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MINUTES OF THE SPECIAL MEETING OF THE GRANTSVILLE CITY COUNCIL HELD AUGUST 12, 2009 AT THE GRANTSVILLE HIGH SCHOOL AUDITORIUM LOCATED AT 155 EAST CHERRY STREET, GRANTSVILLE, UT 84029. THE MEETING BEGAN AT 7:00 P.M.

Mayor and Council Members Present: Mayor Byron Anderson. Council Members Tom Tripp, Todd Castagno, Mike Johnson, Brent Marshall, and Paul Rupp.

Appointed Official and Employees Present: Attorney Ron Elton, Treasurer Susan Gustin, Finance Director Jeremy Walker and Recorder Rachel Wright.

Citizens and Guests Present: Gary Buhler, Gerald Hill, Stan Snow, Gary Lund, Gary Fawson, Jane See, Michelle Pitt, Tom Randle, Christopher Fields, Liberty Yates, Daniel Lee, James Vera, Bryan Morris, Steven Dana, Daniel Gill, Colleen Brunson, Jerry Edwards, Joe Sturzenegger, Jeremy Hicks, Ike Lougy, Patrick Allred, Carson Maverik, Lana McKean, Rod Stewky, Kasey Dunlavy, Linda Landberg, Mel Held, and Stan unknown last name.

Mayor Anderson stated the City is experiencing financial problems. He stated the property taxes have not been increased for 17 years. He stated that a study was conducted on tax rates of similar sized cities. He stated expenses have gone up but the taxes have remained the same, which has not kept up with inflation. He stated that the City has been living off of growth revenues. He stated the City has not developed a steady revenue stream. He stated that a year and a half ago the City placed a spending hold on all departments. He stated that the Council met with the City department heads and looked and pondered over the budget. He stated that they cut budgets down to only allow the City to keep running. He went over the City organizational chart. He stated that the 401K benefit for employees was completely deleted and only one health insurance option has been offered to the employees. He stated surveys were conducted on wages of employees and all the wages are inline with other cities and some are even lower. He stated the Council has looked at everything including selling of City property. He stated that majority of the City revenue is property and sales tax. He stated sales tax has been declining due to the economy.

PUBLIC HEARINGS:

- a. **Proposed tax increase for the 2009-2010 City Budget.**
- b. **Tentative 2009-2010 City Budget.**

Mayor Anderson opened the meeting for public input.

Gary Buhler spoke in opposition to the proposed tax increase. He stated he appreciates the service the Mayor and City Council do for the community. He stated he is unsure what people are going to tell their grandmothers when the tax increase puts them out of their homes or tell their children when they cannot afford a home. He stated he is concerned with those people that have set incomes or have been laid off. He stated he has an issue with the Police Chief making two salaries and the amount of money the City is spending on lawsuits. He stated he is not complaining about past service but wants the Council to consider the grandmas and children, that are less fortunate.

Jerry Edwards spoke in opposition to the proposed tax increase. He stated that it had been mentioned that the City has been running off of impact fees. He stated that impact fees should only be used for items that impact the City and the taxes are suppose to be used to maintain the City. He stated that many senior citizens cannot afford a property tax increase. He stated that there is a tax on everything. He stated that many are on social security which does not go up. He stated that the proposed tax increase he figured was 38%. He stated his income has not gone up 38%. He stated he understands the City must be maintained but there needs to be other options besides a property tax increase.

Gerald Hill spoke. He stated the economy is down and the proposed tax increase is a big jump for one year. He stated it needs to be spread out throughout the years.

Stan Snow stated his taxes have increased \$600.00 since 2005. He stated he has been told by Wendy Shubert at Tooele County that the property assessments are going to be looked at. He stated there needs to be some pressure placed on the County to reassess the property values. He

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stated his property is showing the same value as the year before but could not sell it for the value that it is assessed with. He suggested looking at increasing the sales tax.

Greg Lund spoke in opposition of the proposed tax increase. He stated that he knows that the government wastes a lot of money. He stated he has watched money being spent for ridiculous things. He stated that his property taxes went from \$800.00 to \$1,025.00. He stated he has watched people in government do some things that are unfair. He stated he feels the government needs to limit the administration. He stated he took a pay cut. He stated he and his wife both work to support their family. He stated that he hopes that the Council will make legitimate cuts.

Joe Sturzenegger spoke. He stated that when cuts are made to remember there are faces behind those cuts. He stated that people are affected when cuts are made. He stated he is a police officer for the Salt Lake valley. He stated he guarantees that people will be in an uproar if there is an emergency and no police to take care of the situation.

Jeremy Hicks spoke. He stated that living on growth is not a good idea. He stated that is like living off of 401K, it is not a good idea. He stated cuts need to be made and businesses need to be encouraged to locate to Grantsville. He stated there needs to be a better tax base. He stated the current system of waiting for people to move to Grantsville is not working.

