

SMITHFIELD CITY COUNCIL

AUGUST 8, 2018

The Smithfield City Council met in a regularly scheduled meeting at 96 South Main Street, Smithfield, Utah on Wednesday, August 8, 2018. The meeting began at 6:30 P.M. and Mayor Jeffrey H. Barnes was in the chair. The opening remarks were made by Deon Hunsaker.

The following council members were in attendance: Deon Hunsaker, Jamie Anderson, Bart Caley, Wade Campbell and Curtis Wall.

City Manager Craig Giles, Police Chief Travis Allen, Fire Chief Jay Downs, Recreation Center Director Brett Daniels, Public Works Director Doug Petersen, Golf Professional Eric Kleven, Golf Superintendent Chad Daniels, City Engineer Clay Bodily and City Recorder Justin Lewis were also in attendance.

VISITORS: Nick Hidalgo, Michelle Anderson, Jeremy Gibbons, Mary Foster, Steven Foster, Richard Jewkes, Carl Preece, Mary Ann Preece, Russell Elwood, Doyle Peck, Magda Peck, Dixie Bassett, Jay Bassett, Kyle West, Susan West, NayDean Park, Brandon Evans, Mark Low, Dianne Campbell, Jeremy Hunt, Joshua Balls, Ryan Reeves, Dona Wilkinson, Becky Perks, Scott Perks, Anne Seamons, Melissa Spencer, Andy Spencer, Janet Campbell, Fred Berg, Todd Orme, Jennie Orme, Jasilyn Heaps, Donald Patterson, R. Smart, Eric Nielson, Jackie Hancock, Alisa Staley, Casey Staley, Denik Brower, Tyler Holst, Edith Lillywhite, Brad Maxfield, Erin Campbell, Clayton Housley, Sara Workman, Jan Moss, Josh Billin, James Frankowski, Jef Hoggan, Stacey Barfuss, Deana Bingham, Phillip Nye, Wayne Benson, Nyla Benson, Linda T. Gittins, Barnett Moss, Kay Moss, Justin Kveven, Penny Findlay, Craig Ricks, Brandon Papke, Jillian Papke, Lloyd Meyer, Steve Olsen, Kevin Moser, Burke Smith, Bill Wrigley, Kelly Johnson, Dennis Jensen, Alisa Davenport, Allen Burris, Pamela Valenzuela, Hutch Daniels, Ana Martinez, Linda Stowell, Dan Stowe, Robert Gerber, Shelly Hepworth, Gerri Dunn, David Doxsee, Al Dunn, John Humpherys, Larry Johnson, Rebecca Beale, Cathy Wilcock, Shelley Olsen, Scott Wilcock, Ray Olsen, Stephen Hepworth, Rory Weaver, Michelle Weaver, Heidi Nielsen, Kirk Harris, Laurie Harris, Kent Heaps, Mary Lou Heaps, Clair Larkin, Janice Larkin, Doran Denney, Terri Denney, Rebecca Farnsworth, Blair Park, Mary Parker, Steve Smith, Gaylene Wamsley, Alan Wamsley, Linda Preece, David Merrill, Paul Merrill, Pam Rhodes, Wayne Davis, Joyce Davis, Kenneth Tuveson, Aaron Lawyer, Tyler Storey, Elsie Storey, Amy Wood, David Wood, Bryce Douglas, Steve Smith, Levi Baker, Ashley Baker, Marissa Benson, Kurt Benson, Andrew Harris, Ashleigh Knowlton, Scott Elwood, Sean Maynard, Nathan Oak, Alan Webb, Tony Douglass, Sandra Hayden, Kim Petersen, Robert Knowlton, Jake Penrose, Tiffany Penrose, Diane Weeks, Kay Lutz, Kathryn Roper, Doug Kingsford, Katie Bell, Kaitlyn Soto, Trevor Leavitt, Brandon Spackman

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM JULY 11, 2018.

A motion to approve the city council meeting minutes from July 11, 2018 was made by Curtis, seconded by Bart and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall
No Vote: None

TEMPORARY ADJOURNMENT FOR RDA BOARD MEETING **CANCELLED**

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 18-09, A RESOLUTION ACCEPTING A PETITION FOR ANNEXATION FOR CERTAIN REAL PROPERTY UNDER PROVISIONS OF SECTIONS 10-2-406 AND 10-2-405, UTAH CODE ANNOTED, 1995, AS AMENDED. THE PARCELS BEING CONSIDERED FOR ANNEXATION ARE LOCATED WEST OF THE RIDGEVIEW ESTATES (540 EAST 620 NORTH), EAST OF THE HUNTER MEADOWS SUBDIVISION (680 NORTH 300 EAST) AND SOUTH OF 800 NORTH 400 EAST. THERE ARE SIX (6) PARCELS TOTALING APPROXIMATELY 68.50 ACRES.

Justin informed the council an official annexation request had been filed by the Peterson and Hillyard families to annex approximately 68.50 acres into the city. The resolution before the council would start the annexation process. Once this resolution is approved the county and school district will be notified. The planning commission will review the request at their August 15th meeting. After that point a public hearing will be held by the city council and a vote taken of whether to allow the annexation. This is the first step in the process.

A parcel owned by Kenneth Tuveson, in this area, is not being considered for annexation. After consultation with the county the other parcels could be annexed into the city and Ken's parcel left out since there are not any county roads abutting Ken's parcel or any buildings on the parcel.

Wade asked who owns the property? Justin replied there are six parcels being considered. Brian Peterson, Marc Peterson, Dwight Peterson and the Hillyard family own the parcels.

Mayor Barnes mentioned the city cannot annex property into the city. Parcel owners have to make an official request. The city does not have the option to annex Kenneth Tuveson's parcel into the city until Kenneth makes the official request himself.

A motion to adopt Resolution 18-09, a Resolution accepting the Petition for Annexation for Parcels 08-044-0033, 08-044-0034, 08-044-0037, 08-044-0039, 08-044-0040 and 08-044-0084 was made by Curtis, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall
No Vote: None

Mayor Barnes mentioned the city is growing fast. This is a request to expand the city. The positive about this request is long term Crow Mountain Road will be able to connect to 680 North Main.

Culinary water is needed in this part of town. Long term the council will consider adding a new well and storage tank in this part of town.

INTRODUCTION OF A NEW POLICE OFFICER

Chief Allen introduced Police Officer Matt Landfair. Officer Steven Downey recently accepted employment elsewhere. Officer Landfair had been working for the department as a part-time officer and applied for the full-time position.

Officer Landfair started on a full-time basis the second week of July.

Officer Landfair brings 13 years of experience from working at other departments.

Mayor Barnes asked Officer Landfair where he resides? Officer Landfair replied in Hyde Park.

Jamie asked if there is a current opening for a part-time police officer? Chief Allen replied Officer Spencer Daines was hired to fill the part-time officer position.

Mayor Barnes informed those in attendance the city manager sends the council a weekly report of happenings in the city.

Mayor Barnes read some statistics from the police department from approximately two weeks ago which covered a period of seven days. There were a total of 88 calls of service which does not include 23 citations and 66 warnings.

The calls for service were 12 domestic incidents, 5 traffic incidents, 19 animal control issues, 23 calls for assistance, 23 suspicious incidents and 6 medical calls.

Mayor Barnes stated there is a need for police officers in the city around the clock.

Mayor Barnes thanked the police officers in attendance at the meeting for their service to the community.

PRESENTATION ON THE PROPOSED PROPERTY TAX INCREASE.

Jamie presented and discussed the following:

SLIDE 1

Smithfield City Proposed Property Tax Increase
August 8, 2018

SLIDE 2

Presentation Topics

How the Property Tax System Works
Distribution of Property Tax Funds
Use of Funds
Municipal Tax Rate by City
What Problems will the Property Tax Increase Resolve
Frequently Asked Questions

Jeremy Gibbons asked how property tax is applied to apartments and multi-family units? Jamie replied the landlord or property owner pays the property tax on these units as typically the renters do not.

