

NORTH SANPETE SCHOOL DISTRICT

Special School Board Meeting Minutes

Tuesday, August 12, 2025 at 6:00 PM

North Sanpete School District

220 East 700 South

Mt. Pleasant, Utah 84647

1. BUSINESS ITEMS

1.1 Prayer

Meeting began at 6:00 p.m. and was offered in person and online via Zoom. Business Administrator Tammy Jorgensen offered the prayer. In attendance were Board President Rich Brotherson, Vice President Jeremy Madsen, Board Member Joseph Cook, Superintendent O'Dee Hansen, Assistant Superintendent Rena Orton, Business Administrator Tammy Jorgensen, Accountant Bryce Warby, Secretary Melanie Lee. Others in attendance were Pat World, Richard Tree, Beverly Janet Guymon, Sean Kearney, Dave Simpson, J. Copple, Mark Hightower, Jeff McDonald, Mark & Ruby Oakley, John Hawkins, M. and Jackie Shoda, Molly Brotherson, Ally Brotherson, Henry Peterson, Lacey Rosenlof, Jon Collard, Pam Daniels, Keith Larsen, Denise Boylan, EddyJean Coates, and Angela Thompson. Board Member Greg Bailey participated online.

1.2 Pledge of Allegiance

Mr. Brotherson led the pledge of allegiance.

1.3 Tax Rate

Property Tax Presentation

- We are not raising taxes 40%

How are Property Taxes Calculated?

- Property taxes are calculated on the value of your property
 - Assume there are only three homes in the district and the district budget is \$1,000
 - Home value of \$120,000 - pay \$364 in taxes
 - Home value of \$110,000 - pay \$333 in taxes
 - Home value of \$100,000 - pay \$303 in taxes
 - Value of taxable base = \$330,000
 - $\$1,000 / \$330,000 = 30\%$ tax rate
 - If the value of homes go up 5%, tax payments stay exactly the same

Outside Factors Can Affect the Intent of Holding Taxes Steady:

- County Assessors must consider the mix of commercial, residential, and recreational properties
- Assessors have far more information available to them to accurately value residential properties than commercial businesses or recreational properties
- Reassessments may not be even because of property location, age, etc
- in Utah, over the past two decades, the portion of property tax paid by real property owners, which includes residential, has shifted from 79% of the total in 2000 to 91% in 2023

Elements of the Property Taxes

- Local School District
- Charter School Levy
- State Basic School Levy
- Bonds (City, County, Schools)
- City
- County
- Library
- Special Service Districts (Water, Landfills, etc.)
- Other (Assessing & Collecting - county and multi-county, etc.)

NSSD Specific Taxes

- State Basic School Levy
 - set by state
- Charter School Levy
 - set by state

- Bonds
 - Set automatically based on bond terms
 - Bond payment / Assessed value of property in district
 - Rate decreased in 2025 due to increased taxable property value
- Local School District
 - Capital Local Levy - one time large costs (can't mix)
 - Voted Local Levy
 - Board Local Levy
 - Controlled by local school board

Because of the smaller tax base, the State of Utah has programs to match funds for rural school districts. To take advantage of these programs, the district must show its efforts in local taxation and meet certain thresholds.

- Capital Local Levy
- Voted Local Levy
- Board Local Levy
- Controlled by local school board

Utah Code: Capital Development project grants (Capital Levy)

- (i) for an eligible school district with a capital local levy rate of at least 0.00105, up to 50% of the total cost of the capital development project as a 1:1 matching grant
- (ii) for an eligible school district with a capital local levy rate of at least 0.0015, up to 66.67% of the total cost of the capital development project as a 2:1 matching grant;
- (iii) for an eligible school district with a capital local levy rate of at least 0.0018, up to 75% of the total cost of the capital development project as a 3:1 matching grant;
- Part of the project for the classroom addition at Fairview Elementary was paid for with a matching grant
- NSSD came up with \$2M, state gave us \$4M (we don't have to tax our citizens)

We are continuing to grow:

- classrooms in the attic at the middle school
- students on the stage for a classroom at Moroni Elementary

- no more room at Fountain Green Elementary

The district needs to come up with a tax rate sufficient for the state to match

- Money state has had available for this grant is decreasing every year:
 - \$50M two years ago
 - \$20M last year
 - \$12.5M this year
- There are only 10-12 school districts that qualify for these grants
- This is money given to us that we don't have to tax our citizens - if we show effort on our part

