

SMITHFIELD CITY COUNCIL

AUGUST 12, 2020

The Smithfield City Council met in a regularly scheduled meeting at 96 South Main Street, Smithfield, Utah on Wednesday, August 12, 2020. The meeting began at 7:00 P.M. and Mayor Jeffrey H. Barnes was in the chair. The opening remarks were made by Jamie Anderson.

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

City Manager Craig Giles, Police Chief Travis Allen, Fire Chief Jay Downs, City Engineer Clay Bodily, and City Recorder Justin Lewis were also in attendance.

VISITORS: Russell Smart, Lynn Godderidge, Doyle Peck, Magda Peck, Merlin Humphreys, Jesse Spackman, Sheryl Humphreys, John Hauptman, Rudy Cueto, Michael Sauer, Carol Huckaby, Dean Evans, Elizabeth Hassell, Wayne Hassell, Clayton Housley, Mava J. Pitcher, Michael Housley, Bob Buckley, Stuart Reis, Brian Clift

PUBLIC HEARING TO DISCUSS THE PROPOSED INCREASE IN PROPERTY TAX REVENUE FOR THE CITY. THE SMITHFIELD CITY TAX ON A \$306,000 RESIDENCE WOULD INCREASE FROM \$251.95 TO \$281.73, WHICH IS \$29.78 PER YEAR. THE SMITHFIELD CITY TAX ON A \$306,000 BUSINESS WOULD INCREASE FROM \$458.08 TO \$512.24, WHICH IS \$54.16 PER YEAR. IF APPROVED THE CITY WOULD INCREASE ITS PROPERTY TAX REVENUE BY 11.83% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH.

Mayor Barnes asked Jamie to provide some background on the proposal and what the council is considering doing.

Jamie mentioned the following:

The entire budget for the city is approximately thirteen million dollars.

The city has enterprise funds which include storm sewer, sewer and water.

The general fund budget is approximately \$8,700,000. Property tax revenue is included in this fund.

The city went several years prior to 2018 without a property tax increase.

In 2018, the city would have collected \$500,000 in property tax revenue if an increase was not approved. The city council proposed an increase which would have generated \$1,000,000 in property tax revenue. After comments were received on the request during the public hearing the city council opted to implement the increase over two years. In 2018, property tax revenue increased to \$750,000 and in 2019 property tax revenue increased to \$1,000,000.

During discussions over the last two years the council discussed holding the property tax rate the same in the future to capture new growth and increases to property tax values.

The way the system is designed is that if property tax values increase then the property tax rate decreases.

The city council has the option to change the property tax rate and this year is proposing to keep the same rate as in 2019.

The property tax rate adopted by the city council in 2019 was 0.001674.

The proposed property tax rate for 2020 is 0.001674.

If the council chooses to not hold the rate this year the rate will decrease to 0.001497.

The property tax rate will decrease year over year as values increase if the council does not take any action.

The thought process of the city council is to hold the property tax rate the same too slowly increase revenue over time and not have to have a large increase in the future.

Cache County is in charge of determining the assessed value of each parcel in the city and valley.

The city council is in charge of approving the property tax rate on a yearly basis.

An example was used of a property in town which had an assessed value in 2019 of \$212,028. This year the same property has an assessed value of \$256,100. The county reassessed the parcel and increased the value. If the property tax rate is the same as last year the city will generate more revenue because of the increase in the parcel value.

If the property tax rate decreases this parcel would pay the city \$210.82 in property tax. If the rate is held the same this parcel would pay the city \$235.75 in property. Which is an increase of \$24.93.

If the assessed value stays the same and the property tax rate stays the same a parcel owner would pay the same amount year after year.

Mayor Barnes mentioned several communities in Cache Valley hold the rate the same year after year. Lewiston has held the same rate for a couple of decades. Other local communities have held the rate the same for about the last three to five years.

****The public hearing was opened at 7:13 P.M.****

Rudy Cueto mentioned a previous budget included repaving and repairing roads in the cemetery. Did this happen? The roads look the same as in the past. Mayor Barnes replied none of the roads in the cemetery have been repaved.

Rudy asked where the funds for that project went? Mayor Barnes replied in the last fiscal year funds were budgeted towards the design of the expansion of the cemetery grounds to the east. This year a section of the cemetery will be paved. Due to the cost, the entire cemetery cannot be repaved at one time.

Rudy asked if the Green Gorilla Carwash is still coming to town? The parcel had been cleared off and is now a weed patch. Mayor Barnes replied they are still planning to build there in the future.

Rudy mentioned one of his pet peeves is the golf course losing money.

Rudy stated he felt about 97% of the residents do not use the golf course and it loses money year after year.

Rudy mentioned the information on the budget sheets he was reviewing did not add up from how he was reading the documentation and he asked for some clarification on the budget figures.

Rudy stated where only three percent of the city uses the golf course it should only be open if it makes money.