SLIDE 3

How the Property Tax System Works

Smithfield is notified by the county the amount of the property tax the city will receive based on several factors, such as the property tax rate and property valuations.

- Property tax revenue at the current rate is approximately \$480,000 per year
- In 2017 property tax revenue for general operations was \$479,884
- Tax bill increases in one of two ways – rate increases from a taxing entity or assessed value of a property increases
- Addition of new homes and businesses will actually lower the Smithfield tax assessment on an individual property if the assessed value is the same year over year

Don Patterson asked who developed the system to calculate property tax? Jamie replied the State of Utah has set the formula and how it is calculated and the Cache County Clerk's Office inputs the numbers and supplies them to the city.

Amy Wallace asked if the city is currently receiving \$480,000? Jamie replied that is an approximate number.

Richard Jewkes asked what effect all of the new homes being built has on property tax? Jamie replied the annual property tax rate decreases as the total value of the homes in the city increases.

Mark Winn asked if the same amount is collected with new growth? Jamie replied that is correct as the rate decreases when the value increases.

SLIDE 4

How the Property Tax System Works

- Tax Rate for the last several years based on a taxable value of \$100,000
 - 2014 tax rate of 0.001664 equals tax of \$166.40
 - 2015 tax rate of 0.001579 equals tax of \$157.90
 - 2016 tax rate of 0.001504 equals tax of \$150.40
 - 2017 tax rate of 0.001424 equals tax of \$142.40

 - Hold the Rate Concept
 - Theory is to maintain the same tax rate year over year keeping the tax rate the same. This will increase the tax each year in much smaller increments and growth (new homes) will add to the overall tax collected each year.
 - Simply holding the taxable rate from 2012, Smithfield would have recognized income from property tax in 2017 of \$627,689 as opposed to \$479,884 that was received.

 - For 2018, Smithfield is considering increasing the amount collected to \$1,000,000
-

SLIDE 5

Current Distribution of Property Tax Funds – 2017

Cache County School District	54.68%
Cache County General Fund	14.67%
Statewide School Levey	13.15%
Smithfield City	11.94%
Cache Co. Assessing & Collecting	3.42%
Cache County Health Fund	0.97%
Cache Mosquito District	0.66%
Charter School Levy	0.42%
Multi Co. Assessing & Collecting	0.08%

SLIDE 6

A pie chart was shown with the information listed in Slide 5.

SLIDE 7

Municipal Tax Rates by City – 2017

1.	Lewiston	.002288
2.	Logan	.002116
3.	Cornish	.002111

4.	Mendon	.001908
5.	Cache County	.001865
6.	Nibley	.001667
7.	North Logan	.001617
8.	Clarkston	.001605
9.	Hyrum	.001431
10.	Smithfield	.001424
11.	Providence	.001351
12.	Paradise	.001226
13.	Newton	.001176
14.	River Heights	.001102
15.	Hyde Park	.001065
16.	Wellsville	.001007
17.	Richmond	.000995
18.	Trenton	.000750
19.	Amalga	.000741
20.	Millville	.000593

SLIDE 8

Showed a pie chart of a breakdown of the percentage of revenue received for the general fund.

Sales tax is 51%, Property Tax 17%, Energy Tax 17% and several other items total 15% combined.

SLIDE 9

What problems will the property tax increase resolve?

- Employee Retention
- Multiple infrastructure needs such as sidewalk and road maintenance, repair and replacement.
- Building repair, maintenance and upkeep

Jamie mentioned there is high employee turnover in a couple of departments. The highest turnover is in the police department. The detective on the Desiree Turner case got an offer to go elsewhere to be a patrol officer for \$7.00 per hour more. The department has been turning over at a rate above 25% per year. There is a cost to recruit, hire and train new employees. The city wants to keep employees long term.

Jamie stated he had recently been on patrol with Officer Bedingfield who has been a full-time school teacher for 37 years. Jamie asked Officer Bedingfield's thoughts on the department and overall the culture is good.

Jamie mentioned he visited with Chief Downs and the golf course staff. The department heads are doing a good job with the resources that are available. The culture is people want to stay and

work for the city. The employees understand they will not get rich working for the city but they need to be properly treated and pay is an important factor.

Russ Elwood mentioned he is concerned and always has been that employees live outside of the city and do not contribute to the tax base. This has always been a sore spot for Russ. Russ does not approve of the highest paid employees of the city living outside of the city. The employees are not bringing revenue back to the city. Jamie replied at this time employees are allowed to live outside of the city limits.

Carl Preece asked how many of the employees live outside of the city? Craig replied a very rough estimate would be 75%.

Jamie mentioned the city has job openings which have not been filled. The public works department has been trying to fill an opening for months and nobody living inside or outside of the city has applied.

NayDean Park asked when the city rules changed allowing employees to live outside of the city? NayDean mentioned the previous city manager lived outside of the city for over 30 years while working for the city.

Jeff Delatore asked what the process is to determine which items would receive funding for maintenance and repair projects? Jamie replied the current long term capital improvement plan is only in the rough draft stage. In regards to the budget, the department heads along with the city manager put together a proposed budget for their department. The council reviews the proposed budget and holds a public hearing for the residents to give input. The council then decides which projects will be funded and which projects will not be funded for the upcoming fiscal year. The council allocates funds to the projects they feel are the most important for the upcoming fiscal year.

Todd Orme asked why the property tax rate has not been held the same in the past? Jamie replied this is his first year on the council and he cannot speak for the decisions of previous mayor's and council members. Bart mentioned he was hopeful the council would consider holding the rate moving forward as it had not been done in the past.

Robert Buckley mentioned he was told by resident Dean Clegg the recreation center loan will be paid off this year. How much money will be saved when the loan is paid off? Craig replied approximately \$195,000 per year.

Robert mentioned the savings from the loan being paid off could help offset the proposed increase. Craig replied the rec center loan is paid for by a dedicated property tax so when the loan is paid off the funds are no longer collected. The rec center prop tax collected is separate from the general fund property tax collected.

Clayton Housley asked the timeline for the budget? Jamie replied the city budget runs from July 1st through June 30th. The budget process normally starts in March or April of each year.

Clayton asked if the budget is based partly on requests by the department heads? Jamie replied that is correct.

Don Barringer asked for clarification on how much the city receives currently and what the proposed amount would be. Jamie replied the city currently receives approximately \$480,000 per year and the proposal is to receive \$1,000,000 per year.

Nick Hidalgo asked if the capital improvement list has been prioritized? Jamie replied at this time it is just a rough draft and has not been finalized or prioritized.

Russ Elwood mentioned it is ludicrous to consider a 100% increase. Russ has lived in the city for 87 years. Russ feels the skate park on 100 North 100 West is an eyesore for the city. The city should not compare its rate to other rates in the valley.

Robert Buckley asked if all of the vehicles in the city are owned by the city? Justin replied all of the vehicles are paid off with the exception of the Dodge Durango's driven by the police department. Chief Allen stated the Durango's are each on a five year loan.

Robert asked if the city is considering adding \$1,000,000 in new property tax so the new total would be \$1,480,000? Jamie replied that is incorrect. The city is considering collecting \$1,000,000 as opposed to the current amount of \$480,000.

Robert stated many residents in the city live on a budget and the city needs to as well. Everyone including the city needs to live within their means.

NayDean Park mentioned when the golf course was built the city gave the golf course \$100,000 with the promise within two years the course would be self-sufficient. Then two years later the golf course came back and asked for another \$100,000.

SLIDE 10

Police Department Comparison Wages

	Logan City		Tremonton		Smithfield
	Low	High	Low	High	Actual
Police Officer I	35,596	48,160	37,960	51,168	33,946
Police Officer II	39,292	53,159	40,165	57,658	34,374
Police Officer III	46,706	63,190	42,370	63,398	35,829

Tom Stoddard asked for comparables from the North Park Police Department. Jamie replied he did not have them for this presentation but the city is lower than North Park. The local department has recently lost a couple of officers to the North Park Department because of wages.

