

AMERICAN FORK CITY COUNCIL
AUGUST 30, 2022
SPECIAL SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Kevin Barnes	Council Member
Staci Carroll	Council Member
Clark Taylor	Council Member
Rob Shelton	Council Member
Ryan Hunter*	Council Member

Staff Present:

David Bunker	City Administrator
Camden Bird	Assistant City Administrator
Patrick O'Brien	Development Services Director
Rebecca Andrus	City Engineer
Stephanie Finau	Deputy Recorder
Cameron Paul	Police Chief
Cherylyn Egner	Legal Counsel
George Schade	IT Director

Also Present: 4 citizens of American Fork

**Participated electronically*

The American Fork City Council met in a special session on Tuesday, August 30, 2022, in the American Fork City Hall, 31 North Church Street, commencing at 7:00 p.m.

SPECIAL SESSION

1. Review and Action on a Resolution Setting the 2022 Tax Rate for Fiscal Year Ending June 30, 2023.

Mayor Frost explained the City Council will be voting on the Fiscal Year tax rate tonight. He added that there will not be a public comment as the public hearing done the week before. He expressed gratitude to the residents who attended and spoke last week. Mayor Frost expressed that this has been mulled over for months and they have had many discussions on the budget.

Council Member Taylor commented he felt he had received positive feedback prior to that meeting, however after the meeting he felt he had been educated. He mentioned that Council Member Carroll brought somethings to his attention, and he had discussed it with Mr. Bunker. He expressed concern about the limited income some residents have and that the increase is difficult this time of year. He had asked Mr. Bunker to give some additional options and commented that the most appealing to him is the Peg Rate, which would get the city close to what was needed for public safety and roads. He commented that the city needs to tighten their belt but still provide for public safety and roads. He asked the council for their feedback and

commented he wanted to look at the 31% increase which will bring it down more than \$2. He added it will be short of their goal by \$100,000 but it would demonstrate that the council has listened to the residents. It will be \$7.69/month oppose to the \$9.99 or \$10 increase.

Council Member Carroll commented that she's been against property increases but sitting on the council it has been apparent it is not sustainable forever. The certified tax rate does not allow for the inflationary increases. She expressed that with the increase in public safety, increasing the taxes needs to happen. She mentioned that she was looking at three metrics:

- The average per month to keep it under \$9.99/month.
- Total Revenue. The city needed \$750,000 to cover police and fire and after the request from the community we need to get more money to the road plans and hoping to get that total up to \$1.5 or \$1.6 million
- Percentage increases the residents will see. She mentioned that multiple times she had expressed that 40% was hefty and was worried that the residents would be concerned about that, and it's exactly what happened.

Council Member Carroll added that anywhere cuts are made are coming from the road funds, which she assumed it to be because it was discussed amongst the council that there would be \$750,000 and that there would be an amount that would go up and down coming from the road funds for this property tax increase. She felt that she would bump it up to a 33.81% increase.

Council Member Shelton expressed he loved the city council meeting last week and felt the truth in taxation process was a positive experience. He mentioned three lessons that he learned from the public hearing:

- Communication – He expressed appreciation for Council Member Christiansen and how she kept a record of what happens in the city. He appreciated the comments made and asked how the city can communicate on a regular basis to the residents.
- Small increases along the way – 40% increase now, had the city done it 15 years ago it would have been a 2.6% increase yearly to keep up with inflation. He stated that is the smart thing to do and the city should adopt that policy officially and communicate that to the residents.
- Accountability – Whenever there is a property tax increase, there is great accountability. Like the PARC Tax, we need to be transparent and show where the dollars have been spent. He mentioned that he would like an annual report that goes out showing how, where and what the money was spent on to build confidence and trust in the community.

Council Member Shelton talked about the difference of \$2.30/month with all the options from the highest to the lowest. It does not get the city up to do the roads, even with the proposed amount. He added that it would be shy of \$5 million, and it needs to be more than that. He stated that roads budget always gets cuts or taken from and if the city doesn't spend the money now, the \$2 will end up costing \$6 to \$8 down the road for maintenance. He felt that \$2 a month will not be that big of a financial difference in resident's budget and it can be invested in the roads now. He mentioned if they decided to Peg the Rate, he can go lower knowing they would get to the \$5 million slowly. He asked staff about the budget if it was under the proposed rate. Mr. Bunker replied that it was. Council Member Shelton wanted to reopen the budget and look at it as 77% of residents have said that roads are the biggest issues.

