

**Pleasant Grove City  
City Council Special Meeting Minutes  
June 29, 2022  
5:00 p.m.**

Mayor: Guy L. Fugal

Council Members: Dianna Andersen  
Brent Bullock  
Eric Jensen

Staff Present: Scott Darrington, City Administrator  
Kathy Kresser, City Recorder  
Kyler Ludwig, Human Resources Director  
Mike Roberts, Police Chief  
Drew Engemann, Fire Chief  
Tina Petersen, City Attorney  
Denise Roy, Finance Director

Excused: Council Member Cyd LeMone  
Council Member Todd Williams

The City Council and Staff met in the Community Room, 108 South 100 East, Pleasant Grove, Utah.

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**5:00 P.M. SPECIAL CITY COUNCIL MEETING**

**1) CALL TO ORDER**

Mayor Guy Fugal called the meeting to order at 5:00 p.m. All City Council Members were present with the exception of Council Members LeMone and Williams, who were excused.

**2) CONSIDER ADOPTION OF A RESOLUTION (2022-038) ADOPTING A CERTIFIED TAX RATE FOR THE 2022/2023 BUDGET.**

City Administrator, Scott Darrington reported that each year, the Certified Tax Rate is received from the County. Approximately 10 days ago, the rate was received for the year. The tax rate moves down as the assessed valuation of the City increases. If the assessed valuation of the City decreases, the rate increases. The idea was that a City will remain somewhat revenue neutral on property taxes year after year. If the City chooses to increase the tax rate beyond the number received from the County, the Truth in Taxation process begins. The Truth in Taxation process requires the City to declare the proposed tax rate that would then be shared with the County. Administrator Darrington noted that there are specific noticing requirements connected to Truth

in Taxation. There would also need to be a public hearing, which would likely take place on Tuesday, August 2, 2022.

Administrator Darrington noted that the City Council was provided with a spreadsheet with several options. Generally, the assessed valuation year-over-year increases by approximately 10%. This year was somewhat unusual in that the tax rate increased by 32%. If the City kept the same tax rate as last year, it would show up as a 32% increase on the property tax bill. Once the City Council sets a rate, the County prints a notice that is sent to residents the third week of July. If the City accepts the Certified Tax Rate, the notice will specify the amount to be paid. This is normally not much different than what was paid the year before. However, if the Council decided to choose a tax rate that is above that number, the notice would include the proposed increase, the yearly rate, and the date and time of the public hearing.

Several options were created for the City Council to consider. For instance, there was an option to hold the rate, which would be a 32% increase. There were also 20%, 15%, and 10% options. Administrator Darrington asked if the Council was interested in holding the rate. If so, it was important to consider what the additional revenues would go toward. For instance, public safety personnel and road maintenance.

According to the County, the value of the average home in the community is \$551,800. If the assessed valuation of a home is less than that, the yearly fee would be less. If the assessed valuation of a home is more than that, the yearly fee would be more. For an average home of \$551,800, the increase would equate to \$85.58 per year or \$7.13 monthly if the City held the rate. That would generate \$1,048,272 in revenue. A 20% increase would equate to \$53.29 per year or \$4.44 per month. The revenue generated would be \$652,754. A 15% increase would equate to \$39.97 per year or \$3.33 monthly. The revenue generated would be \$489,565. The 10% option would equate to \$26.65 per year or \$2.22 per month. The revenue generated would be \$326,377. After the public hearing, the Council would have the option to choose the desired rate, as long as it does not exceed the rate selected at tonight's meeting. For instance, the Council could choose a higher rate tonight and after hearing feedback from the public, that rate could be reduced following the Truth in Taxation public hearing.

Council Member Jensen wanted to better understand what the options would mean in terms of personnel. Administrator Darrington reported that in Utah County, Pleasant Grove has the least officers per 1,000 residents. The City is short-staffed in terms of Police Officers and the property tax rate would make it possible to fill in some of those gaps. The City continues to grow commercially and in terms of the overall population. There was justification for additional Police Officers in the community. The same was true for firefighters. He noted that there had been an increase in the number of calls in recent years. Currently, there is a crew of six for each shift. There are four full-time employees and two part-time employees on each shift. However, they have had difficulty finding part-time staff. If another full-time position is funded, the crew would be increased to seven. This could accommodate sick calls and stacked calls.

Administrator Darrington explained that with stacked calls, five firefighters could respond to an emergency, and two could stay back to address a possible second call. To handle stacked calls, the City currently needs to ask other cities for assistance. Revenue is lost every time other cities

handle the calls. He noted that response times are also a few minutes longer when American Fork or Orem have to handle a stacked call. Administrator Darrington added that there are a lot of road maintenance needs in the City as well. To catch up on all of the road work, approximately \$3.8 million per year is needed.

Council Member Jensen wondered if the City fully funds any services. Administrator Darrington explained that for certain utilities such as water, sewer, and storm drain, the City does not. The City handles as much as possible. It would be ideal to fully fund the roads, but unless there is a substantial tax increase, it would not be possible. The Road Fee that was implemented a few years ago had been beneficial but did not fully fund the needs. The Road Fee is currently in litigation and there will likely be a status update shared within the next few months. If the City Council chooses to adopt a higher rate, it would allow the City Council to put more money into needed road maintenance.

