

Minutes of the Truth in Taxation meeting of the Syracuse City Council held on August 13, 2024 at 6:00 p.m., held in a hybrid in-person/electronic format via Zoom, meeting ID 883 7680 8099, in-person in the City Council Chambers at 1979 W. 1900 S., and streamed on the Syracuse City YouTube Channel in accordance with House Bill 5002, Open and Public Meetings Act Amendments, signed into law on June 25, 2020.

Present: Councilmembers: Jennifer Carver  
Brett Cragun  
Julie Robertson  
Jordan Savage  
Paul Watson

Mayor Dave Maughan  
City Manager Brody Bovero  
City Recorder Cassie Z. Brown

City Employees Present:

Administrative Services Director Steve Marshall  
City Attorney Colin Winchester  
Public Works Director Robert Whiteley  
Parks and Recreation Director Kresta Robinson  
Fire Chief Aaron Byington  
Police Chief Garret Atkin  
Community and Economic Development Director Noah Steele  
Communications Specialist Kara Finley

1. Meeting Called to Order.

Mayor Maughan called the meeting to order at 6:00 p.m. as a special meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Councilmember. Councilmember Savage provided an invocation and Councilmember Watson led the audience in the Pledge of Allegiance.

2. Consideration of Final Budget for Fiscal Year 2024-2025. Truth in Taxation Public Hearing and consideration of Proposed Resolution R24-29 setting the certified tax rate and adopting the final budget for the Fiscal Year (FY) ending June 30, 2025.

A staff memo from the City Manager and Administrative Services Director explained that as required by Utah Code Annotated 10-6-118, “before June 30 of each fiscal period, or, **in the case of a property tax increase under Sections 59-2-919 through 59-2-923, before September 1 of the year for which a property tax increase is proposed**, the governing body shall by resolution or ordinance adopt a budget for the ensuing fiscal period for each fund for which a budget is required under this chapter. The budget officer of the governing body shall certify a copy of the final budget and file the copy with the state auditor within 30 days after adoption.”

.” The Council is considering a truth in taxation process and raising property taxes by \$1,025,000 or approximately \$102.00 per year on the average household. The proposed tax increase would fund the following new positions:

- Assistant City Manager - \$230,000
- 3 new Crossing Guards, part time - \$27,000
- Recreation Coordinator - \$84,500
- Battalion Chief, full time - \$172,000
- Captain, full time - \$145,000
- Captain, full time - \$128,000
- Captain, full time - \$111,000
- Police Lieutenant, full time - \$188,000
- Total Cost - \$1,085,500

Since the Council is considering increasing the tax rate above the County certified tax rate, it is considered a tax increase under state law and requires a truth in taxation process. The City advertised in the newspaper once individually and once in a county combined advertisement with the intent to increase taxes. This increase is shown in the property tax bills that were sent to all residents during late July. The tax bill shows that a Truth in Taxation meeting would be held and gave a date and time of the public hearing.

Mayor Maughan introduced the agenda item and invited the City Manager to provide an informational presentation regarding the items that will be funded with the additional revenue to be generated by the proposed property tax increase.

City Manager Bovero used the aid of a PowerPoint presentation to provide a general overview of the City's finances; revenues by source; the manner in which the annual certified tax rate is calculated and how property values are determined; a breakdown of a resident's property tax bill for the average home value of \$554,000; and the proposal to adjust the City's certified tax rate from 0.001739 to 0.001986, which would generate an additional \$1,025,000. This proposal would cost the average household \$102.07 per year, or \$8.51 per month. Mr. Bovero offered a comparison of other services residents pay for that are comparable to the monthly amount of the tax increase, after which he expounded on the primary drivers behind the proposal to increase taxes. A multi-year expansion of the Fire Department is a major factor; a new Fire Station is being constructed, and the proposed FY2024 budget includes eight new positions for the Station. Ultimately, 21 full-time employees are needed to complete the expansion. He concluded by presenting a chart illustrating what residents will get for the added property tax:

1. Improved emergency response times;
2. Pedestrian safety for schoolchildren;
3. Enhanced internal auditing, disaster preparedness, and overall performance of City services; and
4. Expanded recreational opportunities.

