

ORDINANCE NO. 0-2026-0021

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OREM, UTAH, APPROVING AND ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2026-2027, ADOPTING AN INCREASE TO THE PROPERTY TAX RATE, ADOPTING THE DEDICATION OF THE GENERAL OPERATIONS PORTION OF THE CITY OF OREM'S PROPERTY TAX LEVY TO THE PUBLIC SAFETY SPECIAL REVENUE FUND, ADOPTING COMPENSATION PROGRAMS, ADOPTING THE FEES AND CHARGES SCHEDULE, ADOPTING THE FRANCHISE TAX, MUNICIPAL ENERGY SALES AND USE TAX, TELECOMMUNICATIONS LICENSE TAX, TRANSIENT ROOM TAX AND E-911 RATES

WHEREAS on May 12, 2026, the City Manager of the City of Orem, Utah, presented the Tentative Budget for Fiscal Year 2026-2027 to the City Council for consideration. This budget included a proposed property tax increase which required the City to include a property tax impact schedule in the budget document. The property tax impact schedule specified the approximate dollar amount of additional ad valorem tax revenue that would be generated by the proposed tax increase, the approximate percentage increase in tax revenue, the approximate percentage increase to the amount of property taxes that would be paid on an average residence and commercial property, and which department(s) would be affected; and

WHEREAS the City Council had, through prior public work sessions, reviewed the components of the Fiscal Year 2026-2027 Tentative (Interim) Budget including the proposed property tax increase; and

WHEREAS the City Council, on due public notice, held a public hearing on Tuesday, June 9, 2026, in the Council Chambers of the Orem City Hall located at 56 North State Street to receive input regarding the Tentative Budget and the proposed property tax increase prior to adopting a Tentative (Interim) 2026-2027 budget; and

WHEREAS the City Council adopted the Fiscal Year 2026-2027 Tentative (Interim) Budget on June 9, 2026; and

WHEREAS the City Council held a Truth- in-Taxation public hearing pursuant to Utah Code Section 59-2-919 on Thursday, August 27, 2026 to consider the City Council's intent to levy a tax rate that exceeds the City's certified tax rate and the adoption of the City's final budget; and

WHEREAS the public hearing was open to the public and available for individuals to participate either in person or virtually, and the City Council allowed all interested individuals to provide oral

testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment;

WHEREAS the dollar amount of additional ad valorem tax revenue that would be generated each year by the proposed increase in the certified tax rate is \$450,000; and

WHEREAS the purpose of the property tax increase is to add two additional police officers and associated vehicles and equipment; and

WHEREAS the City published a Truth-in-Taxation public hearing Class A notice as required by Utah Code Section 63G-30-102 at least fourteen (14) days before the public hearing was held; and

WHEREAS the City provided instructions at least twenty-four (24) hours before the day of the Truth-in-Taxation public hearing on the main page of its public website on how individuals could participate virtually in the property tax increase public hearing; and

WHEREAS the City Council proposed an increase to the General Operations property tax rate from 0.000590 to 0.000631 (which is sufficient to achieve the approved property tax revenue increase of \$450,000), along with the Interest and Sinking Fund/Bond levy of 0.000150, which results in a total property tax rate of 0.000781; and

WHEREAS the City Council desires to dedicate all of the City's General Operations property tax revenues to the newly created Public Safety Special Revenue Fund (as per Utah Code Section 10-6-133.4).