Rudy stated he had never been to the golf course and would never use the golf course so his biggest concern with the city is the golf course is hemorrhaging money.

Jamie mentioned he would be happy to review the budget with Rudy as he was not sure which line items he was confused on or what totals he did not understand.

Jamie mentioned keeping the golf course open during the pandemic had proven to be a wise decision financially.

Mayor Barnes mentioned many people questioned keeping the golf course open during a pandemic. It is a great place for people to be outside and it is easy to social distance when there.

Carol Huckaby mentioned she received an increase to the value of her parcel.

Mayor Barnes asked how much the parcel increased? Carol replied for 2019 the assessed value was \$267,545 and for 2020 the assessed value is \$313,000.

Carol mentioned she understands the value will increase from year to year.

Carol asked why one of the line items on her notice increased from \$246.33 to \$257.71? Wade replied because of the increase in property value.

Carol asked if the value stayed the same would the amount owed stay the same? Jamie replied that is correct. Jamie mentioned the statements shows several values. For Smithfield, it will show the amount of tax owed if the city holds the rate at 0.001674 and the amount owed if the rate is 0.001497.

Carol mentioned her only concern is the amount she owes. Jamie replied if the assessed value or rate increases a property owner will pay more.

Carol asked if she will pay more if the rate is held the same as last year? Jamie replied that is correct because there are two options listed. The amount holding the rate and the amount not holding the rate. If the rate is not held the same, as the previous year, the amount owed will decrease.

Carol asked if the county is the entity who determines the value of a property? Jamie replied that is correct. The city has no control over assessed values.

Rudy mentioned he protested the assessed value previously on his parcel. A market evaluation was done by a realtor and the assessed value was decreased by \$100,000. The county had done a blanket percentage increase. Those who contest the assessed value usually get a reduction in the assessed value amount.

Curtis mentioned he was going to contest the value of his property in 2019.

Curtis contacted a real estate agent to have a property valuation completed. The realtor came back with a higher value than the county listed. Because the value was higher Curtis chose not to appeal his assessed value in 2019.

Jamie mentioned the appeal process for property tax valuations is listed on the property tax notice.

Carol asked how the city received a big increase in property tax revenue two years ago if the county controls the value of the parcels in the city? Mayor Barnes replied because the city controls the property tax rate. The city chose to increase the property tax rate at that time.

Wade mentioned he previously appealed the value of some agricultural land he owns. The value was reduced \$56,000. The process takes a couple of months and data is needed to justify why a person thinks the value should be less.

Carol mentioned she is on a fixed income.

Carol's biggest concern is the amount owed goes up year after year with no end in sight and that is discouraging.

Carol encouraged the council to find a way to tax everyone as there are many apartments in town and renters do not pay their fair share of taxes.

Jamie mentioned those with concerns about where funds are spent should attend the budget meetings and public hearing which is held in May of each year.

Jamie mentioned the fire department almost turns a profit each year because of generating revenue from fighting wildfires. The city also applies for numerous grants each year. Other

sources of revenue other than property tax are generated to try and keep the property tax level as low as possible.

Carol asked if the budget shows where all the funds are spent? Jamie replied that is correct. Wade mentioned revenue is also reviewed and listed.

Carol asked where the property tax revenue will be spent? Is the increase already budgeted for? Jamie replied the general fund budget is approved but the property tax increase amount is not included unless it is approved.

Curtis mentioned the city is looking for new businesses. The city wants sales tax revenue. Discount Tire, the Old Grist Mill, Brown Monument and Arby's are great new additions to the city. The sales from Lee's Marketplace increased during the pandemic. The council is happy the old 7-Eleven building is not vacant and has a viable business in it which generates sales tax revenue for the city.

Curtis mentioned property tax is not the only tax received by the city as the city receives sales tax and other taxes.

Curtis mentioned getting a property valuation from a realtor is very easy and there is not a cost. It is good to get an independent valuation of a parcel if a person thinks their value is too high.

Mayor Barnes mentioned there are two amounts listed on the property tax summary sheet. There is the market value and the taxable value. The amount someone pays in property tax is based on the taxable value not the market value.

Merlin Humphreys stated the residents are being overtaxed for what the city is doing for them in return. Services are decreasing. The golf course should be closed if it loses money. Not many people play golf but yet everyone is paying for it.

Merlin stated "city services are not worth a pile of crap" and the city has let things go to crap. Mayor Barnes replied he disagreed.

Merlin mentioned street lights on Main Street are out and nobody cares. Wade replied those lights are maintained by UDOT (Utah Department of Transportation) not the city.

Merlin stated trees on the highway "are going to rot" and not being maintained.

Merlin mentioned the public works department does not add any value to the city.

Merlin stated all the trees in the park strip along Main Street should be removed since they are not maintained. Wade replied trees located in the park strip are not the responsibility of the city to maintain or remove. Craig mentioned a resident can remove trees in the park strip with approval from the city tree committee.

