel tax increase which reduces the City's revenue from \$88,000.00 to \$47,000.00.

Ms. Larsen explained that the County determined that the average home value in the City is \$302,000.00 and that the City has not increased property taxes in more than twenty years. Property taxes are distributed in a way that the City only receives 11% of the total tax assessment with a portion going to the Davis County School District, Davis County, the library, Weber Basin, etc. The auditor's certified tax rate for the upcoming year is .001475 and the City's proposed tax is .001622 which would increase the revenue approximately 10%. The City's property tax revenue will be increased approximately \$233,000.00 with an impact on the average homeowner of \$24 annually, or \$2 per month. Neighboring cities which are also doing property tax increases at this time have property taxes ranging from \$1.56 to \$50.00 annually.

Janice Larsen said that the reason to consider raising property taxes this year is due to the lead time it takes to hire new officers and prepare and train them to be on the streets. Increasing the property taxes this year would allow the City to plan ahead and be proactive.

Mayor Arave commented that the assets of the city total \$16 million and that this amount seems low. Janice Larsen replied that this amount only includes the historical cost of depreciable assets such as roads and parks and does not include land.

Barry Edwards then said that the life of the streets is around fifty years and about thirty years for the parks. Most of the City's assets are starting to show their age and need repair or replacement.

Chief Black reported from a public safety standpoint that the police department has done their best to be responsive and responsible with the resources available and that these funds need to be justified to residents. In comparison to Woods Cross who has 1.3 officers per thousand residents and Salt Lake City with 2.2 per thousand, the City should have 33-45 officers. With the requested funding for two new officers the City would then have 23 officers at a rate of 1.1 officers per thousand residents. Other metrics to be taken into consideration include response time, calls for service, and proactive crime prevention measures. The increase in crime reports has been substantial over the last few years with 2,566 reports in 2012, 2,646 in 2013, 3,490 reports in 2014 and 3,918 in 2015.

Mayor Arave asked if the statistics shown reflect the new software tracking package. Chief Black replied that the department switched from the Fatpot tracking program to Spillman in July 2014 and that the only data that changed was the addition of the code enforcement cases which were being tracked separately before. These code enforcement cases account for approximately 4.5% of the cases.

Council Member Jensen commented that the presentation showed that there were 130 calls and 157 cases in 2014 and 338 calls and 313 cases in 2015.

Chief Black said that in fiscal year 2015 the department was authorized to hire an officer strictly for traffic calls and that they are still trying to staff that position as it is hard to find quality officers. The proposed officer positions would not be detectives as those caseloads are manageable at this time and that they would look at hiring a new officer in fiscal year 2018-19.

Mayor Arave commented that while the City could get by without the proposed funds now, it may be problematic long-term to postpone the tax increase. He said it was more efficient to increase these funds now to take care of the City's assets before they deteriorate and to provide safety through adequate police staffing.

**Mayor Arave opened the public hearing at 7:20 p.m.**

Tyler Farrer, 73 East 300 North, said that he was notified a few weeks ago of the proposed tax increase and was not sure if this was a decided matter or not. Council Member Jensen explained that it took a majority vote to have a truth in taxation hearing and that the Council was not completely opposed to, or in favor, of the increase.

Council Members Horrocks and Mumford explained that while Council Member Porter was absent from this meeting, he had expressed his opinion in favor of the tax increase and had originally wanted a 12% increase. The increase was voted down to a 10% proposed property tax increase.

Mayor Arave also explained that the City started the budget process last December and held a budget meeting in March of this year. City staff and the City Council propose projects and then the budget is prepared. Two items of concern this year are the aging assets, such as parks, and the needs of the police department. Staff presented several budget options including those with and without a tax increase.

Tyler Farrer then asked if the increase in police calls was attributed to the new software which was put in place in 2014. Chief Black replied that the calls are tracked by Bountiful dispatch and that the only change was the addition of the code enforcement cases which accounts for a 4.5% difference. The code enforcement cases were being tracked separately in an excel format.

Tyler Farrer commented that twenty years between tax increases did not seem like a good thing and asked why there has not been a more recent increase. Mayor Arave explained the way property taxes work and the amount the city receives. He then explained that some of the City

streets and other assets were reaching the end of their life and would need maintenance or replacement. The City has no control over gas or sales tax and can only increase property tax.

Council Member Jensen clarified that when the City sets a tax rate they set an amount and the County sets the percentage based on the value of the home. If the City does not raise taxes then the amount stays the same. He said as the City was growing there was a natural increase in property tax and it was not as crucial for property taxes to be raised. However, now that the City is reaching build-out, consideration must be given to increased expenditures and the means to finance those costs.

