

**SMITHFIELD CITY COUNCIL**

**AUGUST 14, 2019**

The Smithfield City Council met in a regularly scheduled meeting at 96 South Main Street, Smithfield, Utah on Wednesday, August 14, 2019. The meeting began at 7:00 P.M. and Mayor Jeffrey H. Barnes was in the chair. The opening remarks were made by Curtis Wall.

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

Wade Campbell was excused.

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

**VISITORS:** David Anderson, Diane Weeks, Kate Ransom, Lyle Hill, Chris Wilson, Victor Winsor, Maurine Winsor, Paul Scrowther, Lynn Godderidge, Blair Packer, Skyler Clements, Jackie Hancock, Wayne Elwood, Michelle Downs, Jeremy Hunt, Shane Mitchell, Rudy Cueto, Michael Sauer, Jane Price, Eric Haskell, Easten Haskell, Hudson Luzzader, Russ Coleman, Jared Kidman, Ashley Clements, John Hauptman, Robbie Christiansen, Edith Lillywhite, Melissa Niederhauser, Josh Bingham, Mike Sauer, Neal Barrus

**PUBLIC HEARING TO DISCUSS THE PROPOSED INCREASE IN PROPERTY TAX REVENUE FOR THE CITY. THE SMITHFIELD CITY TAX ON A \$274,000 RESIDENCE WOULD INCREASE FROM \$195.46 TO \$252.27, WHICH IS \$56.81 PER YEAR. THE SMITHFIELD CITY TAX ON A \$274,000 BUSINESS WOULD INCREASE FROM \$355.38 TO \$458.68, WHICH IS \$103.30 PER YEAR. IF APPROVED THE CITY WOULD INCREASE ITS PROPERTY TAX REVENUE BY 29.06% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH.**

Mayor Barnes explained the rules of the public hearing and how people would be selected to speak if they wanted to.

Mayor Barnes mentioned the council was considering increasing the property tax rate so wages could be increased in some departments and some large infrastructure projects could be completed.

Mayor Barnes explained the roads in the cemetery are old and coming apart. The roads need to be rebuilt and repaved.

Wages are an issue in the fire department as other local agencies are paying more and taking recently trained employees from the city's fire department because they are paying a higher wage.

\*\*\*The public hearing was opened at 7:14 P.M.\*\*\*

DAVID ANDERSON: Over the last year I have tried to attend city council meetings. I have studied the budget. I have seen how the city is run. I fully support this increase. It is a great place to live and that is not by accident. The city has dedicated employees and they are underpaid. I know they are not making what other local cities are paying. Nobody likes taxes but I support this increase 100%. I think the city is well run and managed. Thank you for your willingness to serve. Last year, I expressed concern for residents who will struggle with the increase. Curtis found out and let me know options they had where they could receive some help. There are safety nets in place if the increase cannot be afforded. I was angry last year at the proposed increase. I did not think it was moral to consider doubling the rate. I look at the overall bill and the city portion is minor compared to others. I was happy to see the presentation last year. We all hate taxes. We have to pay for the services we have. I lived outside of the state for three years. This is a wonderful city. We are responsible to fund it.

RUDY CUETO: I am against this size of an increase. The increase last year was huge. I am on a fixed income. My wages are not going up. I moved here in 2016 to get away from the taxes I was paying in California. It is now happening here. In four years, my property tax has increased \$974. In another four years and another four years after that I will not be able to afford to live here. I am better off than most. Do we need the police department? Do we need some of these other things? I don't think so. Gravel was put down in front of my house. Two months later slurry seal was put on top of it. It looks terrible. I pay a lot of taxes and they cannot do a good job. They said they could not spray the area by hand so they left it. I am looking at the budget. I don't see the expenses. I don't see where you are showing the increase. I might be looking at it wrong but I don't see last year's numbers either. Is there a detailed report? I said last year the budget is like a Christmas shopping list. You will approve this increase anyway. At this rate we will not be able to afford to live in the city in another eight years.

MAYOR: I am on a fixed income as well so I understand what you are talking about.

VICTOR WINSOR: Last year was the biggest increase we have ever seen. I have a question. When I looked at my property value on the form I just received it shows the value has increased \$40,000. Who is doing this estimation? Me and my wife live only on social security. We have been retired for nine years. It is becoming more difficult to have these increases. My taxes are going up \$100 if this proposal is not approved and \$200 if this proposal is approved. I have enjoyed living here for 45 years. If the rate keeps increasing it will be hard on people who live only on social security.

MAYOR: Every five years the county assesses the value of each parcel. The county is the one increasing the parcel value not the city. The city doesn't have anything to do with putting a value on a parcel.