Mayor Barnes mentioned Alpine Cleaning and Restoration asked to remove some trees in the park strip in front of their building and the request was approved. Alpine then planted new trees in their place.

Merlin said nobody knows where the money the city receives is being spent. Jamie suggested attending the council meetings where the budget is discussed and every department is reviewed.

Mayor Barnes mentioned he knows the employees and spends time in the office and out in the city. The employees work hard. Tree trimming is done on city owned trees. The city does not trim trees on private property.

Merlin asked if the trees in the park strip are considered personal property? Mayor Barnes replied the city owns the right-of-way but it is the responsibility of the of the property owner to maintain the park strip.

Merlin stated the trees planted in the park strip at 475 North Main were planted by the city. Mayor Barnes replied this must have happened decades ago because the city does not plant trees in the park strip any longer.

Merlin replied the trees should be removed because they are of no value. The trees are dying and the city won't do anything about it.

Jamie asked Merlin if he had ever asked the city to do anything about the trees in front of his home? Merlin replied he had not.

John Hauptman asked if homes are appraised every five years? Jon replied at least once every five years.

John mentioned his value did not change for a few years and then took a big jump. Jon replied the state requires at least once every five years but the value can be reviewed as often as on a yearly basis.

John asked if the property tax rate goes down because the property value goes up? Jon replied that is correct. Jamie mentioned growth adds to the amount the city receives as well.

John asked if the city will receive more funds? Jon replied if the rate is held the same as last year then the city will receive more revenue this year. Additional revenue comes from growth and home values increasing.

John mentioned he grew up in California. People there were losing their homes because they could not afford to pay the property tax. Proposition 13 was adopted which made it so property tax values could not increase more than 2.00% per year. It did not work and the government is struggling to survive.

John asked if the city has enough water for all of the building that is happening? Clay replied every new subdivision requires a water model. The city is always looking for more water to purchase as well.

Mayor Barnes mentioned a test well was drilled up Dry Canyon and it did not work out. Another test well was drilled at the old city office building location, 69 North Main, and it did work out. A new production well will go in that general area in the future.

Clay mentioned at this time the city has enough water rights and shares for the city. Mayor Barnes mentioned water is always a concern of the council, mayor and staff.

Clay mentioned some local communities have a culinary water problem as they don't have enough water rights. Every city always needs more water. The city is trying to be more efficient. No water restrictions have been put in place. The city uses less water on city owned parcels if the demand throughout the city is too high.

Curtis mentioned the cemetery grounds are currently watered with culinary water. Mack Park is watered with irrigation water. The city is applying for a grant to convert the cemetery to irrigation water.

Curtis stated when he was on the planning commission they met with a representative from the State of Utah. A diagram was shown where it showed what cities had enough water rights until 2050. Smithfield was the only city in the yellow area where the rest of the area was in the red area which means those cities does not have enough water long term.

Curtis mentioned the planning commission and city council work with and encourage developers to use irrigation water for their new developments as much as possible.

The goal of the city is to convert the cemetery to irrigation water when there are budgetary funds available.

John asked if the city had made an effort to encourage xeriscaping? Mayor Barnes replied the landscaping around the new parking lot at the pickle ball courts is xeriscaping. Decorative rock was installed and all the bushes and plants are watered by a drip system.

Mayor Barnes mentioned he asked Neighborhood Housing Solutions to consider xeriscaping for their new homes being built on Crow Mountain Road. The area is full of gravel and does not hold the water in the soil. This is a perfect area for xeriscaping.

Curtis mentioned the Utah League of Cities and Towns always has classes on xeriscaping.

Curtis stated he did not support having grass in park strips and wished all park strips were xeriscaped.

John asked if he could xeriscape his front yard? Curtis replied he could.

Mayor Barnes mentioned most of Forrester Acres is now on irrigation water. The city is trying to convert as many areas to irrigation water as possible to save culinary water.

John mentioned he was recently notified by the irrigation company they are asking people to cut back on their usage by twenty percent due to a decrease in water flow.

Bob Buckley asked the council if they are millionaires because he is not. Bob's wife went to Lee's Marketplace and noticed a can of beans increased \$0.50 in price. Bob encouraged her to ask the owner why there was an increase if she was concerned about the price. Bob felt it wouldn't do any good because prices increase.

Bob mentioned he knows most of the council and voted for them. The council has a hard road to follow. The property tax increase is not a huge amount where it is \$30 per year. The biggest concern is where does it stop.

Bob stated there was an eleven year gap where property tax was not increased. How did the city survive financially during that time? How was the city able to function? The city needs to live within a budget. Jamie replied the city and residents all live within a budget.

Bob stated he is on a fixed income. Jamie replied he is as well as this year and last year he did not receive a raise so his income is the same.

Mayor Barnes mentioned every item the city purchases whether material or equipment the price increases and those prices will continue to increase and there is no end in sight.