Tim Mecham asked for the high and lows for the Smithfield department for the same jobs? Craig replied the city does not currently have established ranges so the actual amount currently being paid in those positions was listed.

Tim asked what the police chief is paid per year? Craig replied \$70,278. Craig mentioned the low range for the police chief in Logan is \$94,000 to a high range of \$141,000. The Tremonton low range is \$72,000 to a high range of \$108,000. Cache County has a sheriff and not a chief. The sheriff’s wage is determined by the county council.

Josh Billin mentioned he noticed on the State of Utah Transparency website one police officer had higher benefits listed than wage so he was not sure if that was accurate or not on the website.

Dona Wilkinson mentioned the residents want to keep the neighborhoods in the city safe and there is a cost involved in doing that. The officers deserved to be paid more. The community is relatively safe.

SLIDE 11

Public Works Comparison Wages

	Logan City		Tremonton		Smithfield
	Low	High	Low	High	Actual
Water/Sewer I	29,946	40,515	28,725	42,498	-
Water/Sewer II	33,055	44,721	32,843	48,672	-
Water/Sewer III	36,486	49,364	38,272	57,658	37,893

Jamie mentioned the city currently does not have any Water/Sewer I or Water/Sewer II employees and that is why those items are left blank.

SLIDE 12

Frequently Asked Questions

- Do we have a large surplus?
- What funds were used on the splash pad and skate park?
- What are we doing with the golf course?
- Who pays for new growth?
- Why hasn’t the rate been increased more slowly over the last several years versus a large increase this year?
- Will we see other large increases in the future?

Jamie mentioned there is not a large surplus. If there was the council would not consider raising the property tax rate.

The splash pad and skate park were paid for with RAPZ tax and RDA funding. The general fund of the city paid approximately \$25,000 towards the project.

Preliminary numbers show the golf course having positive cash flow for fiscal year 2018. The golf course was recently moved from being an enterprise fund into the general fund. Depreciation expense is not required in the general fund. The auditing firm of the city reviewed the proposal to make sure it is legal under state code. The rec center is in the general fund as well.

NayDean Park asked if the golf course is paying back the city for money given to it in the past? Craig replied the golf course has recently been paying one of the enterprise funds for an equipment loan. The golf course also makes an annual payment to the water fund for the loan on the building.

Hutch Daniels mentioned the golf course is an asset to the community. People for all over the state come to play the course. The men's association is the second largest in the state. The economy is doing well and hopefully the course can continue to make a profit.

Mayor Barnes mentioned the city received \$150,000 in RAPZ tax funding for the splash pad and \$97,000 in RAPZ tax funding for the new restroom facility at Central Park.

Richard Jewkes stated it is not fair to say RAPZ tax funding is given to the city as everyone in the valley pays the tax and then it was paid to the city. Mayor Barnes replied that is correct but if Smithfield did not receive the funds another local entity would so the city will always apply for this type of funding.

John Pratt stated the fiscal year 2019 budget he reviewed showed the golf course with revenue of \$988,000 and expenses of \$1,100,000 so it is not making money. Jamie replied the last fiscal year showed a profit. John replied the council should not be proud of the past when the future shows a loss.

PUBLIC HEARING, NO SOONER THAN 7:30 P.M., TO DISCUSS THE PROPOSED INCREASE IN PROPERTY TAX REVENUE FOR THE CITY. THE SMITHFIELD CITY TAX ON A \$238,991 RESIDENCE WOULD INCREASE FROM \$124.87 TO \$250.46, WHICH IS \$125.59 PER YEAR. THE SMITHFIELD CITY TAX ON A \$238,991 BUSINESS WOULD INCREASE FROM \$227.04 TO \$455.37, WHICH IS \$228.33 PER YEAR.

Mayor Barnes mentioned this is a hard topic and not being taken lightly by the council. There is a need for additional funding. No increases have been done for the last seven years. The school district and several other entities have raised their rate while Smithfield's rate has decreased. The city currently does not have funds to pay more wages and for capital improvement projects. The projects are not frivolous. They are important and will be sorted into an order of importance at a future date. The buildings owned by the city cannot go into disrepair. Some salaries must be increased. The city cannot continue to lose employees because of wages.

****The public hearing was opened at 7:34 P.M.****

*****NOTE:** A summary of what was said by each person speaking during the public hearing is listed below. The wording is not verbatim.*******

JANET CAMPBELL: Incremental increases would be better. I cannot afford 100%. Single parent home. I don't want to lose my house and this increase would be hard on me.

JOHN PRATT: Lived in the city for 10 years. Reviewed the capital improvement plan and some projects need to be reconsidered such as new restroom facilities at Heritage Park, Sunset Park and Mack Park. Spending \$1,000,000 on new restroom facilities is not needed. Expanding Forrester Acres at a cost of \$2,600,000 is not needed. There is very seldom anyone using the current Forrester Acres facility. Widening the road on 250 East by Sky View High School is not needed. All residents need to be aware of what projects are being considered. Renovating the rec center at a cost of \$1,200,000 is not needed on a building that is not even paid for. Advertising on the budget meetings was done poorly. Replacing the furnace and air conditioning units at the police station when the building is not even 10 years old is not needed. A new indoor gym in the police station is not needed. The new storm drain plan will cost millions. Why hasn't planning been done in the past? Why is this proposal being considered now?

Curtis mentioned the 250 East project is no longer being considered.

Bart mentioned only around twelve people attended the budget meetings and the council would like the residents to be more involved in the process and give input.

DAVID E. DOXSEE: The local police departments are just competing against each other in regards to wages. Why not contract with the Cache County Sheriff's Office? Was opposed to having the police department created 18 years ago as it is a sinkhole for money. More improvements will be needed. Only one police force is needed for the valley.

Wade mentioned he asked representatives from North Logan City about the proposal they received for police coverage. The quote from the Cache County Sheriff's Office was around \$900,000. There would not be 24 hour coverage at that cost. Smithfield is larger than North Logan. An official bid has not been received by the city but it is anticipated based on the North Logan bid to be slightly below the current budget but coverage would be worse.

DAVID: The local police department did not prevent someone from almost being murdered.

Wade replied the city cannot protect everyone 100%. The case in question has been prosecuted and the offenders are in jail. The current police department budget is around \$1,000,000. A bid from the sheriff's office would most likely be around \$900,000. Special coverage for events such as Health Days would be at an additional cost. With all the additional costs the city would not save money and coverage would be worse. Right now the police department has ten officers on staff.

TOM STODDARD: Moved to Smithfield in 2005. The city has many new facilities. Hopes there are not loans on the buildings. Changing the city office work schedule to four days a week ten hours per day is stupid change. The city office needs to be open five days per week even if it is from 7:00 A.M. to 4:00 P.M. Businesses cannot survive only being open four days per week. Disappointed in this change. Only receives about a 1% yearly increase in income. Understood RAPZ tax funding was used to pay for the splash pad. The county needs to reconsider what RAPZ tax funding can be used for. Likes the splash pad. People will break their legs using the skate park. If the tax proposal is adopted Tom will make an effort to make sure all council members and the mayor are voted out of office.

STEVE SMITH: Lived in the city all his life. Understands the city needs funds to operate. Always had a problem with taxes. Wars were started over taxes in the amount of 3%. Taxes are always being rammed down the throats of the taxpayers. Why is the default to always raise taxes? A collective effort needs to be made to save funds. Meetings should be held to find different ways to fund programs. Other cities do not have police forces and get along fine. The default when funds are needed is to raise taxes. Before long taxes will be so high they cannot be raised any higher. There are other options than raising taxes. Worked for the school district in the past and saw the waste of taxpayer funds while working there. The city needs to think outside the box and come up with different options than raising taxes.

Mayor Barnes mentioned the city is frugal and is not extravagant. The city needs money to operate. Funds are needed to provide the current level of service. Each year costs will increase. Materials and all other costs increase yearly.