DEON: I talked to the Cache County Assessor's Office and they told me this year they did an across the board increase to every parcel in the valley. Every home in the valley had the value increased this year.

JOHN HAUPTMAN: I came to hear why the increase is being proposed. I support the fire and police departments. I support the job they do. As the appraised value goes up the rate goes down. The dollar amount paid is the key. I am in favor of this increase. I support the fire and police departments as well as other city workers.

JOSH BINGHAM: I am a disabled veteran. I live on a fixed income. I have three kids who I have to support. This makes it hard. I have lived here for two years. There has been a pothole in front of my house for two years. I have called the city office multiple times and I just keep getting the runaround. I live at 75 West 200 South. As a neighborhood we fixed the pothole. Cars were going to be damaged if it was not fixed. I understand you have to increase wages in the police and fire departments. I think most of the city's money is going to the golf course. You need to look at doing something different there. Take the funds which are going there and use them for the police and fire departments. If taxes are continued to be raised the city will become stagnant. Every time taxes go up businesses and people become stagnant. Jobs are lost. I oppose the proposed increase.

MAYOR: Last year the amount of property tax revenue was increased from \$500,000 to \$750,000 not \$1,000,000 as proposed. Looking at Jamie's tax estimate for this year. If the increase is approved he will pay the city \$14.00 more this year than he did last year. I challenge each of you to look at your property tax bills for the last ten years. Look specifically at the Smithfield City line item. Not the total amount due. Only review the city portion. I think you will see it decreased every year up until last year.

WAYNE ELWOOD: I am a local business owner. I am an independent agent with Farmers Insurance. It is difficult to pay more. I would like to share some statistics. I have also made some observations over the last few years. I get a front row seat to traffic where my business is on Main Street. For the last two years the economy has been improving. The cost of gasoline has been going down. People are spending more. Driving is up 25% across the nation. Cache County and the city are expanding more and these changes are higher here. At the same time there has been a 50% increase in distracted driving cases. Over the last two years I have seen a significant increase in the amount of emergency vehicles going past my business. We have the best fire and police departments we could ask for. We have the best team we have ever had in the city. I had a fire at my house back in 2004. Chief Downs was at my house before I got off the phone when I called 911. I have worked with several of the police officers because of my job. They are high caliber officers. Make sure and retain them. As a business owner I don't get a salary. To make more money I have to work harder. It is difficult to raise taxes. A few years ago I filed a rebuttal to the value they were assessing on my property. Three days before the hearing I received notification my appeal had been denied. I was never given a chance to present my case. I don't think the county is doing a good job like the city is. Thank you for your service. Thanks to all of the employees. Doug Petersen is doing a super job. I see them doing several projects which are beneficial to the city. Potholes are missed as well as some other items which we can improve on and do better. Overall the staff does a super job and is getting better. I support the increase but do not like it. It will hurt some residents of the city. I meet with clients on a fixed income. Everyone is trying to find a way to save money. It would be beneficial if the city provided information on programs people can apply for to save money. Maybe you should consider not doing the full increase now but doing it over several years. I agree with Mr. Bingham. Review where the funds are going. I reviewed the budget a while ago. Maybe you could tweak some things. I appreciate your service.

MAYOR: There are several department heads in the city. Each submits a budget for their department. We are conservative in nature. We do not approve everything which is requested.

We are doing what we can with the funds we have. Craig, myself and the council review each proposed budget and line item. Part of the increase will go towards redoing the roads in the cemetery. The roads are old and worn out. They are falling apart. We need to repair and reconstruct them.

DEON: As a side note so people are aware. There are seven cities in the valley which have cemetery districts. They are a separate taxing entity from the city. They collect their own tax. We are not one of the seven. If you live in one of those seven cities you need to add the cemetery tax on as well to see what you pay the city. One city in the valley even has a water district tax.

BART: There are other infrastructure projects as well such as sidewalks being worked on.

MIKE SAUER: I have lived here since 2007. I am against the increase. With all the new homes being built shouldn't that offset the increase? With 100 or so new homes each paying \$1,300 to \$1,400 each on average shouldn't that amount pay at least half of the increase?

JAMIE: This is my second year on the council and I have learned how the system works. I will try and explain this as simple as possible. The city submits the amount of property tax it needs to collect to the county and state. For this year we submitted \$1,000,000. The total amount of tax is then spread out over the total number of homes and values. The more homes there are the less the rate will be to equal the amount collected by the city. The rate actually decreases because of growth. If the value of the property stayed the same and the rate stayed the same the amount paid would be the same. Year over year the rate will decrease because of growth. If there is not an increase approved this year, I will pay the city \$59 less than last year. If the proposed increase is approved I will pay the city \$14 more this year than last year.