Bob stated he elected the council and mayor to protect the residents and to live by the oath they swore to obey. The city needs to live within its means. The residents need to be protected and watched over. The city blames the county for the property tax increase and in turn the county blames the state and in turn the state blames the President of the United States. The council needs to represent the entire city from the west side to the east side. Everyone needs to be fairly treated.

Bob asked if there is a fee to use the rec center? Curtis replied if he recalled correctly it is \$180 for six months.

Bob asked if that allows the use of the equipment in the rec center? Curtis replied it does.

Bob asked if there is a fee to use the pickle ball courts? Curtis replied there is not.

Bob asked why a fee is not charged to use the pickle ball courts? Wade replied there is not anyone there to enforce it. Bob replied the police department can enforce if needed.

Bob asked if there is a fee to use the skate park? Curtis replied there is not.

Bob asked why there isn't a fee because kids use the facility all the time.

Bob asked if there is a fee charged to use the splash pad? Curtis replied there is not.

Bob asked why a fee is not charged for all of these outdoor areas where the rec center charges for indoor use?

Bob asked if there is a fee to use Forrester Acres? Curtis replied each team pays a fee to be in a league.

Bob asked if a fee is charged to use the horse arena? Curtis replied there is but it is not reserved very often. The city has a fee structure in place for the equestrian center.

Bob mentioned he recently stopped in Preston, Idaho and dumped the waste from his travel trailer. A small fee was charged for the service.

Bob asked if it would be possible to install an RV dump station by the maintenance shop? The residents of the city want and would use an RV dump station. The fee in Preston is \$5.00 for the service. The Chevron convenience store in the city has a dump station but it only works if you have a small travel trailer.

Mayor Barnes asked how do you find out where this is allowed? Curtis replied he used an app on his smartphone to find a location when he was in Challis, Idaho. Residents don't have to pay a fee but non-residents are required to pay \$10.00 at that location. It is based on an honor system.

Clay mentioned there is not a sewer system in the area by the maintenance shop.

Bob thanked the council for being willing to listen to the residents. Sometimes the residents agree and sometimes they do not agree and that is why elections are held. If there are 6,000 homes in the city and the average increase is \$30 that is an extra \$180,000 for the city.

Bob mentioned if the city had an RV dumpsite and charged \$10 the city would generate significant revenue.

Bob stated in his opinion more people would use the RV dump station than use the pickle ball courts. Curtis replied he did not agree.

Bob stated pickle ball is for the elite. Skateboarding is for kids who don't have their parents watching over them. The splash pad is a place for parents to pawn their kids off and not be responsible. Jamie replied he would agree to disagree on Bob's entire statement in this regard.

Bob stated he informed Jon of his concerns. Now he wanted the rest of the council to know as well.

Jamie thanked Bob for his comments even though they might agree to disagree.

Jamie mentioned during the recent hailstorm the retention ponds in the city did exactly what they were supposed to do. The council and staff are accomplishing and doing good things.

Bob asked why the monthly utility rate for storm water increased \$5.00 per month when there is a hailstorm in town very infrequently. Jamie replied the recent increase was planned for a couple of years ago and adopted as part of an incremental rate increase.

Bob mentioned he spends a lot of time in Yuma, Arizona and is required to pay \$250 for fire, police and ambulance service. What is the cost for this service locally? Jamie replied it is significantly less and includes streets and other services as well.

Bob mentioned he was told there were only five house fires in the city in the last year. Jon replied there were many ambulance calls in the last year. Many more than fire calls.

Mayor Barnes mentioned Smithfield offers more services than any other city in the valley with the exception of Logan. The staff is continuously applying for grant funding. The splash pad, skate park and pickle ball courts were paid for with the majority of the funding coming from grants. All of these amenities can be used by people living in the city as well as those not living in the city.

Bob mentioned he asked former Mayor Kent Ward why the golf course isn't free to use if all of these other areas are free to use? Jamie replied because there is a hefty cost to maintain the golf course and the splash pad and skate park are minimal.

Bob asked if there is a cost associated with operating the splash pad and skate park. Jamie replied there is.

Bob asked if he needed to start a petition to get an RV dump in the city? Curtis replied he would support the request and would start the process of considering the request with the city council. Mayor Barnes mentioned the skate park discussion started with three young men coming before the council with their request.

Bob asked if the city could consider installing an RV dumping station? Curtis replied the council will consider and review some options for the request.

Mayor Barnes asked what the issue is with installing the dumping station by the maintenance shop? Curtis replied there is a sewer flow issue.

Bob asked if there is sewer pipe in the 800 West area? Jon replied there is not. Mayor Barnes replied it would require a lift station to pump the sewage back to the east to the main trunk line.

Bob asked if those living on 800 West are on septic tanks? Jon replied west of 800 West is not in the city limits. There are some homes along 800 West which are on septic tanks.