Council Member Hunter felt similar to Council Member Shelton. He commented that he's sensitive to the dollar amount and that he participates in helping several individuals pay their

bills each month and understands that it is not easy. He also felt sensitive to the idea of kicking the can down the road, which was not helping the city. He added that the Peg Rate is essentially covering the change in our dollar value and that he's willing to spend it now. He feels that \$2/month doesn't change anything and that the residents were more concerned on the increased percentage and not so much the dollar amount. He stated that he doesn't believe that a change from \$7 (from the lowest tier) up to \$10, that the \$2.46 doesn't make a difference yet the extra \$200,000-\$300,000 a year is going to make a difference in the roads over the course of several years. His personal recommendation would be to keep it at \$10 as proposed.

Council Member Barnes understands and agrees with each council member to some extent. He thought that as a council they had made an agreement of what was being proposed and that's why the budget was made around the set amount. He also stated that he doesn't want to be blamed for one of those people that kick the can down the road. He mentioned fixed incomes and that social security gave a 6% increase at the start of the year. He also mentioned that he had went around and visited 20 neighbors and no one had a problem with \$10 a month. He agreed with the survey of how it came back that roads were the priority and how it has been for years, but every time the city has to cut the budget it comes from road funds. He gave statistics of the residents that made comments and kept track of who was for it, against it or sitting on the fence and how some who were opposed but after hearing the explanation from Mr. Bunker was for it. Council Member Barnes is in favor of a higher increase rate but will back off because he understands why and is for the proposed rate at \$9.99 a month.

Council Member Taylor understands that they are paying the consequences of the decisions of the past councils. He also knows the council has the ability to listen and is in favor of pegging the rate, so city doesn't get behind. He does not believe \$700,000 is going to make much a difference. He understood about the \$2 increase and wanted the council to come together and peg the rate, compromise, and tighten the belt. He asked if the council could compromise and find a way to tighten the belt, put more towards roads and reduce the tax rate to what was originally suggested by pegging the rate and see an increase each year to keep up with inflation. He referred to Council Member Barnes that there was never an agreement. It will show good faith as a council and peg the rate and drop it by a \$1.

Council Member Shelton had an idea about where to find the compromise. He explained that the Arborist was only scheduled for ¼ time for the year and \$240,000 is budgeted for that, \$40,000 was for regular maintenance and tree purchases. He suggests keeping the maintenance and cut the \$200,000 for the arborist. By doing that it will allow it in the budget to get to \$8.99/month. If we want to get down to the \$8.30/month, we will have to come up with a way to cut \$130,000. He mentioned he could get behind taking it out of road improvement fund and knowing that the city will peg the rate to build up to the \$5 million plus that will be needed over time.

Council Member Carroll made a reference to the idea of the council being in agreement of what it was. She wanted to let the council know what she was thinking. As we were looking at the numbers, they were constantly moving. She stated when she went to the budget session, it surprised her to see the 40% and the total of 1.9 million because that is not the number that was seen in previous meetings. Before that time the county had not given the city the certified tax rate. She mentioned extensive discussions about the budget and the target about how much revenue the city wanted to receive, which may have been around \$1.6 million. She felt that there is some wiggle room based on what the target was after discussing it with Mr. Bunker. She asked if there are areas in the budget the city have some place to go a little slower.

Council Member Shelton mentioned the idea of government not doing everything for you. Park strips have always been up to the residents to take care of that and cite them if need be. If the city is cutting services and yet adding service in a different area, it does not make sense. He went on to explain why cutting the arborist is better on the budget and reiterated what he stated early about pegging the rate.

Mayor Frost appreciated the council dialogue on the budget and mentioned how he doesn't have vote. He added roads are a continual talking point for the residents and how last year there was a budget amendment for \$750,000 for public safety to be able to competitive to our neighboring city and that was not something that was budgeted for. He expressed that as officials they want to keep the residents safe. He mentioned the roads and the road bond in 2020 when there was hardly any work and rates were low and at the time already had spent \$14 million because the city was going to *pay as we go* and had accomplished very little. He added that his persuasion would be to be somewhere in the \$8.99/month or \$8.30/month range that will bring up the city up to speed with public safety and to sustain that and give the city the ability to put more into roads. He agreed that a small increase each year is wise.

Council Member Hunter commented on the ideas of roads and budget and where to cut back. He expressed appreciation to Mr. Bunker as the city manager for adding in the Arborist position. He felt that second to roads, maintaining sidewalks is important. He stated there are many sidewalks that need improvements but until they get the trees under control, they are not going to be able to replace all those sidewalks. He added there is value in holistic approach and Mr. Bunker approach is a long-term perspective. He expressed that he could come down to \$8.99/month.

Council Member Barnes asked if the peg rate applies to the home value each year and that is what determines property tax. Mr. Bunker replied that pegging would keep the same rate, if home values go up, pegging the rate keeps us at the same time as the previous year. He explained that even through pegging, they must hold a Truth in Taxation hearing because it is an increase in taxes.

