

Argument Against the Pleasant Grove Property Tax Increase

Our democracy is grounded in ensuring that every voice matters. The City Council's recent property tax hike, for the 2nd year in a row, prompts us to question who should decide on this tax increase: the 5 City Council members or the more than 20,000 registered voters? We, the people, should have a vote.

The City Council is on a course of unsustainable spending on non-essential projects commenced before there is sufficient funding to pay for them. The default way the City has chosen to pay for these projects is through bonds (loans) and then require the citizens to pay for them through increased taxes without a vote. Increased taxes place a financial strain on families trying to make ends meet.

- **True Costs:** Early this year, the City sold a 26-year \$36 million bond for Pipe Plant improvements, cemetery expansion, and the creation of the Cook Family Park at the Pipe Plant. The true cost of the Cook Family Park is more than 2 times the advertised price the City provided.
- **Increased Taxes the Norm?:** We experienced a 15.5% property tax hike last year with the City giving 8% pay raises with more benefits and an additional \$200,000 for PT/Seasonal staff. In addition, the City hired two firefighters and two police officers. This year, it's a 14.8% increase in property taxes along with monthly utility bills increasing by 12-15% plus the \$6.76 Transportation Utility Fee. All increases came without a vote of the people.
- **Lack of Communication:** Since 2022, the City has discussed a new park to rival other cities along with police wage increases and a new firefighter. However, the first time the City directly messaged citizens came in the form of a mailed flyer in late July 2023. In less than 2 weeks, the City approved the tax increase despite residents' concerns and suggestions for alternative project phasing strategies. Citizen input was only a legal formality. And, coincidentally, the City broke ground on the park project the next day.
- **Questionable Messaging:** The City retained a public relations firm at a cost \$50,000 "to educate" the citizens why these projects are required. The City was willing to hire a firm yet citizens were never informed.
- **Unfavorable Economic Climate:** Inflation is at historic highs. The goal should be to support citizens, not add to their fiscal stress. Unlike what the City states, the City will not collapse if taxes are not raised.
- **Slippery Slope:** If we normalize these tax hikes, they will become annual increases further eroding in the City Council's fiscal management. Stop them now or this will happen every year.

In summary, these continuous tax hikes are not the path forward. We need fiscal strategies such as phasing projects and living within our budget that consider the well-being of all residents. We need more transparency regarding city issues. We need a solution that balances needs versus wants. **We need to vote against this property tax increase.**



Argument in Favor of the Tax Increase

What is the Proposal?

On August 1, 2023, the Pleasant Grove City Council approved the final budget for fiscal year 2023-2024. The budget included expenditures for increased police wages, a new firefighter, a new librarian, and partial funding for a 20-acre park. To fund these budget items, an increase in the certified tax rate was also approved. The Council has proposed to raise property taxes by \$4.72/month on the average Pleasant Grove home for a total revenue increase of \$733,171 annually. \$2.60/month of the increase is needed to fund the police wages, new firefighter, and the new librarian. \$2.12/month of the increase is the amount needed to fund a portion of the new park.

What is the Benefit to Citizens?

First Responders: Wage studies have shown that Pleasant Grove is behind on police wages compared to other Utah County cities. The public has spoken in favor of increasing wages for our public safety employees. A wage increase was necessary to remain competitive in recruiting and retaining seasoned officers. A new full-time firefighter was necessary to maintain the current level of service.

Library Employee: A full-time program coordinator for the library. Our library conducted 500 programs serving 35,000 individuals in the 2022/2023 fiscal year with a part-time coordinator. A full-time coordinator is needed to meet the demands of the citizens for library services.

New Park: Pleasant Grove Residents will receive a \$15 million dollar park for a proposed tax increase of \$2.12 cents per month. Features of the park include, a splash pad, state of the art playground, pump track, skate park, 2 futsal courts, basketball court, 9 square, Large Pavilion, numerous small pavilions, and a large restroom facility.

What Happens if the Tax Increase is Rejected?

A bond was issued earlier this year, a portion of which will pay for the new park. Issuing the bond in February 2023, before interest rates increased, saved the taxpayers approximately 1.5 million dollars in interest over the 25-year life of the bond. Phasing the park would only increase the cost in the long term. The wage increase for police and new firefighter were desperately needed to preserve an adequate level of service to our citizens. The wages have already been adjusted and a firefighter hired using existing general fund monies from the previous fiscal year. Approving the Referendum will not eliminate these expenses. If the tax increase is repealed, the City will be forced to fund \$733,171 out of existing general fund revenues each year. That means other services will be cut back or eliminated. Library programs will be negatively impacted. Funding of road maintenance may be reduced. Additional funding for Public Safety will be impacted. Eliminating the revenue from a property tax increase will prohibit the City from allocating additional funds to bring our Public Safety wages into a comparable range. Officers and firefighters will continue to train here and leave for higher paying cities after gaining training and experience.