Bob stated he thought everyone in the city had to be connected to the sewer system. Jon replied it is mandatory now but there used to be a 300 foot exception.

Bob asked if the maintenance shop is on the sewer system? Jon replied it is. Clay mentioned it requires a lift station to pump the sewage back to the east.

Curtis mentioned he was going to call a representative of Challis, Idaho to find out the cost to install their dump station and how much revenue they generate per year. Jon mentioned Chevron could be asked how much revenue they generate as well.

Mava Pitcher mentioned she lives on Main Street. The trees in the park strip in front of her house are half dead. Broken limbs constantly fall off of the trees. The area is polluted with seeds from the trees. Mava's residence has to be constantly swept because of seeds from the trees. There is no longer a place in town to take broken tree limbs. When is the city going to open up the old city dump? Trees used to be able to be taken there and Mava wants to know why they cannot go there any longer. Mayor Barnes mentioned the city used to burn the debris and that is no longer allowed. Mava replied at one time the trees were shredded. Jon concurred the city used to use a chipper on the debris in the past. Mava stated this was a nice service for the residents.

Mayor Barnes mentioned Logan City is in charge of the green waste bins. This year they only offered the service in April and October.

Mava asked why the city cannot invest in their own green waste dumpster? Jamie replied the city could but it takes money to fund any program so the city would need to find a way to pay for the program.

Mava mentioned the city is dependent on Logan for sewer service. Smithfield owns property west of town and could have its own sewer system there.

Mava asked if waste from the city still goes to Logan? Jon replied it does.

Mava asked about a previous project where pipe was installed going west towards 1200 West? Mayor Barnes replied that is storm water pipe and not sewer pipe. Long term the storm water system will drain into an area which is currently a wetland.

Mava mentioned she is on a fixed income and trying to maintain her property as best she can.

Mava lives by herself as her husband has passed away.

Mava mentioned she wants to know where the money of the city goes. The pandemic is hard on people but probably not hard on the council and mayor where they each have a pension. Jamie replied he does not receive a pension through the city and as a council member he is paid less than \$500 per month. Mayor Barnes mentioned he does not receive a pension or any benefits from the city. Curtis mentioned none of the city council or the mayor receive a pension or benefits from the city.

Curtis mentioned the decision to remove the green waste bins was made by Logan City. They pulled all of the bins throughout the valley. Logan City wants to start charging the cities who use this service. Mayor Barnes and Jon attended a county council meeting representing the city. The city council does not support the fee the county wants to charge the city as proposed by Logan City. A new fee was proposed and tabled by the county council at their initial meeting.

Jon mentioned the intent was to charge every utility account in the valley \$0.50 per month for the compost facility. All utility accounts outside of Logan City would be charged an extra \$1.00 per month for the green waste bins to be in their cities. At the first county council meeting the fee was tabled. At their last meeting it was voted down. Curtis mentioned it was voted down because so many cities opposed the new fee.

Mava expressed concern for paying a monthly recycling fee but then learning very little is recycled anymore. Curtis concurred.

Jon mentioned large tree limbs and branches can be taken to the Logan City landfill.

Mava stated the trees in the park strip in front of her home are not her trees. They are owned by the city or UDOT; not by her.

Jesse Spackman mentioned the city has some of the best kept facilities in the area. The city has a great skate park and it is well used.

Jesse mentioned the budget meetings are the meetings he should probably attend as he wants to better understand why the increase is needed. Jamie mentioned there were several reasons the increase was proposed two years ago. The wages paid in the fire and police departments were in disrepair. The city considered doubling property tax revenue in 2018. After receiving comments from the residents the increase was split over two years rather than done all at once. The idea by holding the rate moving forward is to avoid large increases in the future. Police officers were paid \$15.50 per hour. They were leaving the department because they could make several more dollars per hour in other departments. The intent was not to pay the highest wage in the valley but to pay a competitive wage. The same process was done with the fire department as well. Mayor Barnes mentioned public works wages were adjusted as well as several employees had left for other employment because of wage differences.

Curtis asked if two former fire department employees are still living in the city and commuting to Idaho Falls because they earn significantly more working there than here? Chief Downs replied that was correct. Curtis mentioned those employees need to be kept and should not have to commute that far for more money.

Mayor Barnes mentioned a significant amount of the increase in property tax revenue over the last two years was invested in employee wages and benefits. Curtis mentioned the council and mayor did not see a wage increase during that period of time.

Jesse asked if the city has paid positions such as a city manager? Curtis mentioned Craig Giles is the City Manager. Mayor Barnes mentioned Craig oversees the day to day operations of the city.

Jesse expressed concern for two large increases over the last two years and another 11% again this year.

Jesse mentioned it is hard to implement an increase during a pandemic.

Rudy asked how residents can find out information on budget meetings? Jamie replied there are many ways but the simplest way is to get emails from the city in this regard stating when the meetings will be held.