Gary Fawson spoke. He stated he is a member of the Planning Commission and they have been working on getting commercial business to locate to Grantsville. Mayor Anderson stated that companies will conduct a market survey and then locate in Tooele because they will still get the business of Grantsville residents. Mr. Fawson stated that the Council needs to run the City like a business and work with the income the City has.

Jane See spoke. She stated her property taxes have jumped almost \$600.00. She questioned why the City is providing water and sewer to the Miller Sports Park when they are not located within the City. Mayor Anderson stated the County is generally using their own water. He stated they own a well that they are pumping from to provide the water to the sports park. He stated they have paid for additional water that they didn't supply.

Stan (last name unknown) spoke in opposition to the proposed tax increase. He stated he was laid off for five months. He stated he had to adjust his budget accordingly. He stated the City needs to deal with the funding it currently has. He stated he also has not seen any major improvements to the park.

Michelle Pitt spoke. She asked what the tax increase is going to be used for. Mayor Anderson stated it will be used for operations of the City. He stated the City's budget indicates an approximate \$200,000.00 shortfall and the City has borrowed from the Water Capital Facility fund. He stated the tax increase would be used for the budget deficit as well as to pay back the loans taken from the Water Capital Facility fund. She asked what the hours the employees work. She stated she noticed City Hall is open from 9:00 a.m. to 5:00 p.m. which only makes a seven hour work day. Treasurer Susan Gustin stated the employees work from 8:30 a.m. to 5:30 p.m. and receive an hour lunch. Ms. Pitt stated she has heard that the fire department's fuel budget is higher than the police department's fuel budget. Finance Director Walker stated that the police department's fuel budget is significantly larger than the fire department's fuel budget. Ms. Pitt stated she can see why the City may need to increase the tax rate, but by 50% is too high. She stated that no other City is asking for a 50% increase.

Tom Randle spoke. He asked what happened to the 18% surplus. He stated that according to State law the City cannot have more than 18%. He stated that the City was getting written up for exceeding having 18% in the bank. Mayor Anderson, after consulting with the Finance Director, stated that the City has not had a surplus during the past four years.

Lana McKean spoke. She stated she wants all of the properties reassessed. She stated that no one can sell their homes right now for the amount the properties are being assessed at. She asked why they do not have a room tax. Councilman Marshall stated the County does have a room tax. He stated the money goes into a fund where a board meets and distributes the money.

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Christopher Fields spoke. He stated he was raised in Grantsville. He stated he has been complacent in the dealings of the City. He stated there have been some issues with the State of Utah that made him decide to get involved. He stated he sees things broken with the City as well and doesn't want to sit complacent any longer. He stated he is not impressed with the budget or the money being spent. He asked why is the City paying for plants when the City is struggling. He stated the fuel should not be more for the fire department than the police department. He stated that the City has been irresponsible. He stated that not raising the taxes for seventeen years than raising them 50% is like not billing someone for their water usage then sending them a bill for years of back service. He stated he understands they are under a hot iron but a lot of residents are experiencing tough times. He stated that the Mayor's salary of \$47,000.00 for part-time is ridiculous. He stated that when Howard Murray was in it was only \$11,000.00. He stated the Council needs to be responsible.

Liberty Yates spoke. She stated you spoke in the first that there are cities similar in size paying more property taxes. She stated that she lived in Vernal and they often price gouge because of the oil industry. She stated it isn't a good comparison. She stated she understands there used to be a rainy day fund, she asked where it went. Mayor Anderson stated it went to the cost of operations. She asked why it wasn't caught earlier that the fund was being depleted. She stated that the individual who did not catch this should be held responsible. She stated that if an individual is hired to do a job they should be held accountable for that job. She stated if the finances were being depleted, then the individual watching over them should lose their job. She stated if she worked somewhere and wasn't doing her job she would have been fired. She stated now everyone is suffering because of someone not doing their job. She stated there needs to be some accountability.

Councilman Tom Tripp read a letter from Valynn Carter who asked that it be included in the minutes of this meeting. The letter is attached to these minutes.

Daniel Lee spoke. He stated he understands the City had a surplus that disappeared four years ago. He stated the budget should have been watched and adjusted. He stated he is a first time home buyer and cannot afford to pay such an outrageous amount in taxes. He offered to come to the City and help with the budget.

Ike Lougy stated the community does have a voice. He stated they do have a vote. He stated he is disappointed in the responses. He stated he is looking for answers. He stated it is easy to blame the County. He stated that the Mayor and Council should meet with the County and have all the properties reassessed. He stated that no one could sell their home for what it is worth. He stated that everyone has to live within their means and the City needs to do the same. He stated that it was mentioned that the 401K was eliminated, he stated many have taken a pay cut. He stated he would have hoped the City would have been better prepared for such times.

