



# Herriman City Safety Enforcement Area Agenda

**Wednesday, June 14, 2023**

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the City Council Chambers, located at  
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

**1. Call to Order - 7:20 p.m. (or as soon as possible thereafter)**

**2. Approval of Minutes**

2.1. Motion for the review and outline of the finalization process to approve the June 14, 2023 Herriman City Safety Enforcement Area minutes

**3. Discussion and Action Items**

3.1. Discussion and Consideration of a Resolution Adopting a Proposed Rate of Tax and Levying Taxes Upon all Real and Personal Property Within the Herriman City Safety Enforcement Area – Kyle Maurer, Finance Director

**4. Adjournment**

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 or [info@herriman.org](mailto:info@herriman.org) and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members may participate electronically via telephone, Skype, or other electronic means during this meeting.

I, Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website [www.utah.gov/pmn/index.html](http://www.utah.gov/pmn/index.html) and on Herriman City's website at [www.herriman.org](http://www.herriman.org)

Posted and Dated this 8<sup>th</sup> day of June, 2023. /s/ Jackie Nostrom, City Recorder

5355 W. Herriman Main St. • Herriman, Utah 84096  
(801) 446-5323 office • [herriman.org](http://herriman.org)





## STAFF REPORT

**DATE:** May 31, 2023

**TO:** The Board of Trustees

**FROM:** Kyle Maurer

**SUBJECT:** Discussion and Consideration of a Resolution Adopting a Proposed Rate of Tax and Levying Taxes Upon all Real and Personal Property Within the Herriman City Safety Enforcement Area

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### **RECOMMENDATION:**

Staff recommends adopting revenues \$260,000 greater than what the Certified Tax Rate will generate. However, staff have prepared two alternatives for Board consideration– One accepting the Certified Tax Rate as calculated by the Salt Lake County Auditor’s Office, and another increasing revenue above the amount calculated by the Certified Tax Rate.

### **ISSUE BEFORE COUNCIL:**

Should the Board accept the Certified Tax Rate as calculated by the Salt Lake County Auditor’s Office, or request additional revenue in excess of the amount generated by the Certified Tax Rate?

### **BACKGROUND/SUMMARY:**

Utah state Code requires the Enforcement Area to either accept the Certified Tax Rate as calculated by the Salt Lake County Auditor’s Office or propose revenue that will exceed the Certified Tax Rate. The Certified Tax Rate is calculated by taking last year’s tax revenue and adding any new growth that occurred within the Enforcement Area as of January 1, 2023. The Board must decide by June 22, 2023, if it will accept the Certified Tax Rate or request additional revenue.

Revenues generated by the Enforcement Area are no longer sufficient to cover the entire cost of the Police Department. This issue has been exacerbated by the recent high inflation and market pressures for police salaries.

### **DISCUSSION:**

Each year the Enforcement Area is required to either adopt the Certified Tax Rate or propose adopting a tax rate that generates additional revenue (the Enforcement Area may also choose to adopt a tax rate lower than the Certified Tax Rate). The Certified Tax Rate is the tax rate used against the assessed values of all properties located within the Herriman City Safety Enforcement Area. The initial Certified Tax Rate is calculated by taking the tax revenue received in the prior year, plus new growth. This is then divided by the Enforcement Area’s assessed value (with a few minor adjustments) to arrive at the Certified Tax Rate. If the Board chooses to accept this rate, it must be adopted by June 22nd of each year. If the Enforcement Area desires to receive more revenue than initially calculated by the Salt Lake County Auditor’s Office, the Area will need to go through a process called Truth in Taxation. This process involves multiple public notices and a public hearing before the final tax rate is adopted.

The Certified Tax Rate information is as follows:

Tax Rate: 0.001318

Revenue Generated: \$8,019,756 (\$461,352, or 6.1%, higher than the prior year)

### Inflation Impacts

Police salaries in the Salt Lake Valley have risen more than 33% since 2018. While national inflation increased by about half that amount. Police vehicle costs have risen by 30% in the last two years alone. Inflation losses to purchasing power are real and increasing. As inflation remains above the historic average, the fund will continue to lose ground. Combined with the market pressure for police salaries, the fund will not be able to sustain the level of police services without adjustments.