Curtis mentioned the city has never had an economic development director in the past. Council Member Caley is now filling that role. The council wants new businesses to locate to the city. Sales tax is the highest amount of revenue coming into the general fund.

JOSH BILLIN: Hoped the council members minds were not already made up before the public hearing. There are better ways to do things. Free agency and private property need to be balanced. Residents are willing to volunteer time to help out. The city council is infringing on Josh's free agency by assessing more property tax.

TYLER HOLST: Lived in the city for 12 ½ years. Surprised more employees do not live in the city. Asked if all new employees receive training? Do existing employees receive yearly training? What can be done to lessen the cost spent on training employees?

MIKE MONSON: The presentation was good and educational. Council member's time and decisions should be respected. Doesn't own a skateboard and won't use the skate park. Won't use the splash pad. Utilizes the golf course. Loves Health Days and many other city activities. Appreciates all the services the city offers even though he does not use them all. Appreciates the city employees and what they do for the community. Does not care where they live. Service and expertise are more important than where an employee lives. Retaining employees is important. Supports the property tax increase as proposed. Mike's increase if approved would be \$118 for the year or \$9.83 per month. Thankful for all the services the city offers and grateful to live in the city.

KRIS MONSON: Served as a council member for 16 years. Apologized for not incrementally raising the property tax rate over the last seven years she served in office. The city is not spending funds frivolously. The police department responded to the Desiree Turner case in 90 seconds and to a stabbing incident in less than three minutes. The county cannot offer this type of response time. The city needs 24 hour police coverage. Budgetary cuts were done to the library, senior citizen program and other departments in the past and the residents were furious at the council for cutting the budget of these programs. The senior program and library need to be funded. Money is needed to fund these programs or they will have to be cut permanently. Everyone needs to be civil and respectful with their comments. Money is being wasted when a police officer is trained and leaves for another department. The police officers need to be trained and the city needs to pay them so they can stay working for the city.

RICHARD JEWKES: Disagreed with Josh Billin's comments on free agency. Paying taxes does not take away free agency. Loves to live in Smithfield and chooses to pay taxes to live in the city. Does not support a 100% increase. A modest increase is reasonable. Does not want city services cut. Concerned if the entire amount is approved this will be an open checkbook to spend frivolously. Need to consider small increases over a long period of time.

CLAY BODILY: Is the city engineer. The city must meet State of Utah regulations in regards to items such as storm water, sewer and culinary water infrastructure. All large jobs are put out to bid. The city awards the job based on the lowest bid. The storm water master plan was created by J-U-B Engineers. State regulations change from year to year but the city must comply.

FRED BERG: Has seen the city grow from 3,000 people to the size it is now. The council needs to take a year to review this request. Many current expenses are not needed.

BRANDON SPACKMAN: Lived in the city for 15 years and owns a small business as well. The appearance of the city has decreased over time. The city parks are not being watered. Doesn't like to pay tax and feels there are other ways to accomplish what is needed. Is willing to pay \$10 per month more if the appearance of the city will improve. When the city looks good property values will increase which is a benefit to every resident.

MIKE HARPER: Lived in the city for over 30 years. The council needs to evaluate needs versus wants. Only needs should be done, wants should not be.

ALISA DAVENPORT: Increasing the rate 100% is too much. The rate should be increased incrementally over time.

LINDA STOWELL: The city is a nice place to live. Concern the State of Utah has a mandated deadline of when the property tax increase must be approved by. The residents of the city should decide when ready not the state giving a deadline. A decision should not be made at this time. There are better ways to accomplish what is needed. People in the community will step forward and help where needed.

ALISA STALEY: Thankful for the police department. Increasing the tax rate 100% is scary. Increasing the tax amount \$10 per month is not bad and Alisa would support the increase.

Services in the city need to be increased. Did not think the police department was needed in the past but feels it is needed now and into the future. Incremental increases would be better but \$10 per month is not bad.

LAYNE BECK: Lived in the city for three years. Has seen the sewer rate go from \$20 per month to \$33 per month. The rate will be increasing again because of the new \$150,000,000 sewer facility being built by Logan City. The water base rate recently doubled. No choice but to pay the new water rate as there is not irrigation water at his home. Served on the county council for eight years. Remembers talking to Preston Watts when the police department was started in 2001 or 2002. At that time there needed to be better training for Police Chief Johnny McCoy. In a ten member police department there is no career movement. There are only two types of officers. Rookies who will leave no matter how much their wage is. Should have received a bid from the county regarding the current cost for police service if contracted through the county.

JANET BECK: Smithfield used to be a country town but is not that way anymore. There was a moratorium in the city on new homes in approximately 1981. The city did not have sewer at that time. The sewer bond was paid for years ago but the rate has never decreased. The funds from when the sewer bonds were paid off should have been saved and put into a slush fund. Government never decreases fees. The council and staff should not have a wish list of projects. The council needs to think outside the box and come up with other ways to pay for projects.

BRAD MAXFIELD: Been to Latin America several times and has realized how fortunate he is to live in the city after seeing the conditions of living in other countries.

NATHAN OAK: The most recent utility bill showed an increase to the garbage rate of \$1.90 per month and to green waste of \$1.00 per month. Logan City provides these services. Smithfield City will not be billed for the new increase until August 20th. Works for Logan City. Wants to know how the council can justify a higher property tax rate than Logan City when Logan City offers more services than the city. The proposed rate if approved will be higher than Logan City. Where the cost of EMS service in the city is paid 70% by the county. The city is not a full service community.

NICK HIDALGO: Lived in the city over ten years. Worked for the city previously. The increase is okay and needed. The council is thinking outside the box. Nothing has been done for seven years and the council is doing something now. No matter what the percentage of the tax increase is the same people will have the same complaints. Approve the 100% increase and move forward.

DAVID ANDERSON: The city has a good standard of living. Likes the police department. Would support the increase if it was all going to the police department and not other areas. The city needs to live within a budget. Increasing the property tax rate 100% is ridiculous. Businesses are not allowed to double their prices. Hopes the minds of the council are already not made up. Unnecessary items should be cut. Increase the wages for the police department. Doubling the property tax rate is not right. Doubling the amount is not courteous and kind to those on a fixed income.

JEREMY GIBBONS: Is a business owner and lives in the city. Understands the concern about fixed incomes. The base wage for the police department is around \$34,000 and the average income in the valley based on the 2012 census showed the average income as \$46,000 in the valley. The national poverty line is \$44,000. The police officers are being paid \$10,000 per year below the poverty line. The local fire and police departments offer quick response time. The county would take at least 15 minutes to respond to calls. The county cannot offer the response times the city departments currently offer.

RUSS ELWOOD: The water rate, sewer rate and property tax collected by the schools have all gone up. The residents are always getting taxed more. The utility bill has gone up recently. The council should consider tabling the issue until the budget can be reviewed again. There needs to be changes to the current budget.

ROBERT BUCKLEY: Property tax pays for services. The problem should be worked on in small increments not one large increase. The police officers should be thanked as they have a job most people won't do. Worked as a police officer for five years and found out the only way to get a raise was to obtain a college degree. The city council would not support the department so he chose to do something else. Understands the need to pay the police department a fair wage. The capital improvement plan needs to be reviewed and wants need to be remove and needs to be defined. The residents of the city are upset on how the increase was proposed. Groundwork should have been done in advance. No justification has been shown of why the increase is needed. The increase should be done a little bit at a time.

SARA WORKMAN: Appreciates the council being willing to listen to the concerns of the residents. An incremental increase would be better where the water and storm water rate was recently increased.

CLAYTON HOUSLEY: Asked the council how long each has been serving.

Mayor Barnes, first year as mayor and served on the city council for six years.
Jamie, Wade and Bart are all in their first year on the council.
Curtis and Deon are serving year three of a four year term.

CLAYTON: Asked why the rate has not been held the same over the last few years as a quick estimate shows it has decreased approximately 15%. The rate has only decreased 15% so increasing the rate 100% seems excessive. Asked what percentage of the budget the police force takes?