WHEREAS the Employee and Elected Official Compensation Programs have been established in accordance with Council desire; and

WHEREAS the fees and charges of the City have been set in accordance with Council desire; and

WHEREAS the City Council has developed a budget in which the anticipated revenues equal the total of appropriated expenditures; and

WHEREAS the City Council desires to maintain the Franchise Tax and the Municipal Energy Sales and Use Tax at the present rate of 6% (6 percent), and maintain the Telecommunications License Tax at the present rate of 3.5% (3.5 percent); and

WHEREAS the City Council desires to continue the Transient Room Tax at 1% (1 percent); and

WHEREAS the City Council desires to continue the enhanced 911 program and levy it at the state allowed maximum rate on all phone connections in the City; and

WHEREAS the public hearings required for a transfer from the enterprise funds to any other fund of the city have been held; and

WHEREAS the public hearings required for the Community Development Block Grant Program have been held; and

WHEREAS the public hearing required for local government compensation increases for specified officers has been held and the increases adopted by ordinance; and

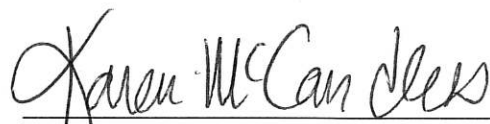
WHEREAS the City Council considered the Tentative (Interim) Budget as submitted and all information presented at all public hearings and has made all changes which the City Council desires to make.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF OREM, UTAH, as follows:

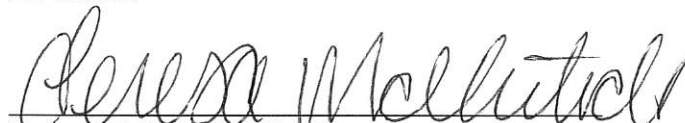
1. The City of Orem budget for the Fiscal Year 2026-2027, which budget is attached hereto as Exhibit "A," and incorporated herein by this reference, is hereby adopted.
2. Exhibit "B" establishing all fees and charges for Fiscal Year 2026-2027, which is attached hereto and incorporated herein by this reference, is adopted.
3. Exhibit "C" containing the Elected Official and Employee Compensation Programs, attached hereto and incorporated herein by reference, is hereby adopted effective July 1, 2026.
4. The Franchise Tax and the Municipal Energy Sales and Use Tax shall be maintained at 6% (6 percent) and the Telecommunications License Tax shall be maintained at 3.5% (3.5 percent).
5. The Transient Room Tax shall be 1% (1 percent), as adopted by ordinance.
6. The E911 surcharge shall be set at the maximum rate allowed by law.
7. The City Council approves and establishes a property tax levy sufficient to increase ongoing City of Orem property tax revenues by \$450,000 per year. Therefore, the City Council hereby adopts and levies a General Operations property tax rate of 0.000631 for Fiscal Year 2026-2027 and a voted Interest and Sinking Fund/Bond (general obligation bonds) property tax rate of 0.000150 for a total property tax rate of 0.000781 for Fiscal Year 2026-2027.
8. The General Operations property tax is levied pursuant to Utah Code Section 10-6-133.4 for the purpose of providing public safety (police and fire) services. The City Council approves and dedicates all of the City's General Operations property tax revenues to the newly created Public Safety Special Revenue Fund (as per Utah Code Section 10-6-133.4).
9. The City Manager is directed to implement this budget in accordance with State laws and appropriate City procedures.
10. A copy of the Orem City budget shall be placed on file in the office of the City Recorder of the City of Orem, Utah.

11. This ordinance shall take effect immediately upon passage and after a summary of this ordinance has been published or posted as required by law.
12. This ordinance shall supersede any resolutions, ordinances, or policies in conflict herewith.
13. If any part of this ordinance shall be declared invalid, such decision shall not affect the validity of the remainder of this ordinance.
14. All other resolutions, ordinances, and policies in conflict herewith, either in whole or in part, are hereby repealed.

PASSED AND APPROVED this 27th day of **August** 2026.


 Karen A. McCandless, Mayor

ATTEST:


 Teresa McKittrick, City Recorder



BOARD MEMBERS	AYE	NAY	ABSTAIN
Mayor Karen A. McCandless	☒	☐	☐
Jenn Gale	☒	☐	☐
Chris Killpack	☒	☐	☐
Jeff Lambson	☒	☐	☐
Quinn Mecham	☒	☐	☐
LaNae Millett	☐	☒	☐
Crystal Muhlestein	☐	☒	☐