Patrick Allred spoke. He stated he thanks the Mayor everyday for his driveway. He stated he blames the Mayor everyday for the problems with this City. He stated that he tried calling every council member and was only able to speak to Brent Marshall and Tom Tripp. He stated he used to be a foreman over hundreds of jobs. He stated he had to make tough decisions. He stated sometimes jobs had to be cut. He stated the budget needs to be cut so there are not any shortfalls. He stated it is your job and responsibility. He asked what benefits the City employees do receive. Mayor Anderson stated insurance and leave. Mr. Allred stated that it is their responsibility to balance the budget. He stated they may need to get rid of services that are not needed or cannot afford.

Carson Maverik spoke. He stated he has lived in Grantsville since 2005. He stated that his taxes will have gone up almost \$800.00 since he moved here. He stated that if the taxes continue to increase he will have to move. He stated that in 2006 the City hired a building inspector. He suggested contracting the building inspection once again. He stated he put in for the job. He stated he would be willing to do the contracted inspections.

Colleen Brunson spoke. She asked when the City will start receiving the funding for the Wal-Mart Distribution. Mayor Anderson stated in three years the City will receive just under \$200,000.00.

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Daniel Gill stated that he has never seen a tax increase like this in his whole life. He stated that he does not feel there would be the anger if the tax rate was lower. He stated that everyone is cutting back. People are being laid off. He stated raising taxes is wrong and that the Council needs to get the tax rate down to a reasonable amount.

Rod Stewky spoke. He stated he has a complaint with the way the taxes are being spent. He stated that the flowers, the fire department's luxury items, two motorcycle cops. He stated he is seeing money being spent that does not need to be spent.

Kasey Dunlavy spoke. He stated he bought a house in Grantsville. He stated it was a great deal but is not so sure now that the taxes are going up. He stated he works for Sandy City. He stated they too have had major shortfalls but the administration planned ahead. He stated they have been conservative. He stated he feels the public needs detail on what the shortfalls are. Mayor Anderson stated anyone is welcome to come to City Hall and go over the budget. He asked how much the City has spent on the lawsuit against Tooele City. Mayor Anderson asked the Finance Director, he stated \$73,000.00 has been spent on legal fees the last year. Mr. Dunlavy stated that if the City had not gone into litigation with Tooele City than the City would be doing better. Mayor Anderson stated that Mr. Dunlavy was the son of the Tooele City Mayor. He stated he has been advised by the attorney's not to discuss the lawsuit.

Linda Landberg spoke. She stated that she always tries to plan ahead and put money aside. She stated that with the economy she has been having a difficult time. She stated she always felt the City was financially responsible. She stated she recalled an article about the fire station and the City trying to locate funding and how they were able to secure funding at a good rate. She stated she was so impressed with the City at that time with how financially responsible it was. She stated she is now disappointed that the City has not been paying more attention. She asked for the Council to find another way to balance the budget rather than doing a tax increase.

James Vera spoke. He stated he appreciates the Mayor and Council taking the time to listen. He stated he understands it is not an easy thing and he knows they all are taking it seriously. He stated the first question he would like the Council to ask is, does the proposed tax increase meet or exceed the need. The second, is the City budget as lean as it can be. He stated his concern is that when there is an emergency the first thing that is done is to increase the taxes but once that emergency is no longer there, a decrease is not given. He emphasized that he hopes the Council will consider raising the taxes only the amount that is needed.

Mel Held spoke. He asked how much the proposed tax increase would generate. Mayor Anderson stated \$400,000.00. Mr. Held stated that it is the wrong time to raise taxes and asking a 50% increase is too much.

Bryan Morris spoke. He strongly urged the Council to lower the amount of the proposed tax increase. He suggested placing a sunset clause into the property tax increase so once the City gets into a better situation then the tax rate would drop back to where it was at before the increase. He stated he understands that if properties get reassessed then it would affect the City budget. He stated that everyone appreciates safe streets and fires being taken care of. He once again strongly urged the Council to place a sunset clause on the tax increase and to look at the proposed amount.

Steve Dana spoke. He stated he has been working as an assessor for the Salt Lake area. He stated he understands that the meeting is not a voluntary meeting. He asked what the proposed budget in dollars is compared to the last year budget. Mayor Anderson stated the current budget is 3.6 million versus 4.2 million for the prior year. He stated that if the property values were lowered that it would not change the demand, the City would still need to come up with the dollars. He stated that the City is talking about dollars and should not be concentrating so much on percentages. Mayor Anderson asked Mr. Dana if he could talk to him some more, Mr. Dana stated yes.

Mayor Anderson stated a meeting is scheduled to be held August 19, 2009 at 7:00 p.m. located at Grantsville City Hall to make a final decision on the proposed tax increase and the final budget.

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ADJOURN: Mayor Anderson asked for any further comment. No other comments were offered and the public hearing was closed at 8:45 p.m.

Rachel Wright
City Recorder

C. Byron Anderson
Mayor