Craig replied the general fund is approximately \$6,000,000 and the police department is approximately \$1,000,000 of the general fund budget.

CLAYTON: Did not feel making the police department the posterchild for the increase was appropriate. The proposed increase should have been advertised better in the past as more people would have attended previous council meetings.

BILL WRIGLEY: All of the residents are horrified at the percentage increase. When reviewing the actual monthly increase it is not as bad. Lived in the city for 14 years. The city has been well run. Understands the salary concerns for the employees. Asked for the council to consider delaying some of the proposed capital improvement projects.

DON PATTERSON: Asked if the council will consider holding the property tax rate in the future?

Jamie replied he likes the idea of holding the rate in the future. Then the rate will not be dramatically increased like currently proposed.

DON BARRINGER: Suggested doing incremental increases as most residents would support that type of increase.

MAGDA PECK: Asked why this meeting is only being held now. Asked the council to prioritize what needs to be done.

DOYLE PECK: Stated he makes a living from the government and pays taxes as well. Everyone is aware of the need to pay for things. Frustrated when he hears people say it is only \$10 per month. The water rate recently increased. The school district recently increased their rate. Property tax is only one tax among many. Some of the residents are okay with the increase; others are not. Studied the body language of the city council and stated the council had already made up their mind of how they were going to vote. The reality is not all of the council has made up their minds but some have. Listen to the residents. Prioritize what needs to be done. Give the police department the funds they need to be competitive with wages. The council needs to have an open mind through the entire public hearing. The hold the rate concept should be done in the future.

NAYDEAN PARK: The water rate recently increased. More businesses need to come to town. The cost of everything just keeps going up. Home budgets are cut to pay for more taxes. People should not be allowed to spray water from a hose at Mack Park. The city is paying the cost of the water. The seniors living in the city need jobs. Supports the police department and fire department. Volunteers to help kids with disabilities. The disabled are not being served in the community.

ERIN CAMPBELL: Opposed to a 100% rate increase. Likes the concept of holding the rate in the future. No ideas have been offered by the residents for the council to consider. Employees need to have an incentive to live in the city. Erin's dad is a city council member in Springville and they have the same issue with employees being trained and going to other local departments. Employees going to other local departments is not uncommon. The wages need to be comparable and then incentives can be considered. Possibly consider adding a road fee where if a contractor cuts into a road they pay a fee. Residents need to offer ideas and become more involved.

DONA WILKINSON: Lived in the city over 32 years. Main concern is that the rate will not increase 100% again in 2019. Understands why the current increase is needed. Life is good for

the residents when they don't have an emergency. The local department responded to an issue at her home in under five minutes and she resides on the east side of town. Has police officers in her family. They reside outside of the city they work in because of safety reasons. Asked the council to make sure the city has an evacuation plan for the east side of the city if needed.

DARLEE DYER: Appreciates the police department. Does not think the increase is extravagant. Concerned about residents on fixed incomes. A \$10 per month increase is hard on those on a fixed income. Every business and person has a certain budget point they cannot exceed. The council should consider incremental increases.

MARK LOW: Agrees with doing incremental increases. Appears expenses in the general fund have increased approximately 25% from 2015 to 2017 if the information he reviewed is correct. Asked the council to cut expenses where possible and to review the budget again. There is waste in government spending. Felt some transparency is lost in the way the audit report is presented. Thanked public safety for their service to the community.

RANDY WEST: Lived in the city for about 14 years. Lived all over the country during his life. Lived in Princeton, New Jersey about 20 years ago. At that time, the property tax on a residence valued at \$385,000 was about \$7,200 per year. The same home is now \$14,000 per year. Run away government can be a problem. Concerned about the recent water increase. The city needs to be progressive and act before the city runs out of water. Water and sewer should be monitored closely. Water and sewer projects are big and costly. The city needs to have good water. Please keep an eye on the water situation. Builders need to pay for expansion of the city as well as for infrastructure.

HUTCH DANIELS: Lived in the city about ten years. Has been back and forth on whether or not to support the increase. Followed the lengthy discussion on Facebook about the proposal. Supports an increase but not as much as 100%. Supports the retention of city employees. The look of the city parks has gone downhill. A previous city employee did an excellent job overseeing the parks department. The employee left to go elsewhere locally because of wages. The parks need to be kept up as they make the city look better.

KENNETH TUVESON: Lived in the city for over 80 years. Volunteers at the senior center. Pays a lot of tax for a one person household. Feels the water rate is high. The local fire and police departments have responded to calls of service for him in the past. Doesn't understand why fireworks are allowed to be sold at Lee's Marketplace. Fireworks are dangerous. Fireworks should not be allowed in the city. Homes should not be allowed to be built by powerlines. The senior center is good for the city. The seniors need to be considered when considering this request.

JENNIE ORME: Does not understand why the property tax rate needs to increase from the 10th highest in the valley to the highest in the valley. Supports the local fire and EMS departments. Feels the fire and police departments are being made the posterchild for the proposed increase. Only a small percentage of the increase is going to these departments if the proposal is approved. The council should consider a bond election on future buildings and renovations. Residents are being hit with increases in multiple places. The water rate increase was large. All 11,000

residents needs to be considered in this discussion. The increase should have been done over the last several years not all at once. Capital improvements should be done slowly. Doubling the property tax rate is a huge addition the council is asking the residents to take on where the water rate was just increased as well. The agenda is misleading where it says possible vote and does not say the council will vote.

TODD ORME: Asked if the council has to vote on the request at this council meeting. Was not sure if there was the option to vote on the request at a future council meeting. Appreciated Kris Monson's comments stating the previous council and mayor should have been doing incremental increases. Holding the rate is a good concept. If this increase is approved Smithfield will have the highest rate in the valley. The rate should be held in the future. The council should only consider a moderate increase. Many residents can afford the increase but many cannot. A huge jump is not the best option.

Justin replied he talked to the Cache County Clerk's Office who oversees property tax for the valley. The county informed Justin the public hearing must be held between August 1st and August 17th. The vote on the proposed property tax increase must be done no later than August 17th. If the council chooses to not vote on the proposed increase at this meeting a special meeting will have to be scheduled no later than August 17th.

TIM MECHAM: Just moved back to the city from Seattle. Huge tax increases have been implemented in the Seattle area. Does not want to see huge increases in the city. The council needs to consider the incomes of those living in the valley. The median household income is not that high in the valley. Purchased a home in the city because of the affordable price. Based on information Tim researched low income families pay 4% of their yearly income to property tax, medium income families pay 3% and higher income families pay 1.5%. This is just for property tax not all taxes that are charged. The council needs to think outside the box. The tax base needs to be grown. The tax rate needs to stay the same. Simple economics state to raise more money the tax base needs to increase. There are people in the city who cannot afford to pay more. The city cannot and should not try to compete with Logan City. It is an unfair playing field when competing with Logan City. The amenities in the city are nice because the city is a small town.

SUSAN WEST: Parents are on a fixed income. Incremental increases are better.

KYLE WEST: Increases should be done incrementally not one large lump sum. Retired. Worked for Smithfield City and then accepted employment at Logan City. City employees need to recognize they won't get rich working for a city. Wages need to be competitive. Don't do all of the increase at once. Make sure the police department wages are competitive. Other ways need to be found to cover the increase in costs.

ELSIE STOREY: Nobody is getting a pay raise at the percentage the city is considering raising the tax rate. Most employees are not receiving raises. Lives on a fixed income. All expenditures of the city need to be reviewed. If the city cannot afford to purchase items they should not. If employees want to leave because of wages then so be it. If employees are not satisfied they should leave. There are people who need jobs and will apply for open positions with the city. If the increase is approved Elsie will have to decrease her monthly food budget by \$10 per month.

JEFF DELATORE: In favor of incremental increases. Understands the increase is probably overdue but 100% is quite steep. Any fat in the budget needs to be trimmed. Everyone has wants and needs but only needs should be considered. Park improvements are not needed when opportunities to enjoy the mountains are only minutes away from the city. The council needs to review how the funds of the city are being spent. The council should reconsider any funds being spent on parks. Volunteer days could be considered for the residents to help the city. Opportunities to maintain and clean up city parks and other areas of disrepair could be presented to the residents.