Council Member Horrocks commented that sales tax is inconsistent due to many factors such as recessions and online shopping (as cities do not earn sales tax from online sales), etc. He said he felt like it was a badge of honor that the City has not raised taxes in over twenty years, but asked if raising it 1% each year for last ten years would have been more palatable to the residents.

Bryant Mills, 455 East 50 North, commented that he and his wife are long-time residents of the City and that twenty years ago they were told that there was a tax base in place which would substantiate and grow the City to the point where tax increases would not be necessary. He expressed anger that the City and police department were not managing the budget to conform to the tax base that was put in place. Mr. Mills also said he feels the City has not been fiscally responsible and is opposed to the tax increase.

Council Member Horrocks said he appreciates Mr. Mill's comments. He said that if the Chief of Police tells the City Council there are times during the week when there is not adequate police coverage in the City, and the options are to continue without coverage or to make sure that there is adequate coverage; the council has a responsibility to the residents for safety.

Bryant Mills said that when his son was served a warrant that five police officers came to the house to serve the warrant which he felt was excessive. He said that there needs to be better management and better fiscal responsibility in the City instead of just asking for more money.

Michelle Nelson, 402 Rosewood Lane, asked what the City attributes the 28% jump in crime reports from 2014 to 2015 to. Chief Black replied that not every report is a crime but even traffic accidents produce a report. He said that there is an increase in traffic and crime due to the City's proximity to Salt Lake City. Another issue is that more people are investing in alarm systems, and when those are triggered it's the police department that has to respond to those calls as well.

Michelle Nelson said that she doesn't discount that the City needs the additional officers but said that her property taxes have been increasing each year. Council Member Jensen replied that the other taxing entities, such as the school district, have raised taxes recently.

Michelle Nelson then said that she is concerned with the lack of new commercial development in the City and the number of apartment buildings and if they are paying their fair share of taxes. Mayor Arave explained that the City has studies done periodically to make sure the apartments are paying their share, especially pertaining to demands on the police, and business license fees are adjusted based on those studies.

Ms. Nelson asked about the alarm system issue and if something could be put in place such as a fee for services or not responding to those types of calls. Mayor Arave replied that he was unsure if the City should discourage alarm systems.

Chief Black said that there were not abusers in the system in regards to alarm systems and that some cities do not respond to those types of calls. He said the apartments are charged a fee if they are not participating in the Good Landlord Program, and added that apartment complexes that participate in the Good Landlord Program have fewer police issues.

Council Member Hood commented that in discussions with the Police Chief that a lot of the issues stem from the proximity of the City to Pioneer Park and the Rio Grande area. He said that when the Salt Lake police break up crime in those areas that it moves elsewhere and that some of those issues move north into the City. He said he trusts Chief Black, and when he tells the City they need more officers, he knows that is true.

Chief Black reported that there are cases that take time to resolve such as sex offenses and molestation. He said if the police department does not give those adequate attention, the victim may not see justice, or a predator is free to commit other crimes, or falsely accused person could get charged. The police have the obligation to investigate and be fair in every case which can take weeks. In 2015 we saw a decrease in assaults, but an increase in other cases. Chief Black said the police department strives to be efficient with their resources and does not ask for resources unless they are necessary.

Mayor Arave addressed the concern of Bryant Mills that there is an issue of too many officers showing up on a call than might be necessary. Chief Black replied that he could look into that instance but that generally there are not five NSL officers on duty at one time. He added that it is better to have the necessary officers on-hand to diffuse a situation safely, and in some types of cases, such as domestic violence, there may be officers from other entities involved. He also said

that each officer has equipment required by the State, such as body and dashboard cameras, which are expensive to maintain as well.

Bryant Mills apologized for the tone of his earlier comments and said he is not for big government. He said the more money they have the bigger it gets and that he feels there should be a way to work around the budget and cut back without asking for more money. He asked the City to see if this could be solved without raising taxes.

Council Member Horrocks commented that it is hard for the City to raise taxes and that he prefers local government to the Federal government because they have to be accountable to the residents. He said while Utah is a very well-run state, most of the property and income taxes go to the school districts. The City has been reviewing, for quite some time, what needs to be accomplished and what is really necessary versus what could be cut from the budget. Looking forward, the City needs to maintain its assets and provide for the safety of its residents, and the staff and council believe this is the way to accomplish that.