Since the HCSEA began collecting taxes in 2018, it has lost purchasing power of \$1,433,025 to inflation based on national numbers and our growth. This likely underestimates the loss in the Salt Lake Valley. Over that same period, it realized new growth of \$2,766,950. However, the 2021 year saw inflation that outpaced new growth. Since new growth is to cover the demands caused by that growth, the inflationary pressure on existing services is significant.

### Inflation vs new growth (2018 to 2022)

HSCEA Purchasing power including new growth						
	Base	New Growth	New Growth %	Inflation% Dec to Dec	\$ Loss to inflation	Revised purchasing power 2018 \$
2018	\$ 5,249,842.00		0.00%	Base year	Base year	\$ -
2019	\$ 5,249,296.00	\$ 695,341.00	13.25%	2.31%	\$ (121,468.12)	\$ 5,823,168.88
2020	\$ 5,945,643.00	\$ 662,300.00	11.14%	1.32%	\$ (78,603.62)	\$ 6,406,865.26
2021	\$ 6,608,950.00	\$ 453,615.00	6.86%	7.19%	\$ (475,478.18)	\$ 6,385,002.08
2022	\$ 7,061,945.00	\$ 495,460.00	7.02%	6.44%	\$ (455,138.15)	\$ 6,425,323.93
2023	\$ 7,558,404.00	\$ 460,232.00	6.09%	4.00%	\$ (302,336.16)	\$ 6,583,219.77
Totals		\$ 2,766,948.00			\$ (1,433,024.23)	

2023 numbers are preliminary and inflation is estimated based on trend through April

For another perspective, utilizing the Bureau of Labor Inflation Calculator, \$100 in 2018 is worth about \$82 in 2023.

With 80% of the entire cost of law enforcement tied to personnel, recent pressures on salaries exert the greatest impact to the fund. Our 2024 projected base salaries excluding overtime, shift differential, special assignment pay, or any other benefits, is about \$4,850,000. This assumes we hire the three new officers in 2024 and before any raises. If those officers are removed the base amount drops to about \$4,600,000. Total personnel costs, including all benefits, in 2024 (without the 3 new officers) and a CPI/market based increase are projected at about \$7,900,000. The Department has a step system for sworn officers from Sergeant down. Without any increase, the authorized steps are projected to add \$428,000. The December-to-December inflation rate was about 6.5%. A 6.5% merit or COLA increase for salaries takes that total to about \$718,000. Benefits add an additional \$400,000 totaling approximately \$7,900,000. For perspective, a 3% increase would be about \$562,000 per year in salary and a total personnel cost of \$7,550,000. Given that even basic increases exceed the new revenues from growth, an adjustment will need to be considered at some point.

The department started with 35 sworn personnel. Within the first year, the opening of Mountain Ridge high school required the addition of another SRO taking the department to 36. Based on a rising concern over traffic safety issues, the department then added more sworn staff, a 4-person dedicated traffic team and a sergeant to manage the increasing supervisory demand, taking the total to 41. Recently the department added one detective getting us to the current 42 sworn. Our current structure has 20 dedicated to patrol, 4 in traffic and community services, 6 school resource officers, 7 investigators, 1 administrative Sgt, and 4 command staff. The three proposed new officers would be assigned to address peak demand issues.

City Staff are currently working on developing a growth model to guide future decisions by the Council and City Staff. Because that effort will guide the discussion on service levels and future growth of the department, staff recommend delaying the additional hires until 2025. However, even with that delay, normal market pressures will require more resources than we are adding each year through new growth. Additionally, as the community grows, the new residents put an additional demand on all city services including police.

To avoid drastic increases in the future, like we saw in neighboring communities last year, taking small incremental increases to address market pressures and inflation would be prudent. The difference between the projected revenues from growth and direct salary cost increases is approximately \$260,000. Staff recommends adjusting the property tax rate by at least that amount for 2024 and holding truth in taxation more regularly to consider market and inflation pressures in the future.

### **ALTERNATIVES:**

The Board may choose the following:

1. Accept the tax rate (and corresponding revenue) as calculated by the Salt Lake County Auditor's Office.

2. Lower the tax rate (and corresponding revenue) as calculated by the Salt Lake County Auditor's Office.
3. Choose to increase the amount of revenue collected by increasing the Certified Tax Rate. This will require the Enforcement Area to go through "Truth in Taxation," which involves a number of public notices and a hearing prior to adoption.