EDITH LILLYWHITE: Lived in the city for 36 years. Two sons recently moved back to town. In favor of small increases. This large of an increase is a shock to the older residents of the community. Residents need time to adjust to increases. The city received grant funding for the skate park and splash pad but the residents are responsible for the maintenance and repair of these items moving forward. Only needs should be considered. No wants should be considered. Everyone in the city has more wants than needs.

LYNN GODDERIDGE: Lived in the city for 30 years. Growth needs to be slowed. If a small business grows too fast it will go broke. This is what has happened to the city. Subdivisions are approved before improvements are even in place. Streets are not wide enough for cars to pass. Over 200 new apartments were recently approved. Anyone living in the city has sacrificed wages to live here. The average school teacher makes \$36,000 per year. A friend with a masters of accounting recently got a job paying \$50,000 per year. Everyone in the valley is affected by low wages not just the local police department. Everyone wants more money. The local police department is losing officers to other departments for higher wages but are the benefits being offered elsewhere the same? Does the police department offer a tiered wage system? Some officers are good and some are not as good. The reason the police department has 10 officers is because of growth. The city cannot grow this fast. More businesses need to come to town. Low income people do not bring revenue to the city.

REX GLEASON: Lived in the city approximately 50 years. Feels the majority of the residents in attendance do not work in the city either. Does not see an issue with employees living outside of the city. The construction business is booming. There are higher wages in the construction field right now. Wages for the police department need to be adjusted. If the funds are spent frugally Rex would not object to the proposed increase. The elderly population will be hurt by any increase. The tax owed to the city has decreased for at least the last four years. If the rate had been held over the last several years this increase would not be needed. The council chose to serve and are paid to listen to the residents and their concerns.

Jamie replied the tax rate has decreased every year since 2011.

TAYLOR CLEMENTS: Seems like every bill is increasing every month. Tired of paying more and more each month on bills. Everyone always wants more. On a budget not every item can be paid for if the cost continues to increase.

MARISSA BENSON: Are other employees receiving a pay increase?

Bart replied no amounts have been determined nor the department where the funds will go. Until the council knows exactly how much funding is available no funding can be allocated. Police, fire and public works are behind other cities and the council would like to review the wages currently being paid to each employee in those departments. Extensive research has been done seeing what other cities pay.

MARISSA: Worked as a subcontractor for the city for six years. Did not receive her paycheck one month. Was told by an employee to quit if she did not like how she was treated. City employees need to treat residents and subcontractors with respect and not bully them into quitting.

RUDY GUETO: Moved to the city four years ago from California. Took early retirement due to an accident. The cost of things in California was going up with no end in sight. Increases of \$10 here and \$5 there add up. Pretty soon all of the little increases equal \$250 per month. Reviewed the city budget and capital improvement plan. The capital improvement plan has many unneeded items. Supports the fire and police departments. Expenses such as the golf course need to be cut. The golf course lost around \$135,000. Now a council members says it is in the black. The city has hid \$1,000,000 over 10 years in funds going to the golf course if it is losing that much each year. The accounting of the city needs to be done by a private entity. The golf course should be sold or managed by a private entity. Most people only receive a wage increase of three to five percent per year.

DAVID OLSON: Attended several council meetings over the last two years. The city has raised all fees. Tried to stay a resident of the city for the last two years but because of how the city handles infrastructure for new homes it is too expensive. Willing to pay monthly utility fees and impact fees. Plans to legally challenge city ordinances in regards to required infrastructure improvements. Worked for Logan City for 29 years. Logan City has the same problem with employee retention. There will always be a bigger department taking employees. Increase the wages of the employees where needed but never try and compete with Logan or Salt Lake. Knows half the council does not support the skate park project. Supports the splash pad. Wants to know how much money was wasted by installing a sprinkler system and rock at the splash pad last year to have it removed this year when the skate park was built.

Jamie replied the council can find out the answers but they are not readily available during the council meeting.

DAVID: Dave disagreed with Jamie's comments and felt someone in the meeting should have the answer.

Doug Petersen replied the decorative rock removed from the splash pad area has been taken to the maintenance shop and will be used on future city projects in other areas.

DAVID: The skate park project in conjunction with the splash pad was poorly planned. The city has nothing to offer a property owner except for higher taxes if they are wanting to annex into the city.

GEORGE MERRILL: Taxed when he makes money and spends money. Always being nicked and dined. Losing money now because of the amount of tax being paid. Only receives a wage increase of about 3.5% per year. Having a hard time making ends meet. Small increases of \$10 here and \$5 there all add up. The retention pond at the north end of the city is dry and not being watered. If the city cannot afford to water the retention pond then the splash pad should be turned off as well. Does not trust the council. Does not trust the additional revenue will be properly spent. Does not trust the council will not raise property tax in the next three years. Hopes the council enjoys their time in office as he intends to get them out of office when their terms expire.

KELLY JOHNSON: Lived in city for three years. Also lived in Hyde Park, Hyrum and Colorado. Water and other utility rates have increased significantly recently. Appreciates law enforcement. The average officer is making \$16.82 per hour and Kelly's place of employment starts new employees at \$15.00 per hour. Flipping hamburgers will pay \$11.00 per hour. Higher wages should be paid to the fire department and police department where they put their lives on the line for the city and residents.

MICHAEL HOUSLEY: Wife works at the library. Lived in Logan, Ogden and Salt Lake. Likes having running water when he turns on this tap and the ability to flush his toilet when needed. In 53 years of living in several places has never seen a proposed increase in the amount of 100%. Incremental increases are better. Was the city council asleep at the wheel for years and did not do anything? Does the new council have better ideas than the previous council who did nothing?

KATIE BELL: Lived in the city for 15 years. Residents need to be able to offer more suggestions of how to help out. Okay paying more to Smithfield than what people are paying Logan as Smithfield is cleaner and safer. Understands the services she wants have a cost and she is willing to pay for them. Everyone has the ability to choose where they live. Worked with the Cache County School District and people do not like bond elections. No matter whether the increase is 50% or 100% people will still be mad. The council could consider making an agreement with the police officers where if training and a certain wage is paid the officer will sign an agreement stating he/she will work in the city for a certain period of time. All of the items the city adds to the city add value to homes and properties. Asked the council to consider shutting down the skate park before 2:00 A.M.

ANDREW L. HARRIS: Lived in the city for six years. The average American pays 50% of their income in taxes. Licenses are taxes. Insurance is a tax. Has seven children and works two full-time jobs. Wants to serve the city with what time he has available. Family food budget is \$300 per month for nine people. Paying the city an extra \$10 per month will reduce their food budget. Never owned a new car. Doing the best he can to live within his budget. The city needs to live within a budget. Liquidate assets of the city if needed. Don't repair things as quickly as they need to be repaired. Has personally not received a pay raise in five years. Does not expect a pay raise in the future. Does not want to leave the valley his ancestors helped to settle but it is

becoming too costly to live here. The residents need to work together to help the community. Willing to donate his time to city projects in order to keep the tax rate lower.

STEVEN OLSON: Lived in the city for 41 years. Done everything the city has asked him to do. Assumed the council and mayor were doing a good job so had not attended council meetings in the past. Never seen a 100% increase in the past. Feels like the residents are being fleeced. If the city does not have the funds they need to find them in other areas. Ridiculous to double the tax rate.

BLAIR PACKER: Lived in the city almost all his life. Understands once the council approves something whether taxes or developments it is done and approved. A slick talking developer might come in and only serve a minority of the residents. Does not use the golf course, splash pad or skate park. Supports the fire and police departments. Does not have a problem funding the fire and police departments. The council needs to understand the city will never be Ogden, Logan or Salt Lake and does not need to provide the services those cities do. Does not see a reason to expand Forrester Acres. The facility is not used year round. Users should pay more to use the city fields. There needs to be a pay for play mentality. If the council wants to pay the employees more than expenses need to be cut elsewhere.