Council Member Jensen said that there was a bad recession in 2009 and that other cities were raising property taxes but the City did not. The City cut services and staff as that was not the time to go to residents and ask for money. He said now the City is not growing and the general economic situation is better. While he does not like to increase taxes it is better to raise them when the economy is good versus bad.

Mayor Arave commented that it is easy to balance the budget in that all expenses are covered except road maintenance. The City has a lot of new roads and parks but if they are not maintained it will be more expensive in the long run. He explained that money comes from impact fees from new homes and the RAP tax. He said he is concerned about the location of the City in proximity to Salt Lake and would hate to see those negative elements move into the City with no plans for crime prevention.

Residents Bryant Mills and Tyler Farrer both asked that the City provide more information on the tax increase in the newsletter and on the City's website including the graphs and other information in the presentation from tonight's meeting.

Council Member Mumford said that there is a large financial need coming and that the City is trying to save money and cut expenses. He said he would prefer to wait until next year to implement the tax increase, although that would be one more year of not improving or maintaining parks and roads.

Doreen Decarlo, Woodcrest Lane, commented that her neighbors did not attend tonight's meeting because they did not want to ruffle feathers. She said she is surprised and disappointed that the police department is only asking for two officers as she thinks the City needs more due to the growth. She also asked how much of the tax increase would go towards the landslide. Barry Edwards responded that based on direction from the City Council the City will not allow any more expenses to be incurred for the landslide.

Mayor Arave commented that the City is a property owner for a part of the slide and that while money has been spent on the remediation, it was to remedy a part of the hazard on City property. Everything has been done to ensure no future liability for the City, and while it is not anticipated that any more City funds will be spent on the landslide it is not guaranteed. He said that the tax increase would be spent for budget items such as park and street maintenance and the police department.

Bryant Mills asked if the City has a savings fund and why maintenance and repairs are not being planned for. Council Member Jensen replied that the City is allowed to have a certain amount of cash reserves and that those were in place. The City considered using those reserves to avoid a tax increase but it did not seem right to use those reserves for day to day operating expenses. The City does have money saved and some of those funds were used for the landslide. The City also plans ahead and budgets every year for new vehicles, personnel, maintenance, etc. City staff presented several budget options to the council, including options without raising taxes or hiring new police officers. The City Council felt the best option was the budget that included the property tax increase.

Bryant Mills said that as the City grows the income should too. Council Member Horrocks and Mumford explained that the City loses money most of the time when a house is built as it does not cover all the associated costs. A home would need to be worth at least \$450,000.00 to cover the costs and services the City provides.

Bryant Mills asked if the police department could prioritize calls, specifically those triggered from alarm systems. Chief Black replied that the police department does prioritize calls but that everyone who calls in has the right to expect some level of response. Chief Black also emphasized that officers are needed to patrol or drive by as prevention helps prohibit crime.

Bryant Mills requested that the light on the street at Palmquist Park and Valley View Drive be fixed.

**Mayor Arave closed the public hearing at 8:35 p.m.**

3. CONSIDERATION OF RESOLUTION 2016-28R A RESOLUTION SETTING THE CERTIFIED PROPERTY TAX RATE OF .001622 FOR FISCAL YEAR 2016-17 TO BE LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY OF NORTH SALT LAKE

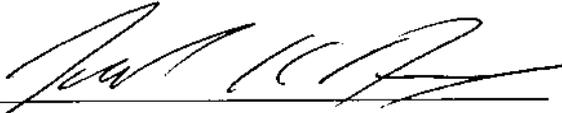
Council Member Horrocks stated that he appreciated the comments from the public and had received insight from listening to their comments. He added that he respects their opinions as well as input the council had received previous to the hearing.

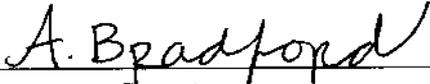
**Council Member Horrocks moved to approve Resolution 2016-28R a Resolution setting the Certified Property Tax Rate of .001622 for Fiscal Year 2016-17 to be levied on all taxable property within the City of North Salt Lake. Council Member Jensen seconded the motion. The motion was approved by Council Members Horrocks, Jensen and Hood. Council Member Mumford voted in opposition to the motion. Council Member Porter was excused.**

Mayor Arave commented that this was not an easy decision for the City Council to make and thanked the audience for coming and taking part in the discussion.

4. ADJOURN

Mayor Arave adjourned the meeting at 8:38 p.m.

  
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Mayor

  
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Secretary