Council Member Jensen was concerned about what a property tax rate increase would mean for residents. It was important to consider the reasons behind the increase. Pleasant Grove is no longer a small city and there are increased Police and Fire calls. He was not sure when the last Council-driven property tax increase occurred in the City. Council Member Jensen wanted to understand if the numbers shown represent the entire portion of the property tax or the City's portion. He asked what the City's percentage or part was. Administrator Darrington explained that if a property tax bill is \$2,000, approximately 12 to 15 percent would go to Pleasant Grove City. The School District receives the majority of the tax money, the County receives a portion, and smaller districts receive a portion of the property tax money as well. Administrator Darrington clarified that the increase was based on the 12 to 15 percent. The City does not have the authority to raise property taxes for anyone else. He was not sure if other municipalities were considering a tax increase this year as well.

According to research, at least five cities in Utah County alone are either holding the rate or have proposed rates above the County rate. As a result, other cities will go through the Truth in Taxation process. Administrator Darrington explained that as the tax rate drops, valuations increase and the City stays revenue neutral. This leads to a loss of buying power over time since costs continue to increase. Since property taxes remain revenue neutral, the City starts to fall behind. He explained that the City often relies on sales tax revenue to pick up the slack. However, sales tax fluctuates and in some years there are decreases that impact the City budget.

Council Member Bullock noted that citizens are concerned about the roads. It is necessary to meet those needs and tackle road maintenance. Administrator Darrington explained that the Road Fee was a window of opportunity but had been suspended. He reported that Police and Fire are General Fund expenses. Sales and property taxes are both General Fund revenues. Both taxes are used to fund different things in the City but the ability to raise revenue is limited. In the General Fund, the property tax is what the City has control over. Fees have to go toward a specific service. For instance, a Water or Sewer Fee.

Administrator Darrington reported that when the Public Safety Building was first discussed, there was a Truth in Taxation process. After the public hearing, the City Council decided not to implement the tax. Although Pleasant Grove has been through the Truth in Taxation process

before, nothing was adopted as a result. Council Member Jensen believed the increase, in this case, would be used to hire additional Police Officers, Firefighters, and to handle road maintenance. The health, safety, and welfare of the residents were essential. Council Member Bullock wondered if there would be a salary increase for existing public safety employees. Administrator Darrington noted that the Council would determine that, but the intent was to hire new employees and fill in existing gaps rather than use the money for salary increases.

Council Member Andersen had spent a lot of time considering what was right for Pleasant Grove. Whenever a decision is made and funds are allocated, it needs to be for the benefit of the City. She noted that crime has changed over the years. There are more drug, mental health, and domestic violence calls than ever before. All of the additional calls were being handled with the same number of employees. Since call volumes have increased, additional personnel are needed. She also noted that it is difficult to keep employees for more than 10 years. Council Member Andersen wanted to see the roads properly funded and ensure that there are enough employees to handle public safety needs. Certain levels of service are necessary.

Mayor Fugal noted that the first option was to hold the rate. Spanish Fork has more sales tax revenue than Pleasant Grove and they hold the rate each year. Additionally, Alpine School District held the rate because otherwise, it would be difficult to take care of all the needs. He liked the first option because it holds the rate to where it was last year but would also put funds into roads and make it possible to hire three Police Officers and three Firefighters. It is something that the City needs. Council Member Andersen noted that even if there was a recession, the roads would continue to deteriorate, and public safety calls would continue to come in. Mayor Fugal pointed out that there is currently high inflation. It may be worth considering a lower percentage rather than holding the rate. Next year, there could be another increase.

Administrator Darrington noted that there was a Resolution before the Council. When the motion is made, the Council would need to fill in the rate. Council Member Jensen was comfortable with the second option, which would bring two Firefighters and two Police Officers, as well as \$250,000 for roads. Council Member Bullock supported the first option. However, after the public hearing, that number may change. Administrator Darrington explained that if the Council chose 32%, after the public hearing, any amount below that could be chosen.

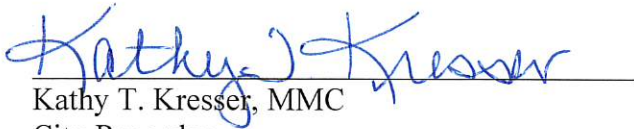
**ACTION:** Council Member Jensen moved to ADOPT Resolution 2022-038 – Adopting a Certified Tax Rate for Fiscal Year 2023 (July 1, 2022 – June 30, 2023), Holding the Rate at 0.0010536. Council Member Andersen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes. The motion passed unanimously.

Administrator Darrington reported that the information would be shared with residents to inform them of the intent of the City Council. There would be an Open House one week before the public hearing. The information would also be available on the City's website. Council Member Jensen asked that all materials clarify that the increase would only impact the City portion of the bill.

3) **ADJOURN**

**ACTION:** Council Member Jensen moved to ADJOURN at 5:38 p.m. Council Member Bullock seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes. The motion passed unanimously.

The Special City Council minutes of June 29, 2022, were approved by the City Council on July 15, 2022.



Kathy T. Kresser, MMC  
City Recorder

*(Exhibits are in the City Council Minutes binders in the Recorder's office.)*