KURT BENSON: Lived in the valley and in the Phoenix, Arizona area. Smithfield is not Phoenix. Smithfield is a small town. Kurt's job is in management and planning. The city has horrible management. Police officers are laughing during the public hearing and that is inappropriate. The city has horrible management across the board. The residents should not be taxed because of poor planning. The city needs to change how things are done.

RUDY GUETO: The council needs to quit hiding the loss from the golf course in the financials.

****The public hearing closed at 10:04 P.M.****

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 18-08, A RESOLUTION SETTING THE PROPERTY TAX RATE.
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Mayor Barnes thanked everyone for their comments.

Mayor Barnes mentioned the Smithfield City property tax on his home in 2017 was \$135 and proposed amount if approved would be \$233. An increase of \$98 per year. The council had not made their minds up before the meeting started. The comments and concerns have been heard. The city is frugal in its spending.

Mayor Barnes stated he is not a politician but is trying to look out for what is best for the city. This proposal has not been hidden. The request was not put together in a hurry. The request has been advertised for at least a month. The proposal was in *The Herald Journal*, on the city website and on the Utah Public Notice Website as well as the city council agenda.

Mayor Barnes commented he did not think the city is poorly managed and did not agree with those comments stating it is.

Mayor Barnes mentioned the council is constantly thinking outside of the box and the city staff is as well.

Mayor Barnes explained the agenda always states discussion and possible vote. It is always written that way and typically never says discussion and vote. If the council does not want to vote on something they do not have too. The council has the ability to leave the rate as it currently is, implement the proposed increase or go for something in between.

Wade mentioned his dad died at a young age and his mom raised all of the kids by herself below the poverty line. Wade understands the difference between wants and needs. The comments of some of the residents have been very distasteful.

Wade stated he would not support a 100% rate increase.

Wade expressed concern for those on a fixed income and for those with a tight budget.

Wade thanked everyone for their comments even though he did not agree with them all, he appreciated hearing the residents speak about their concerns.

Wade asked the residents in attendance for ideas as many people complained about the proposal but few offered any ideas.

Wade mentioned something as simple as cleaning out the curb and gutter in front of a resident's home once or twice a year will save the city money when the street sweeper comes through.

Jamie mentioned he listened to everyone's comments and heard them loud and clear. The residents are in support of an incremental increase.

Jamie stated no matter what percentage the rate is increased the residents will not be happy. The city is cutting back on expenses. Water was used as an example because the city does not get water for free. The general fund is required to pay the water fund for all of the water used on city owned properties and buildings. Curtis mentioned it is a State of Utah mandate the general fund has to pay the water fund for the water used.

Jamie stated it is the responsibility of the council to do what is best for the city even if it makes the residents unhappy.

Deon stated he talked to a person residing in a borough in Alaska. The borough had around 35,000 residents. There was not a local police force. There are not any zoning requirements or building permit requirements. Well permits are not issued. People just drill a well. The local lake is being polluted from garbage being dumped in it. The residents of Smithfield want and expect city utility services.

Deon mentioned the new police detective had seven child abuse cases in the first week on the job. The department needs more help not less.

Deon stated Logan City collects more sales tax than any entity in the valley and also has almost the highest property tax rate in the valley. Just because a city has a high tax base does not mean the property tax rate will be lower.

Deon mentioned several local entities have a cemetery district which is a separate entity from the city. Property tax is generated for the districts to pay for maintenance and care of the cemetery grounds. The Smithfield cemetery is part of the general fund and paid for by funds out of the general fund. There is not a dedicated property tax or revenue stream for the cemetery.

Deon mentioned there is a program through the county where people can apply for a reduction in the amount of property tax owed. The program takes into account factors such as age and income.

Deon stated the State of Utah recently adopted legislation to pay for the homelessness issue in the Salt Lake City area. Smithfield City will receive a reduction in the amount of sales tax received as the legislature authorized sales tax funding from every city in the state to pay for the problem in Salt Lake City.

New legislation has been passed by the state requiring homeowner associations to collect enough fees to be financially viable long term.

The city had a job opening for a specific position about five years ago and around 20 people applied. The same job was recently open and only two or three people applied and a couple of them were not even qualified. Employees are hard to replace.

The rec center bond only has one more payment and then it is paid off. The residents voted on the rec center bond; the city council did not. The rec center tax bond was approved by the residents.

Deon mentioned an increase is needed but he was still not sure the amount he was comfortable with at this point.

Bart thanked everyone for attending and those who spoke. Everyone is going through some type of hardship. Life is difficult.

Bart stated he was not in support of a 100% increase in the rate.

Bart mentioned comments stating the council had made up their mind are wrong. The majority of the comments made on social media were wrong because people did not get the correct information.

Bart thanked everyone who wanted to be informed and asked questions so they could make correct and informed comments.

Bart wanted to make sure everyone understood the council is considering raising the property tax rate just for the city portion. The entire property tax amount is not being considered to go up 100% just the Smithfield City portion which is about 11% of the overall total amount.

The community needs to work better together. The city held a Comcast Cares Day of Service at the end of spring. More people need to be involved and help out. The council needs to be better at engaging the residents in projects.

Bart mentioned he cannot control what previous council members did or did not do but there is room for improvement and he can help control the future.

Bart expressed concern for only doing a small increase now as it would delay the inevitable of having to approve a large increase down the road.

Wade mentioned he understood the difference between wants and needs. Wade worked for the city previously and understood functioning facilities are needed and they do not have to be the best or most expensive.

Wade stated he previously worked at the state capital for a period of time and reviewed budgets for many departments. There was a lot of waste in certain departments. The government does not have the most efficient way of running a department.

Curtis mentioned six years ago he ran for a seat on the city council and lost. At that time, Curtis met with Mayor Darrell Simmons asking him for a way to serve the community. Mayor Simmons put Curtis in touch with Council Member Brent Buttars who oversaw the planning commission at that time. Curtis volunteered to serve on the planning commission and did so until being elected to the city council 2 ½ years ago. There are places in the city to serve and be involved.

Curtis mentioned himself, Jamie, Bart and Wade all previously served on the planning commission.

Curtis stated he felt the city is transparent as he was not aware of any instances where requests had been made for items and the request was turned down or denied.

Curtis informed those in attendance at the last council meeting Mayor Simmons was in charge in December 2017, he apologized for not getting the property tax rate incrementally adjusted. The previous mayor and council could not come to an agreement of what to do and how much to consider. Previous council member Kris Monson mentioned earlier in the meeting she made a mistake not addressing the property tax rate enough during her 16 years on the council. The city needs a steady stream of revenue. Property tax is steady. The past is the past and we can only look to the future to make improvements.

Curtis was offended by the people commenting the council had their minds made up before the council meeting even started. Curtis mentioned when the council was discussing raising the water rate they had not come to a consensus there as well. Input was taken and the original

proposal was changed several times before being adopted by the council. The initial proposal was not adopted.

Curtis wanted to address the comments regarding Forrester Acres not being used on a regular basis. Curtis mentioned all of the rec center leagues are full and the rec center is looking for more fields to have more games played on. Those who stated Forrester Acres is not used are incorrect.

Curtis supported increasing the wage for the police department. Calls for service go up yearly. When a siren goes off Curtis wants to know the very best people are responding in the quickest way possible.

Curtis mentioned during the budget process he visited with three residents who understand accounting and asked them to review the budget and offer their input. All three residents said they were too busy and did not have time.

Curtis asked for clarification of when the council must vote on the proposed increase? Justin replied in order to implement an increase for 2018 the council must vote on the request no later than Friday, August 17th.

Curtis asked the council what percentage they would be comfortable with since none of them supported a 100% increase. Funds are needed to pay wage increases in multiple departments.