Initial Fiscal and Legal Impact Estimate – Referendum On Property Tax Rate

The City Council approved a property tax increase to fund a portion of the debt service for the Cook Family Park, competitive police wages, a full-time firefighter and library position. This report describes the fiscal and legal impact of repealing Resolution 2023-039, a resolution adopting the Fiscal Year 2024 Budget and Property Tax Rate and follows the requirements of Utah Code §20A-7-602.5.

Estimated Fiscal Impact

If the resolution is repealed, it will reverse the Council's decision to collect an additional \$733,171 annually in property taxes starting in November 2023. This amount equates to approximately \$4.72 per month/\$56.64 per year on the average home (\$542,000 assessed value). Repealing this law would not create a tax decrease from previous years, rather property tax taxes will stay at the same dollar amount as they were in 2022 until the city council adopts a new certified tax rate.

\$2.12 per month of the tax increase pays a portion of the debt service payment which has already been borrowed for the Cook Family Park (splash pad, playground, skate park and pump track). \$2.60 per month pays for the police wage increases already implemented to remain competitive in recruiting and retaining officers, a full-time firefighter to maintain current level of service, and a full-time library position to manage the 500 programs and events currently provided to the citizens.

Services that will be negatively impacted if the voters reject the proposed tax increase are:

- Road Maintenance
- Public Safety (Police and Fire)
- Library Educational Programs

Estimated Public Costs

The public cost of administering the election may include some or all of the following:

- The Referendum Election administered by Utah County: estimated to exceed \$2,500, as quoted by the Utah County Elections Division.
- The estimated cost of City staff time to administer the referendum and election process is approximately \$16,277.00. This includes the total costs for the time spent by the City Recorder, City Attorney and Budget Officer as prescribed by the State Code.
- All costs associated with the law's repeal would come from the City's General Fund.

Estimated Legal Impact

The City estimates there is no significant legal impact associated with this resolution or with its repeal.



Fiscal Impact Summary

The City Council adopted a property tax rate for Fiscal Year 2024 that would generate an additional \$733,171 in annual revenue. This amount equates to approximately \$4.72 per month/\$56.64 per year on the average home (\$542,000 assessed value). The tax increase would pay for a portion of the debt service for the Cook Family Park (splash pad, playground, skate park and pump track), competitive police wages, full-time firefighter and library positions. Services that could be negatively impacted if the tax increase is rejected are:

- Road Maintenance
- Public Safety (Police and Fire)
- Library Educational Programs

**NOTICE OF PROPOSED TAX INCREASE
PLEASANT GROVE CITY**

The PLEASANT GROVE CITY is proposing to increase its property tax revenue.

- The PLEASANT GROVE CITY tax on a \$542,000 residence would increase from \$310.32 to \$366.96, which is \$56.64 per year.

- The PLEASANT GROVE CITY tax on a \$542,000 business would increase from \$564.22 to \$667.20, which is \$102.98 per year.

- If the proposed budget is approved, PLEASANT GROVE CITY would increase its property tax budgeted revenue by 18.20% above last year's property tax budgeted revenue excluding eligible new growth.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: 8/1/2023 6:00 PM

Location: Community Room
108 S 100 E
Pleasant Grove

To obtain more information regarding the tax increase, citizens may contact PLEASANT GROVE CITY at 801-922-4529.



PLEASANT GROVE CITY REFERENDUM PACKET

For the referendum that has been filed to put the approval of Resolution 2023-039 entitled: “RESOLUTION NO. 2023-039 ADOPTING THE FINAL BUDGET FOR FY 2023-2024 (JULY 1, 2023 TO JUNE 30, 2024) FOR PLEASANT GROVE CITY AND ADOPTING THE 2023/2024 CERTIFIED TAX RATE OF 0.001231” that was adopted by the Pleasant Grove City Council on August 1, 2023, be referred to the voters for their approval or rejection at the Municipal General Election to be held on November 21, 2023.