He added that before proposing a tax increase, City Administration has made efforts to reduce the budget; he cited 15 budget adjustments that have been made, which resulted in a \$1.6 million budget reduction. Additionally, the City has secured over \$35.4 million in outside funding over the past five years; these grants have been dedicated to economic development and future land use planning. He provided an additional chart illustrating how Syracuse City's property tax rate compares with other Davis County cities, and also noted that several factors are contributing to the need of Syracuse and other cities to increase their tax rates. This includes an inflation rate of 9.4 percent, shortages in the labor market, producer price index increase of 21.9 percent since May of 2021, and the 2020 'fallout' on public safety employees resulting in an increase in the resignation rate to 18 percent.

For a copy of Mr. Bovero's presentation in its entirety, see the information packet for the meeting.

Mayor Maughan then provided his input regarding his desires to avoid similar future tax increases in the City in the next few years; he has been pushing for changes in the City that he feels would reduce the City's dependence on tax revenue:

- Increasing business development in the City because they pay property taxes and sales taxes to the City.
- Apply for more grants in an effort to increase grant funding in the City.
- Slow growth in the City – Syracuse has been the fastest growing City in Davis County in seven of the past eight years.
- Improve efforts to plan for the future needs of the City and examine whether some City functions can be completed with artificial intelligence or robotics.

Mayor Maughan opened the public hearing at 6:46 p.m.

The Mayor and Council were addressed by the following individuals who provided their input regarding their opposition to a property tax increase:

- |                    |                  |                   |
|--------------------|------------------|-------------------|
| • Brad Shephard    | • Henry          | • Ginger          |
| • Leonard Milgate  | • Marcinowski    | • Weathersby      |
| • Matt Page        | • Jacob Briggs   | • Cody Weaver     |
| • Tony North       | • Rick Larsen    | • Richard         |
| • Collette Dansie  | • Kayli Jacob    | • Campbell        |
| • Amy Wessell      | • Terry Palmer   | • Heather         |
| • Laura Stevens    | • Shauna Milgate | • Christensen     |
| • James Broom      | • Keith Howe     | • Darla Holbrook  |
| • Kathy Brown      | • Steve Davis    | • Chris Bertoldi  |
| • Corey Martinez   | • Diane Child    | • John Cullinane  |
| • Jasmine Martinez | • Lance Farr     | • Jim Bishop      |
| • Katherine Sutton | • Dennis Johnson | • Joella Horrocks |
| • Chad Barton      | • Michaela       | • Charlie         |
| • Debbie Woodrow   | • Messina        | • Andreason       |
|                    | • Lance Cheshire | • Cammie Lanning  |

Mayor Maughan then invited input from Zoom participants. No comments were made.

The public hearing was closed at 8:13 p.m.

The Mayor and Council responded to questions raised during the public hearing regarding the City's annual process for working to develop a budget; Councilmember Watson stated that he wished to be as conservative as possible in the development of the budget. He initially asked for no tax increase, but realized that would not be possible given the Council's

approval of a new Fire Station project; however, given the input provided tonight and the input he has received via email and phone call before tonight's meeting, he feels that the property tax proposal can be refined and some of the employment positions can be removed in order to reduce the tax burden. He would support a 'stop-gap measure' that would only fund the positions that are truly needed in the next FY. He proposed to eliminate the Assistant City Manager, Police Lieutenant, and Recreation Coordinator position from the budget. This would reduce the proposed tax increase amount by half.

Councilmember Robertson stated she agrees with Councilmember Watson that the proposed tax increase is too high. She sought election to office because of the growth of the City and the regular tax increases in the City. She would like to reduce the tax increase and continue to examine the budget over the coming months to determine if additional reductions are possible. The responsible thing to do would be to wait for some commercial development to be completed in order to understand the tax benefit new businesses will provide.