Rudy asked if meeting information is posted on the city website? Wade replied it is and automatic notifications of postings can be signed up for at the Utah Public Notice Website.

Curtis encouraged people not to wait until next May to get answers on budget questions. Come in and meet with the staff anytime. If there are questions get them answered now.

Rudy mentioned one unintended consequence of getting rid of the green waste bins is rather than have one truck travel back and forth to the landfill now many vehicles will have to do so if people want their green waste to go there.

Rudy expressed concern for the proposed gravel pit which has been applied for up Smithfield Canyon. Real estate values will drop if the permit is approved. A drop in real estate values will hurt the city.

Jamie asked if anyone had a current update on the gravel pit application. Rudy mentioned a decision was postponed for a month. There are many residents who use the canyon and it is a tiny narrow road.

Mayor Barnes mentioned the process has currently been stopped. The applicant has to reapply. The first application was for a temporary license. All signs pointed towards it being a commercial gravel pit operation. The applicant is required to apply for a permanent operation. Curtis mentioned the council and staff are aware and monitoring the situation.

Mayor Barnes mentioned representatives of the city attended the county meeting to express the concerns of the city. Jon mentioned the council wants the county to know the city is not happy with the request and the impact on the city.

Lynn Godderidge asked how much the city has grown over the last four or five years? Jamie replied studies show around 3.2% per year if he remembered correctly.

Lynn stated in his opinion the reason an increase is needed is because of growth. Until growth is slowed down tax increases will still be needed.

Lynn mentioned Arby's, Chevron, The Old Grist Mill and others would lose business if the golf course is closed.

Lynn asked if there is a way for developers to pay more of the cost which is incurred? Wade replied impact fees studies have been done. A new impact fee will be charged for a specific portion of the city which requires a sewer lift station. All impact fees have been reviewed and increased, except for sewer which is being worked on now, over the last couple of years. It is possible an emergency services impact fee will be implemented in the future.

Mayor Barnes mentioned impact fees have increased substantially over the last couple of years.

Jamie mentioned at the last city council meeting the sewer impact fee was discussed and a new rate will be finalized and adopted at a future council meeting.

Jon mentioned impact fees are one-time money. The city cannot go back to a developer years down the road and ask for more money. Lynn replied the city should include that amount in the fees owed at the start and collect it. As soon as fees are increased to high people will stop building and the problem is solved.

Jon stated impact fee studies have been commissioned and fees adopted. As far as Jon was aware the city council has always charged the highest amount allowed by law for impact fees. The amount charged cannot exceed the amount allowed in the study.

Curtis mentioned there is a fine line which must be followed in regards to affordable housing as well.

Dean Evans asked for more clarification on the green waste bins. Jon replied the county wanted to charge each utility account in the valley an extra \$1.50 per month in order to bring the green waste bins back to the cities. The county council voted down the request.

Dean mentioned it took him 1 ½ hours to go to the Logan landfill.

Dean suggested opening the city dump and charging \$5.00.

Dean mentioned his property tax amount went up \$60 this year.

Deon reviewed Dean's property tax summary sheet and stated his property value was increased \$65,000.

Jamie mentioned Dean's portion to the city would be increasing \$25.50 if the rate is held the same.

Mayor Barnes mentioned the green waste cans are a good deal at \$5.00 per month. They are emptied weekly from spring through fall.

Bob mentioned there is not a charge to drop off green waste in Logan. Mayor Barnes mentioned the county is considering implementing a fee for green waste service throughout the valley. The price of compost which can be purchased would decrease as well since they currently cannot get rid of all they produce.

Clayton Housley asked what the current property tax rate is and if the 11.83% increase is in the total amount of property tax revenue received? Jon replied the rate would be 0.001497 if the council does not hold the previous rate of 0.001674. The council is considering holding the same rate as last year.

Clayton asked if the 11.83% is the difference? Jon replied that is the difference in the amount received by the city because of changes in the assessed values.

Clay asked if approximately one-fifth of the homes were revalued in the city? Jon replied that is correct.

Deon mentioned the county has to reassess every parcel at least once every five years. All parcels in the valley were reassessed in 2018 and 2019.

Deon mentioned his property has been reassessed each year for the last three years.

Deon stated the zone, year built and other factors are included in which parcels are reassessed on a yearly basis.

Clayton mentioned he is still not getting the answers to his questions. Craig replied the 11.83% is an increase in revenue over what was received last year.

Clayton asked where the valuation numbers and other numbers in the advertisement come from? Craig replied from Kathleen Howell's office at the county.

Clayton asked how many homes are in the city? Jon replied the council does not have immediate access to that information but Kathleen's office might be able to supply it.

Justin replied he was told by the county the majority of properties reassessed this year were built between 1970 and 1989. Jamie replied his was built in the 1990's and reassessed this year.

Curtis informed Clayton all of the specific valuation information would have to be obtained from the county.