**FISCAL IMPACT:**

Passage of a property tax rate dictates the amount of property tax revenue the Enforcement Area will receive for the year. Revenue generated by the Certified Tax Rate is \$8,019,756 (an increase of \$461,352 over the prior years' certified tax rate revenue). A \$260,000 increase will bring the total budgeted revenue to \$8,279,756 (a 3.2% increase). Taking a smaller inflationary increase now will hopefully avoid large increases in the future.

**ATTACHMENTS:**

Resolution Accepting the Certified Tax Rate Resolution  
Resolution Increasing the Certified Tax Rate

**HERRIMAN CITY SAFETY ENFORCEMENT AREA  
RESOLUTION NO. R \_\_\_\_\_**

**AN RESOLUTION OF THE HERRIMAN CITY SAFETY ENFORCEMENT AREA ADOPTING A PROPOSED RATE  
OF TAX AND LEVYING TAXES UPON ALL REAL AND PERSONAL PROPERTY WITHIN THE HERRIMAN CITY  
SAFETY ENFORCEMENT AREA**

**WHEREAS**, Title 17B, Chapter 1, Part 10, of the Utah Code allows the Herriman City Safety Enforcement Area (“HCSEA”) annually to cause taxes to be levied on all taxable property in the Enforcement Area to carry out the Enforcement Area’s purposes; and

**WHEREAS**, Utah Code Ann. § 59-2-912 requires the HCSEA to adopt its proposed tax rate before June 22 of each year; and

**WHEREAS**, the HCSEA desires to accept the tax rate and revenue (also known as the Certified Tax Rate) as calculated by the Salt Lake County Auditor’s Office; and

**WHEREAS**, in accordance with applicable provisions of State law, the HCSEA Board desires to set the proposed real and personal property tax levy for various purposes within the Enforcement Area.

**NOW, THEREFORE, BE IT RESOLVED by the Board as follows:**

**Section 1.** Enactment. The 2023 real and personal property tax levy for fiscal year 2023-2024 shall be proposed as follows:

Tax Rate: 0.001318

Revenue Generated: \$8,019,756

**Section 2.** Severability. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts, and provisions of this Resolution shall be severable.

**Section 3.** Effective Date. This Resolution shall become effective immediately upon its passage. A copy of this Resolution shall be forwarded to the Salt Lake County Auditor’s Office and the State Tax Commission in accordance with Utah Code Ann § 59-2-913.

PASSED AND APPROVED BY THE Board this 14th day of June 2023.

HERRIMAN CITY SAFETY ENFORCEMENT AREA

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Lorin Palmer, Vice Chair

ATTEST:

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Jackie Nostrom, District Clerk

**HERRIMAN CITY SAFETY ENFORCEMENT AREA  
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**WHEREAS**, Title 17B, Chapter 1, Part 10, of the Utah Code allows the Herriman City Safety Enforcement Area (“HCSEA”) annually to cause taxes to be levied on all taxable property in the Enforcement Area to carry out the Enforcement Area’s purposes; and

**WHEREAS**, Utah Code Ann. § 59-2-912 requires the HCSEA to adopt its proposed tax rate before June 22 of each year; and

**WHEREAS**, the HCSEA is pursuing a tax rate increase (above the Certified Tax Rate calculated by the Salt Lake County Auditor’s Office); and

**WHEREAS**, in accordance with applicable provisions of State law, the HCSEA Board desires to set the proposed real and personal property tax levy for various purposes within the Enforcement Area.

**NOW, THEREFORE, BE IT RESOLVED by the Board as follows:**

**Section 1.** Enactment. The 2023 real and personal property tax levy for fiscal year 2023-2024 shall be proposed as follows:

<b>Fund</b>	<b>Tax Rate</b>	<b>Revenue</b>
HCSEA	Determined based on Board directed revenue	[Board Directed Amount]

**Section 2.** Severability. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts, and provisions of this Resolution shall be severable.

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PASSED AND APPROVED BY THE Board this 14th day of June 2023.

HERRIMAN CITY SAFETY ENFORCEMENT AREA

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Lorin Palmer, Vice Chair

ATTEST:

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Jackie Nostrom, District Clerk