Councilmember Cragun stated that he appreciates the input that has been provided tonight and the ideas that residents have suggested for reducing the tax rate. The decision to be made is whether to ask the households of the City to pay an additional \$8.50 per month to pay for staffing increases. He supports the expansion of the Fire Department, which was based upon studies and evaluation of the public safety needs in the community. He also believes that the Police Lieutenant position is needed in order to meet national standards in terms of the ratio of police officers per 1,000 residents. He stated that the Assistant City Manager position is needed as well because of City growth and increased demand for services in terms of business recruitment and economic development. He added that many people who spoke during the public hearing commented on the salaries earned by City staff members, but noted it is important to understand that the information that is publicly available regarding public employee wages include all benefits that the City pays for. This means that the numbers cited are not take-home pay for employees and the City has a policy that requires regular benchmarking with other government entities to ensure that City employees are paid wages comparable to the market and competitive employers. He stated that the question is whether \$8.50 per month per household is too much for the community to absorb; he realizes that everyone has a different financial situation and \$8.50 per month can be impactful, but the average income of the community is \$125, 000 to \$140,000 per year and to him it is disingenuous to say that the City should not have an adequate public safety presence or administrative staffing needed to help the community get to the next stage in terms of business and economic development. He stated that he has been supportive of this increase as the Council has discussed it over the past several months, and he would have even supported a greater tax increase to fund other needs of the City.

Councilmember Savage stated he agrees with many points that have been raised tonight. He stated that in addition to being concerned about local property taxes, residents should be concerned about State taxes and sales tax. The State of Utah has enacted a truth in taxation law that provides for municipal property tax rates to automatically adjust based upon increased property values to ensure that the City receives the same amount of property tax revenue each year. This does not allow the City to capture increased revenue due to inflation. However, the same rules are not applied to the State; residents pay higher taxes to the State based upon inflation and this has resulted in a budget surplus year after year. He encouraged residents to reach out to their State representatives to encourage them to apply truth in taxation to income and sales tax paid to the State. He then discussed issues associated with growth in the community and identified increased costs that the City must fund as a result of growth. He also echoed Councilmember Cragun's comments about employee salaries; the advertised salaries include all benefits, and he suggested that residents calculate their own salaries to include benefits to see the difference between take home pay and total compensation. He discussed the duties performed by the City Manager and indicated he strongly believes that the Assistant City Manager position is needed; he is not willing to compromise on that position. He is willing to remove the Police Lieutenant position from the budget if that will help the Council reach a compromise in terms of adopting the budget. He agreed with residents who encouraged the City to plan ahead but noted that it is very difficult for the City to save money over the course of several years to fund future projects; the City tries to work on an 'as needed' basis and only charges what is needed from year to year. He also encouraged residents to run for office in the future in an effort to implement the ideas they have regarding the management of the City.

Councilmember Carver also responded to the comments made regarding growth in the community and noted that since joining the City Council, the body has not approved a single high-density housing unit since 2022. Many projects were approved before this current City Council was seated and the Council does not have the authority to revoke those approvals. She added that the City has been planning for the Fire Department expansion for several years and the current fire station project is supported by a study of the public safety needs in the community. She noted that it is not responsible to continue to push needs down the road and hope for other revenue sources to fund those needs in the future. Project costs will only increase each year and delaying needed projects will only cost the residents more in the future. She stated that some City employees in management positions have agreed not to take a full pay increase this year in order to keep costs lower. Many people communicated that they moved to Syracuse because of the rural feeling, but they also support business development – such as a Costco – and that is contrary to the request to preserve the rural nature of the City. She then stated that she earns a total of \$3,300 per month and can only afford to live in Syracuse because she has a roommate that pays half of her housing expenses. She discussed the work

she performs to pay for her monthly expenses and stated she understands those residents who spoke to the impact a tax increase will have on them. However, she feels that it would be irresponsible to improperly staff the public safety departments of the City; the City has applied for a federal grant to pay for Fire Department employees, and that is why the budget only includes eight positions that will be funded through this year. However, if the City does not receive that grant, it will be necessary to figure out a way to fund the additional positions next year. She stated that the City Manager works night and day and needs help, and she will not agree to eliminate the Assistant City Manager position. The only position she is willing to compromise on is the Police Lieutenant position, but she feels that the Parks and Recreation position is also needed desperately in order to reduce the burden on existing employees who are working up to 70 hours per week to provide the level of service that residents expect. She stated there are tax relief programs through the County and she advised those on a fixed income to apply for those programs. She concluded the City Council has spent a lot of time analyzing this budget and many items that are truly needed in the community have been removed from the budget. She does not love to pay taxes either, but she understands the need for the increase. All of the items included in the budget have been discussed on the public record and she advised residents to review those documents and recordings if they still have questions about the reasons for the tax increase.