Clayton asked if the council can change the property tax rate? Jon replied the council can adjust the property tax rate. Justin mentioned the council cannot exceed the proposed property tax rate of 0.001674 as that is the maximum rate proposed for this year.

Clayton stated his property has seen some hefty increases the last three years and would appreciate the council considering a lower rate. Those on a fixed income would appreciate it as well.

Mayor Barnes asked Clayton if he understood the council was proposing to keep the same rate as last year? Clayton replied as proposed the city would get an 11.83% increase in revenue.

Clayton mentioned Jamie stated he had not received a wage increase and Clayton stated he did not either.

Clayton stated he understood the philosophy in keeping the rate the same but did not agree with keeping the same exact rate every single year.

****The public hearing was closed at 8:59 P.M.****

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 20-10, A RESOLUTION SETTING THE PROPERTY TAX RATE.

Mayor Barnes thanked everyone for their comments. Nobody likes a property tax increase. The council and mayor pay property tax so they are effected just like everyone else. It is difficult to approve a tax increase.

Jon mentioned about ten to fifteen percent of the entire amount paid in property tax by a parcel owner actually comes to the city. The rest of the funds go to the county, school district and other entities.

Jon stated the amount he pays to the city would increase about \$35 but his overall property tax bill is increasing substantially more than that.

Jamie stated he would like to address comments and input regarding growth. The city has a general plan which stipulates where the city wants to see growth occur. Anyone has a right to purchase land in these areas and develop it. The developer pays for curb, gutter, sidewalk, roads and all required infrastructure. When done the city then has to take care of these items such as plowing roads and maintaining the infrastructure. Many people want the city to remain small and quaint but that is hard to legally do. The general plan shows where growth can go and if city ordinances are met then it is allowed. The city has approximately 54 miles of roads to maintain. More equipment and employees are needed as the city grows. Holding the property tax rate the same helps to manage the increase on city services as the city grows.

Deon stated he did not have an issue holding the rate the same to help account for new growth.

Deon stated his concern was with values being increased, in some cases as much as \$63,000, that the amount of revenue is more than being collected just for new growth.

Deon stated he could not support holding the property tax rate the same as last year because of the increase in values.

Deon mentioned he reviewed some census information and the city has a large segment which is an older population and another large segment which is a young population. Older residents are on a fixed income and young families might be struggling. There are people who are struggling to pay rent this year and an increase in the property tax rate could hurt them.

Deon stated he would not support an increase for any amount above new growth. Jamie stated parcels will be reassessed every single year; therefore, based on Deon's comments about not supporting a rate increase or keeping the same rate nothing would happen and the rate would decrease yearly based on Deon's thought process.

Wade stated any increase will make people mad.

Wade mentioned eight years ago he was one of those people, who hated to see anything increase in cost, so he decided to get involved. Wade ran for city council and was not elected. Wade ran a second time and was elected. Wade is 34 years old with four children at home.

Wade mentioned he knew almost every single person in the council room and this issue is deeply personal. This discussion is hard and there is no joy in adopting a tax increase.

Wade stated he heard the council is not good stewards of the city funds.

Wade mentioned he reviewed the city budget many times and spent countless hours reviewing each department. There are not a lot of areas to cut.

The city is very diverse with the population each utilizing a different city recreation opportunity or more than one.

Wade mentioned the city is deeply personal to him because not only did he grow up here but his family before him were lifelong residents of the city.

One section of sewer line is going to cost over three million dollars to replace. It is very expensive.

Over thirty-four million dollars is needed to build out the storm water system of the city.

The annual budget of the city is about thirteen million dollars for all funds.

Previous city leaders did not increase the revenue of the city for many years and the city got behind.

Wade mentioned he had a conversation with Dave Erickson regarding the city and county. Dave is on the county council. Dave's number one recommendation was not to fall behind in revenue because it is too hard to catch up. When a system fails and has to be upgraded there will not be any funds for the project and it will require a loan/bond.

Wade supported saving funds now to pay cash for future projects and avoid paying interest on the projects. If interest is paid everyone in the city pays more.

Wade mentioned he lives in a home built in 1918 because it is something he can afford.

Wade stated he hated loans and wants the city to be prepared to pay for future projects when needed. The city needs to be prepared for reality as well as opportunity.

Wade mentioned he does not use the golf course, rec center, pickle ball courts or skate park but they are all great facilities. Wade utilizes the equestrian arena. Everyone in the city uses different services offered by the city.

Donation boxes could be considered at city facilities. An RV dump site could be considered.

Wade stated holding the rate the same keeps the city prepared and proactive.

Wade does not want to be reactive and have the city get a loan/bond when a project is needed. Poor stewardship is getting a loan/bond when funds could have been collected and the project paid for in cash.

Wade mentioned the cemetery is deeply personal because his dad has been buried there for 29 years. Wade's grandma was buried there earlier this year. The roads are in disrepair and need to be asphalted but it is very expensive. Chip seal is also expensive.