Voted & Board Local Levy

- The state of Utah will hold harmless, or guarantee, that the school district receives a minimum amount if the school district rates meet certain minimums:
 - Historically, the Board Local Levy had to have a rate of .001600 in order for the state to match
 - NSSD has benefited from this match for years
 - The formula was overhauled in the most recent legislative session
 - The Voted & Board Local Levy's now have a combined minimum of 0.0020
 - To allow districts to have time to comply with the new requirements, the Legislature created a phase-in schedule that covers district funding
 - NSSD has a two-year window where we can take advantage of this formula
- After the three-year phase-in, we will have to meet have 0.0020 minimum to continue to receive the state matching
 - Rates will likely need to be adjusted in year three

Board & Local Levy Phase In

- The Phase In that the state offers this year is reduced by 33% for each of the next two years while the districts increase taxes to the 0.0020 rate
- The state will hold NSSD harmless by matching 100% this year, 67% next year, and 33% the following year

- The amount covered by the state this year is \$1.2M. Estimated \$800K next year and \$400K the following year
- As a result, the district will have to make up the difference, partially with a decrease in the Capital Levy unless we have another tax increase

How would NSSD Tax Rates Rank (out of 41 school districts)?

- Option 1 - 0.005278 - 19th lowest rate
- Option 2 - 0.004978 - 14th lowest rate
 - Look at comparable size districts
 - Juab - 25th lowest rate
 - South Sanpete - 33rd lowest rate
 - Carbon - 37th lowest rate
 - Emery - 40th lowest rate

Questions and concerns from the public were discussed

- What is the current tax rate?
 - right now we are at .001389
- Where did the 40% come from that was printed on our property tax statement?
 - We ran out of time to submit the required tax information to the state
 - When we followed up with the state by phone, they informed us we needed to have 20 incremental tax rates submitted - but they did not initially explain that a three-year phase-in was allowed
 - When we realized our submitted rates were incorrect, the state said it was too late to make any changes to the posted amount but that we could lower the rate through the Truth in Taxation process
- It looks like student numbers have only increased by 200 students over the past 10 years but the district budget has gone from \$10 million to \$20 million in these 10 years
 - there are lots of reasons for this
 - we have preschool in 4 of our elementary schools
 - full-day kindergarten in all elementary schools

- increased mandates from the state being placed on public education
 - can't charge textbook fees
 - have to pay for fee waivers
- Are the educational gains great enough to justify the increase for preschool students?
 - Head Start focus is:
 - full-day preschool
 - for low income families
 - not everyone qualifies
 - NSSD has:
 - 3 year old classes that attend 2 hours a day, four days a week
 - 4 year old classes attend 2.5 hours a day, four days a week
 - we see twice the number of students in our preschool programs
 - Studies have shown that preschool students coming to kindergarten from NSSD preschool are smarter than those who didn't attend NSSD preschool
 - speech numbers are huge for 3-4 year olds
 - have lots of low income and ESL students
 - received a highly qualified grant for preschool funding (\$300,000)
- Why are there two school districts in Sanpete?
 - this subject comes up every couple years
 - instantly we would lose over \$3 million from the state
 - Senator Owens and other representatives have looked at the numbers and they say it doesn't make sense to combine
- A parent of students who are attending our schools and will be for the next 12 years greatly appreciates what the district is doing
 - would like to look at long term plan to maximize capital
 - growth is not going to stop
 - we are busting at the seams
 - plan better
 - put our money to work

- the district invests money through the state to earn interest to help pay for projects
- this parent is grateful the proposed tax increase will go toward improving school buildings

Members from the public discussed being on fixed income and how every increase is difficult

- County evaluates the value of the home
- State has several programs to help with property taxes
 - propertytax.utah.gov

Recommendations from members of the public

- don't raise taxes at all
- see what happens in the future
- find other ways to use less money
- would like to see a cost analysis for preschool
 - doing a disservice to parents and kids because learning should take place in the home

Summary

- Inflation has taken some of the district's purchasing power away
- We haven't had a rate increase for 3 years
- Take advantage now and next year of the Board and Local Levy tax match to decrease those rates to the lowest level possible
- Increase the Capital Levy as much as reasonable to take advantage of the possibility of receiving a 3:1 or 2:1 capital grant to help with district projects
- With either option, NSSD will still be in the lower half of all districts' combined tax rates
- Tax rate will be approved at the August 19, 2025 board meeting at the district office at 6:00 p.m.

1.4 Budget FY25

The FY25 budget will be discussed at the August 19, 2025 board meeting.

2. **ADJOURNMENT**

Motion to adjourn.

Moved by: Rich Brotherson

Seconded by: Jeremy Madsen

Motion Carries

Meeting adjourned at 7:29 p.m.

Draft