Bart said the wage of every city employee needs to be evaluated. The city needs to retain employees' long term. The council will not be able to adjust wages for every single employee. Other concerns Bart had were sidewalks. Everyone wants a sidewalk in front of their home but it is hard to pick and choose where new sidewalk is installed when there are funds available.

Bart mentioned he would support an increase in the 75-80% range and wants to look at holding the property tax rate the same in the future.

Jamie asked Curtis what type of increase he would support? Curtis replied increases should have been done yearly so a large increase was not needed now but he would support property tax received in the amount of \$800,000 to \$850,000 as opposed to the proposed amount of \$1,000,000. Bart concurred. Mayor Barnes mentioned he does not have a vote but if asked he would support revenue in the area of \$700,000 to \$800,000 per year. Jamie replied he would support \$750,000.

Jamie mentioned he cannot make commitments for what may or may not happen in the future as expenses are unknown so it is hard to say where the rate will be in the future.

Justin reminded the council the resolution they are considering is setting the rate for 2018. Discussion and approval of the rate for future years would have to happen next year and in subsequent years.

Steve Smith asked why is the default always to raise taxes? Curtis replied city settings are different than private enterprise. Different rules apply to the city than to a privately run business. Bart mentioned many people said they would volunteer but volunteerism is down in the city. The Comcast Cares Day of Service was planned for and advertised months in advance asking for help for four hours on a Saturday morning. Very few residents participated.

Steve Smith stated the council could do a small increase this year and then evaluate over the next year exactly what is needed and how much it will cost. Residents need to be better educated on what is happening in the city and the associated costs. Most people in the city do not know what they are paying for or how much it costs. Bart mentioned in some cases by delaying projects now will cause them to cost more in the future and he wanted to avoid paying more if possible.

Bart mentioned he liked the idea of employee incentives. The council is not automatically giving raises to the employees if an increase is approved. The council has to see how much funding is available and then allocate those funds to the various departments in the city as part of the budget process.

Bart mentioned the council has tried to be creative. One item being done to save money is to loan funds internally from one fund to another. For example, the water fund is loaning some funds to the general fund for a building. The water fund is being paid a higher interest rate than on the open market and the general fund is saving funds by paying a lower interest rate than on the open market. The city is saving a tremendous amount of money by doing this.

Deon mentioned the highest amount he would consider is \$750,000.

NayDean Park mentioned there has not been any discussion by the council about where to cut and save funds. The only discussion has been on how much to increase the rate.

Wade replied he would support up to \$800,000.

Mayor Barnes felt \$750,000 was a good compromise where all of the council members could agree on an amount.

Bart mentioned he was fine with \$750,000 or \$800,000. Even by not implementing the full increase the council and staff can still get some good things done and address some issues and current problems.

Mayor Barnes thanked the council for their comments. An increase is needed. The city staff and council do a great job working on the budget and trying to educate the public when questions are asked. The budget does not contain frivolous projects. The council approves what is needed. The city council reviews and adopts the budget. The staff does not approve the budget.

Mayor Barnes encouraged everyone in attendance to volunteer their time and talents to help make the city a better place.

Curtis asked Todd Orme what his thoughts were on the proposed increase. Todd replied he would need an hour and a calculator but felt \$750,000 was a reasonable number. Pay increases should be given based on evaluations not just a standard across the board increase.

Richard Jewkes mentioned he reviewed the budget and doubling property tax revenue is not needed.

Curtis asked Richard if he would support an increase to \$750,000? Richard replied he would not until he knew exactly where the funds are going to be allocated. Some of the funds would go to personnel but until Richard knew where the remaining funds would be considered he would not support an increase.

Layne Beck mentioned he was on the county council and they only did a property tax increase one time in eight years while he was serving.

Layne expressed concern for the misinformation that is going around regarding the services the Cache County Sheriff's Office could offer to the city. Layne stated he did not have an issue with the current police department members but information should be requested and gathered from the Cache County Sheriff's Office. Curtis mentioned he talked to Bruce Lee, North Logan City Council Member, and long term North Logan would pay more and have less coverage if they contracted with the sheriff's office.

Layne asked Curtis if he talked directly to Cache County Sheriff Chad Jensen? Curtis replied he had not.

Dave Anderson replied he was fine with the original proposal but something needs to be included to help the elderly and young families. Layne Beck mentioned there is a program offered through the county which can help residents 65 and older on the property tax they owe.

Josh Billin asked the council to delay the vote for one week to ask the residents of the city to make donations to help offset the increase. Curtis thanked Josh for his offer but did not feel it was a reasonable request to ask for donations. Jamie suggested having the council and staff come up with projects in need of volunteers and they can be advertised. The council can see if people are willing to donate their time for city related projects.

Curtis mentioned the Comcast Cares Day of Service did really well for years one and two in regards to the number of people who volunteered. This year very few people volunteered to help. The city receives a donation from Comcast for every person who showed up.

Curtis asked the council if they would support changing the property rate to generate \$750,000 in revenue? Jamie stated he would. Bart replied he would and then the council will need to review the budget to start the allocation process.

Justin reminded the council any changes to the budget require a budget public hearing and vote of the council at a future council meeting to allocate the funds. Funds are not automatically allocated by adopting this resolution.

Bart mentioned the council will need to look at all options as there is no way to go from \$750,000 to \$1,000,000 next year. Jamie concurred and mentioned if the council wants to consider a higher amount it will take years to get there.

Mayor Barnes asked the council to make a decision at this council meeting so everyone in attendance would know what the council agreed too.

Kyle West replied if the council goes to \$1,000,000 what stops the council from going to \$1,500,000 the following year? Curtis replied that is not going to happen and he would not support it. Jamie replied last year the city received \$479,000.

Bart replied he would support an increase even though the goals of the council would not all be met this year.

NayDean Park asked for clarification on how much the increase would be if approved at \$750,000? Craig replied the estimate would be \$62.61 per year on the average home in the city.

Wade mentioned he was not comfortable with a property tax increase but it is the right thing to do for the city.

A motion to adopt Resolution 18-08, amending the General Fund property tax revenue to a rate generating \$750,000 per year was made by Curtis, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Caley, Campbell, Wall
No Vote: None

Mayor Barnes mentioned this was not an easy task by the council or those in attendance.

Mayor Barnes encouraged anyone with questions to please contact him.

Curtis made a motion to adjourn at 11:04 P.M.

SMITHFIELD CITY CORPORATION

Jeffrey H. Barnes, Mayor

ATTEST:

Justin B. Lewis, City Recorder

SMITHFIELD CITY CORPORATION
96 South Main
Smithfield, UT 84335

AGENDA

Public Notice is given that the Smithfield City Council will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah, on **Wednesday, August 8, 2018**. The meeting will begin at 6:30 P.M.

Welcome and Opening Ceremonies by Deon Hunsaker

1. Approval of the city council meeting minutes from July 11, 2018
Temporary adjournment for RDA Board Meeting. CANCELLED
2. Presentation on the proposed property tax increase.
3. Public Hearing, no sooner than 7:30 P.M., to discuss the proposed increase in property tax revenue for the city. The Smithfield City tax on a \$238,991 residence would increase from \$124.87 to \$250.46, which is \$125.59 per year. The Smithfield City tax on a \$238,991 business would increase from \$227.04 to \$455.37, which is \$228.33 per year.
4. Discussion and possible vote on Resolution 18-08, a Resolution setting the property tax rate.
5. Discussion and possible vote on Resolution 18-09, a Resolution accepting a petition for annexation on certain real property under provisions of Sections 10-2-406 and 10-2-405, Utah Code annotated, 1995, as amended. The parcels being considered for annexation are located west of the Ridgeview Estates (540 East 620 North), east of the Hunter Meadows Subdivision (680 North 300 East) and south of 800 North 400 East. There are six (6) parcels totaling approximately 68.50 Acres.

Adjournment

*****Items on the agenda may be considered earlier than shown on the agenda.*****

In accordance with the Americans with Disabilities Act, individuals needing special accommodation for this meeting should contact the City Recorder at (435) 792-7990, at least three (3) days before the date of the meeting.