Wade asked how much is spent on road maintenance per year? Craig replied this year will be just under \$400,000.

Wade mentioned the city mainly does chip and seal. The cemetery needs new roads.

Wade stated there were a lot of things he did not know or understand until he became a council member and got involved.

Wade mentioned he supported holding the rate the same but he would not support it if the increase was 30% or a very large amount like in the past couple of years.

Wade mentioned the city recently purchased a new street sweeper at a cost of approximately \$273,000. The old street sweeper was a couple of decades old. New equipment is expensive. A new backhoe is over \$120,000 on the private market.

Wade mentioned the goal of the council is to be proactive and not fall behind. Several projects have been identified in the sewer system which need to be completed. Growth will pay for some of these projects with impact fees collected. Residents want roads plowed and salted quickly. The city is losing employees because of low wages. There is significant cost in training a new employee. A new dump truck, sander and snow plow will cost \$280,000 for a small truck. Filters cost over \$100 each on some of the equipment. There is a big cost to operate the city. Government waste is always mentioned. The council and staff are trying to be responsible.

If residents don't like the direction the city is going they should run for city office. It is cheap to run in the city. Wade's cost to for two elections was about \$60 but he could have spent more if he wanted too.

Jon mentioned he worked for the city from approximately 1994 to 2016. A study was presented to the council during that time regarding city services. Most of the city is residential with some agriculture and commercial. Information was presented regarding services in the city. For every dollar of revenue it costs \$1.25 in expense to provide services for residential use. Those costs are much less for agriculture and commercial. Basically 80% of the city is residential. There is a tremendous cost to offer services. The situation is difficult in how to handle it. By not increasing the property tax rate for many years it was detrimental to the city.

Mayor Barnes mentioned himself and some city council members were not born in the city but they have lived here long enough they consider the city to be their home. The mayor and council care about the city. It costs a substantial amount of money to run the city. The city is limited in general fund revenue which basically consists of property tax, sales tax and some other small miscellaneous taxes. The city needs to have good employees, equipment and infrastructure.

Mayor Barnes mentioned he has lived in the city since 1981. Mayor Barnes has lived in Smithfield longer than any other city he has lived in previously.

Mayor Barnes stated he is a part-time mayor but is in the city looking at things and working with the staff on a daily basis. The city is very personal to time. The budget is a serious matter. Holding the property tax rate the same is the right thing to do.

Mayor Barnes stated he felt it is not an increase if the rate is held the same as before. Mayor Barnes understood property tax revenue will increase if a parcel valuation is increased. Without funding, many projects the council and residents want to see done will not get done.

Mayor Barnes mentioned he recently relocated his wife from the Farmington cemetery to the Smithfield cemetery because Smithfield is home.

Curtis thanked the residents who showed up and voiced their concerns.

Curtis mentioned there are typically zero residents who attend the budget meetings. One recent budgetary discussion was on the city court. The court was projected to lose \$60,000. The council felt that was too much and voted to get rid of the justice court. The city has good facilities. The trails are improving. Paramedics are in town and can respond as needed.

Curtis stated he supported holding the rate the same and has felt it is the appropriate thing to do for a long time.

Curtis mentioned he talked to some residents about the hold the rate concept. Some supported it and some did not. The city has a lot to offer. The council has to make hard decisions. This is a hard decision. Disbanding the court was an easy decision because so much money was being lost.

Curtis mentioned his first two years on the council the property tax rate was not held and no changes were made. The city has been playing catch up the last few years to make up for many years of nothing being done.

Curtis stated he was curious to watch growth in the city. Some people think the housing market will bust. A friend of Curtis thought he could sell his home for \$310,000 but was offered \$369,000 in a cash transaction. The home never even hit the market. It is unfortunate values are increasing so much so fast.

A motion to adopt Resolution 20-10, a Resolution setting the Real and Personal Property Tax Rate at 0.001674 was made by Jamie, seconded by Wade and the motion passed by a vote of 4-1

Yes Vote: Wall, Anderson, Wells, Campbell

No Vote: Hunsaker

Mayor Barnes encouraged those in attendance to attend the budget meetings in the spring of each year if they want to learn where the funds are being spent.

****Jamie made a motion to adjourn at 9:33 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 12, 2020**. The meeting will begin at 7:00 P.M.

Welcome and Opening Ceremonies by Jamie Anderson

1. Public Hearing to discuss the proposed increase in property tax revenue for the city. The Smithfield City tax on a \$306,000 residence would increase from \$251.95 to \$281.73, which is \$29.78 per year. The Smithfield City tax on a \$306,000 business would increase from \$458.08 to \$512.24, which is \$54.16 per year. If approved the city would increase its property tax revenue by 11.83% above last year's property tax budgeted revenue excluding eligible new growth.
2. Discussion and possible vote on Resolution 20-10, a Resolution setting the property tax rate.

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.