Mayor Maughan then noted that no elected official of the City is a full-time employee of the City and they do not receive salaries as high as has been mentioned tonight. He then stated that many have called on him to veto the Council's approval of a tax increase, but he clarified that is not an option. He discussed future planning efforts of the City; each budget is based upon a five-year plan for parks and a 10-year plan for road improvements and vehicle purchases.

Mr. Bovero then addressed information included in his presentation regarding the comparison of the \$8.50 per month increase with other monthly services that people pay for; he was not suggesting that anyone cancel any other service they pay for in order to pay for the tax increase. He simply wanted to offer a comparison of the fees residents pay. He then stated that many have concerns about the salaries that City employees earn, but he reiterated the comments made by Councilmembers Cragun and Savage that some of the figures cited tonight are for total compensation and not for actual take home pay. This includes required contributions to the State of Utah for employee retirement. He discussed some of the projects that he has worked on over the last several years, including negotiations with Utah Department of Transportation (UDOT) to secure real estate throughout the West Davis Corridor project, which will result in the City netting \$5 million in real estate value. Based upon the comments that City employees must provide value to justify their salary, he believes that his efforts more than cover his wages for several years. He stated he supervises eight Departments with 220 employees and administers a \$50 million budget and he would put his salary up against a Chief Administrative Officer for a private enterprise with similar metrics. He stated all City staff also 'earn their keep', but they are grateful for what they are paid. He and they are not ashamed of the wages they earn, and they have put in the time and sacrificed to earn what they do. He stated that his presentation was not meant to influence anyone to like or support the tax increase; rather, it included factual data that has been relied upon to develop the FY2024 budget.

Mayor Maughan stated that Mr. Bovero's job is largely unseen, but he does provide great value to the City and spends a great deal of time working to ensure the City's future success. He then called for a motion from the Council.

Councilmember Watson stated that he suggested the maximum tax increase of 20 percent based upon a willingness to compromise on some of the budget requests that have been discussed over the past several months. If he has not suggested that compromise, the maximum tax increase would have been much higher. However, when he suggested that compromise, he did not have all of the public input that has been offered tonight and based upon that input, he wishes to consider a lower tax increase.

COUNCILMEMBER WATSON MOVED TO ADOPT RESOLUTION R24-29, ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2024-2025, WITH THE FOLLOWING AMENDMENTS:

- REMOVAL OF THE ASSISTANT CITY MANAGER POSITION;
- REMOVAL OF THE RECREATION COORDINATOR POSITION; AND
- REMOVAL OF THE POLICE LIEUTENANT POSITION.

COUNCILMEMBER ROBERTSON SECONDED THE MOTION. MAYOR MAUGHAN CONDUCTED A ROLL CALL VOTE: VOTING 'AYE' – COUNCILMEMBERS ROBERTSON AND WATSON. VOTING 'NAY' – COUNCILMEMBERS CARVER, CRAGUN, AND SAVAGE. The motion failed.

COUNCILMEMBER SAVAGE MOVED TO ADOPT RESOLUTION R24-29, ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2024-2025, WITH THE FOLLOWING AMENDMENT:

- REMOVAL OF THE POLICE LIEUTENANT POSITION.

The motion died for lack of a second.

COUNCILMEMBER CRAGUN MADE A MOTION TO ADOPT RESOLUTION R24-29 SETTING THE CERTIFIED TAX RATE OF 0.001986 AND ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR (FY) ENDING JUNE 30, 2025. COUNCILMEMBER CARVER SECONDED THE MOTION; MAYOR MAUGHAN CONDUCTED A

City Council Truth in Taxation Hearing

August 13, 2024

ROLL CALL VOTE: VOTING ‘AYE’ – COUNCILMEMBERS CARVER, CRAGUN, AND SAVAGE. VOTING ‘NAY’ – COUNCILMEMBERS ROBERTSON AND WATSON. The motion carried.

At 9:01 P.M., MAYOR MAUGHAN DECLARED THE MEETING ADJOURNED.

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Dave Maughan  
Mayor

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Cassie Z. Brown, MMC  
City Recorder

Date approved: September 10, 2024