This packet includes:

1. The Proposition Information Packet (Utah Code 20A-7-401.5)
 - a. A copy of the referendum application. Pg. 2-8
 - b. An argument submitted by the sponsors. Pg. 9
 - c. An argument submitted by Pleasant Grove City. Pg. 10
 - d. A copy of the Fiscal and Legal Statement provided by the Pleasant Grove City Attorney and Finance Budget Officer. Pg. 11-12
2. The Referendum Petition (Utah Code 20A-7-604(2)) Pg. 13
3. Signature Sheets (Utah Code 20A-7-604(2)) Pg. 14
4. Information on how to remove the voter’s signature from the petition see Utah Code 20A-7-105 (8)(d)

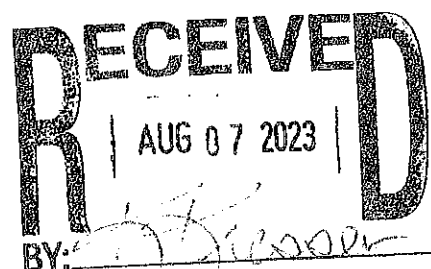
REFERENDUM PETITION

To the Honorable Kathy T. Kresser, City Recorder:

We, the undersigned citizens of Utah, respectfully order that Resolution 2023-039 be passed by the Pleasant Grove City Council be referred to the voters for their approval or rejection at the municipal general election to be held on November 21, 2023.

Each signer says:

- I have personally signed this petition;
- I am registered to vote in Utah or intend to become registered to vote in Utah before the certification of the petition names by the county clerk; and
- My residence and post office address are written correctly after my name.



REFERENDUM APPLICATION


The purpose of this referendum application is to respectfully order that Resolution #2023-039 passed by the Pleasant Grove, UT City Council, be referred to the voters for their approval or rejection at the municipal general election to be held on November 21, 2023.

Each signer says:

- I have personally signed this petition;
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- My residence and post office addresses are written correctly after my name; and
- Persons gathering signatures for this referendum petition will not be paid for gathering signatures.

Name: John W. St. Clair, Jr.

Address: 558 Harvest Moon Dr. Pleasant Grove, UT 84062

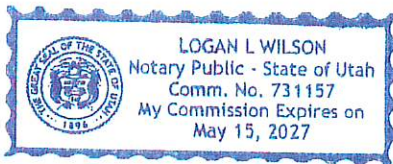
Signature: 


State of Utah

County of Utah

Subscribed and sworn to me Logan L Wilson on this 4 August, 2023
(notary public name) (date)

Day of 4 August, 2023 by John W. St. Clair, Jr.
(month) (name of document signer)




(Notary Signature)
RECEIVED
R | AUG 07 2023 | D
RV. 

REFERENDUM APPLICATION

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Name: John A. Johannesmeyer

Address: 1069 West 810 North Pleasant Grove, UT
84062

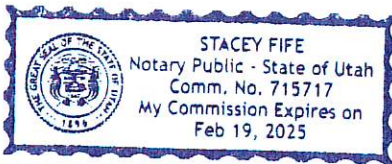
Signature: [Handwritten Signature]

State of Utah

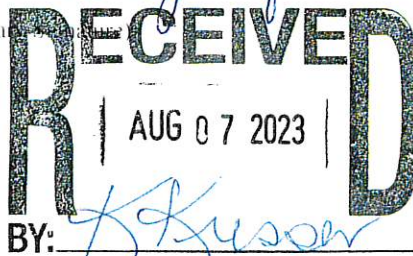
County of Utah

Subscribed and sworn to me Stacey Fife, on this 4th
(notary public name) (date)

Day of August, 2023 by John Johannesmeyer
(month) (name of document signer)



Stacey Fife
(Notary)



REFERENDUM APPLICATION

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- My residence and post office addresses are written correctly after my name; and
- Persons gathering signatures for this referendum petition will not be paid for gathering signatures.

Name: Jill Hasleton

Address: 2902 N 1130 W Pleasant Grove UT

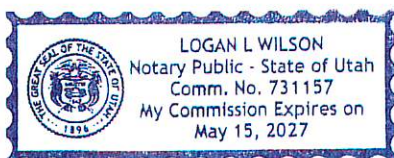
Signature: 



State of Utah

County of Utah

Subscribed and sworn to me Logan L Wilson, on this 4 August 2023
(notary public name) (date)

Day of 4 August, 2023 by Jill Hasleton
(month) (name of document signer)




RECEIVED
AUG 07 2023
BY: 

REFERENDUM APPLICATION

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- My residence and post office addresses are written correctly after my name; and
- Persons gathering signatures for this referendum petition will not be paid for gathering signatures.