Council Member Shelton commented that sidewalks are important. He mentioned historically \$100,000 was spent on sidewalk improvement but last year it was \$170,000. This year the budget included \$228,000, an increase. Council Member Shelton felt that residents should help maintain the trees by trimming them. He mentioned the survey and how residents felt that the roads needed improvement. He feels a great compromise is \$8.30/month, and to pull the Arborist and outsource tree trimming like last year for \$50,000 and pull \$138,000 from the road fund. He added that the council should discuss this every year and stated he would be happy to make a motion on that and see if there is any discussion on that.

Council Member Shelton moved to adopt the resolution for the tax rate at .001476, which would be an \$8.30/month increase, with the city taking the cut in the arborist for \$198,000 and the rest of the amount coming from the road improvement fund improvements fund.

Council Member Taylor realized he threw out the Arborist but was willing to go back and talk about where those opportunities and figure that out. He added that the council does not need to be specific on where that cut will be tonight. Ms. Egner suggested the council limit it to the tax rate and any budget amendment must come back through approval at that point with discussions taking place at that time.

Council Member Shelton responded that he would like to know where the money is going and does not feel good about putting money towards a new city service that historically has been the responsibility of the residents. He added that he can get behind that and that's a compromise he could get to but he doesn't want to vote on \$8.30/month and then come back and have it all taken from roads, or he would rather stay at \$9.90/month.

Mayor Frost replied that upon hearing from legal counsel, would Council Member Shelton like to withdraw your motion or keep it the way it is. Council Member Shelton stated to keep it there for discussion on that motion and didn't think it was bad but probably amend it to pull out the expense side of it. He felt that to have a discussion without discussing its expenses is tough to be able to do because to him that's a big difference.

Council Member Barnes asked if it can be discussed without a second vote, to which he was told no. Mayor Frost replied that is why he asked if Council Member Shelton wanted to withdraw his motion or keep it there and he will as for a second.

Council Member Shelton stated he will withdraw the motion, but noted it is worthy of a discussion. Council Member Taylor chimed in and said he would be willing to second the motion so they could hash out the details.

Ms. Egner replied that she knows Council Member Shelton made a motion but the way it was made caught her off guard and wanted them to clarify what the motion specifically was and then get a formal second before proceeding.

Council Member Shelton motioned to approve the resolution to transaction for 2022-2023 tax year at the .001476, or in other words \$8.30/month, with the Arborist position for \$200,000 and the rest of it coming out of the road fund (approximately \$130,000).

Mr. Bunker replied that in order to amend the budget they would have to have a public hearing. He agreed with Ms. Egner that she is right on target that tonight is not the night we say we're going to cut or not cut. His recommendation will be don't cut the Arborist because of liability issues that our city is facing with our trees and sidewalks, it is still maybe on the table. He added that tonight they need to be careful that they are just approving the tax rate resolution.

Mayor Frost stated that there is a motion and a second, with the advice given, he advised that the motion gets pulled. Council Member Shelton stated that he just wants another discussion about it and get a conversation started, but he was willing to pull that language out of the motion. He wanted to know where the council sat and the rest of the council wants to approve this without discussing it, they could do that, but he would vote against it.

Council Member Carroll spoke on the motion and stated she is not willing to consider cutting the Arborist as the city sidewalks are in bad shape due to the trees. They need an Arborist to come in and help with that situation. It just makes sense currently to go that route. Council Member Shelton responded that he would be behind that if someone could show him the claims that the city has paid out.

Council Member Carroll stated that when they were looking at the numbers earlier in the budget process, the total in the road fund was smaller due to the revenue they were projecting. At some

point, this council was okay with that reduced number. It would be a decrease in the budget as it has already been approved, however, it was a higher amount than what they were expecting during the budget discussions.

Mayor Frost stated that it was fair to assume that no motion was made. Council Member Shelton replied that there was a motion but died for a lack of a second. Mayor Frost reiterated that there was no motion and recommended if anyone wanted to make a motion.

Council Member Hunter moved to adopt Resolution No. 2022-08- setting the tax rate to be set at 0.001508, revenue of \$8.99/month, for the coming year. Any discussions about the budget or anything where it will come from what will happen in the process of that, if there is an amendment needed to make the budget cut. Council Member Carroll seconded the motion.

Council Member Taylor commented he was not opposed to opening up the budget for discussion to find where to make the cuts.

Voting was as follows:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ryan Hunter, Councilmember
SECONDER:	Staci Carroll, Councilmember
AYES:	Shelton, Barnes, Taylor, Hunter, Carroll

2. Adjournment.

Council Member Taylor moved to adjourn the special session. Council Member Shelton seconded the motion. Voting was unanimous.

Meeting adjourned at 8:05 p.m.



Stephanie Finau
Deputy Recorder