Name: Emily Hasleton

Address: 494 E Apple Blossom Dr. Pleasant Grove, UT, 84062

Signature: Emily Hasleton

State of Utah

County of Utah

Subscribed and sworn to me Logan L Wilson on this 4 August 2023
(notary public name) (date)

Day of 4 August, 2023 by Emily Hasleton
(month) (name of document signer)



Logan L Wilson
(Notary Signature)

RECEIVED
AUG 07 2023
BY: K. Kresser

REFERENDUM APPLICATION


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- My residence and post office addresses are written correctly after my name; and
- Persons gathering signatures for this referendum petition will not be paid for gathering signatures.

Name: Julie Penrod

Address: 533 East 820 South Pleasant Grove UT 84062

Signature: 

State of Utah

County of Utah

Subscribed and sworn to me Logan L Wilson, on this 7 August 2023
(notary public name) (date)

Day of 7 August, 2023 by Julie Penrod
(month) (name of document signer)



Logan L Wilson
(Notary Signature)
RECEIVED
AUG 07 2023
BY: JK

RESOLUTION NO. 2023-039

A RESOLUTION OF THE CITY COUNCIL OF PLEASANT GROVE CITY, UTAH COUNTY, UTAH, ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024 AND ADOPTING THE 2023/2024 CERTIFIED TAX RATE OF 0.001231; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a tentative budget for the fiscal year of 2023/2024 was adopted on May 2, 2023; and

WHEREAS, the Pleasant Grove City Council has had opportunity to review, consider, and revise the tentative budget; and

WHEREAS, notice of a public hearing was published in a newspaper of general circulation no less than 7 days prior to the public hearing, as required by law, to receive public input regarding the tentative 2023/2024 budget; and

WHEREAS, a copy of the tentative 2023/2024 budget was made available for public review at the office of the City Recorder for a period of at least 10 days prior to the adoption of the final budget, as stipulated in Utah Code Annotated 10-6-112; and

WHEREAS, a public hearing was held on August 1, 2023 where the Pleasant Grove City Council took public comment on the proposed budget; and

WHEREAS, all outstanding encumbrances and project/grant balances as of June 30, 2023 approved by the City Council shall be continued and re-appropriated for expenditure into the 2023-2024 fiscal year; and

WHEREAS, projects cannot be deleted, changed in budget amount by more than 10% of the original cost or \$100,000, whichever is less, or new projects added without further official action of the City Council; and

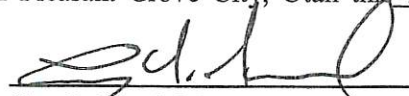
WHEREAS, to provide authorization to increase appropriations for revenues in excess of the adopted budget in the following areas: Reimbursable overtime in Police and Fire divisions, grants or donations received, interest earnings, impact fees, property tax revenue, insurance reimbursements for vehicle claims, reimbursement(s) from outside and inter-city project reimbursements, miscellaneous revenues (scrap metal, concessions, ticket sales, tuition) and revenues in self-sustaining funds (Water, Sewer, Storm Water, and Sanitation) ; and

WHEREAS, the final budget also includes an administrative allocation from the water, sewer, storm water and sanitation funds to the general fund.

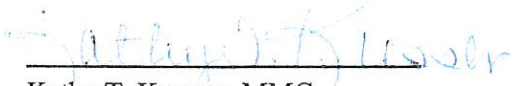


NOW, THEREFORE, BE IT RESOLVED that the City Council of Pleasant Grove City, Utah County, State of Utah, does hereby adopt the proposed 2023/2024 fiscal year budget and adopting the 2023/2024 Certified Tax Rate of .001231.

PASSED AND ADOPTED by the City Council of Pleasant Grove City, Utah this 1st day of August, 2023.


Guy L. Fugal, Mayor

ATTEST:


Kathy T. Kresser, MMC
City Recorder

(SEAL)



Motion: Council Member Williams

Second: Council Member Bullock

<u>ROLL CALL</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Guy L. Fugal	_____	_____	_____
Dianna Andersen	<u>X</u>	_____	_____
Brent Bullock	<u>X</u>	_____	_____
Eric Jensen	<u>X</u>	_____	_____
Cyd LeMone	<u>X</u>	_____	_____
Todd Williams	<u>X</u>	_____	_____

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