DEON: There is also a difference in the amount paid by commercial properties versus residential properties. Commercial properties pay based on 100% of the value of the property. Residential properties pay based on 55% of the value of the property. The problem in the city is we have a lower amount of commercial taxpayers than we do residential taxpayers. If we had more commercial properties the amount paid by the residents would decrease. Businesses pay a higher percentage than homes do.

MAYOR: I have lived here since 1980. I don't want to live anywhere else. We are a bedroom community. We are mainly residential. We are working on more commercial zones and bringing more business to the city. We want more sales tax. We want more property tax from businesses as well. Other local cities have a much higher commercial taxpayer base than we do.

SKYLER CLEMENTS: I am against the increase. Mainly because of the recent increases to the water and sewer rate. This has put a big burden on my family. I feel for anyone on a fixed income. Maybe spread the increase over a few years. It would help lessen the burden. Higher taxes will discourage improvements to homes if people know the value will increase and they have to pay more in taxes.

NEAL BARRUS: I am against the increase based on principle. You always say in the name of public safety meaning fire and police. I think it might be true. You are pulling our heartstrings to raise taxes by stating it is for public safety. I think you could reallocate some funds by getting rid of some employees and paying the remaining employees more. I have lived here about 15 years. The police came to my door once to resolve a dispute. My mother-in-law fell once and dislocated her shoulder. There were eight emergency personnel who showed up. Several processes were duplicated. You have too many personnel. You need to pay a competitive wage. Look at what

you are doing. I was involved in a case where some homes were egged. The police were called and an investigation was done. We got a ticket in the mail with a court date. They took my son out of the high school in handcuffs because of an egging incident. Do we really need more public safety?

MAYOR: When did this happen?

NEAL: About three years ago or so. I think you need to review how many employees you have. Cut some of the employees and use those wages to pay the remaining employees more.

ASHLEY CLEMENTS: I am against the increase. This is a great city to raise a family. What happens to the money next year after the roads in the cemetery are fixed and the money stays the same? The money never decreases. What will it go to? Where does it go now? I understand the concern from those living on a fixed income. We are scrimping and saving to get by. Our house and yard need work. It is hard when taxes are increased. Repairing the roads is only a one year problem.

MAYOR: The cemetery roads are not a one year problem. There are many roads in the cemetery and they are long. We would allocate some funds to start that project this year. It will likely take five to ten years to redo all of the roads in the cemetery.

BLAIR PACKER: I am not here to condemn anyone as I know it is hard to serve. I have had friends serve as mayor and on the council. I have lived here for over 60 years. I have seen some administrations do well and others not so much. This is a hard job to deal with. I have a question that is not directed at you specifically. Why do we all have to work within a budget but the government can legally take our money when they don't have enough? Local, state and federal government all do this. I trust you to do the right job. Look as sharply as possible at what is happening. It is hard to make people happy. It is not possible. There is a cost to have services. Overall the city has been fantastic and well run. Only a few years I would disagree with that. Thank you for serving. I am here representing my family tonight. My wife is against the tax increase. I am not a golfer but some of my friends are. We have argued over the importance of the golf course and how it is subsidized. It is not a major part of our concern this evening.

\*\*\*The public hearing was closed at 7:52 P.M.\*\*\*

<p><b>DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 19-12, A RESOLUTION SETTING THE PROPERTY TAX RATE.</b></p>
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BART: I appreciate your comments and willingness to attend this meeting. I am happy to receive your input. We do hear you. We hear you tonight as well as when we are not here but out in the city. This is a great city. I love this city. We have a lot of good employees. In the past the rate was never held the same. As the city has grown the rate has decreased. The rate still can decrease if we choose to do nothing. The city is growing and more infrastructure is needed. It was eleven years between increases. A lot of infrastructure was not done in that period of time. Planning for the future was not done. Water is a top concern for us. Roads are a concern. We want to think ahead. We are planning for now and the future. Some cities don't have enough water because they did not do any planning. We have a plan for our funds. It is hard to retain employees. There is a high cost of training employees. Employees are hard to replace. It takes time to train new employees. It is hard training employees so other cities can take them and pay them a higher

wage. We have four new businesses in the city. They are being supported by the residents. I think our commercial base will continue to grow. I would like to talk about the budget and how it works. Each department creates a budget. The council, mayor and Craig all review the proposal. Just because a budget is submitted does not mean it is approved. There is a lot of work which goes on removing items or adjusting the budget which the residents don't see in a council meeting. There is a lot of discussion on the budget. We are trying to save money and think ahead.

JAMIE: Thank you for your comments. I get that you don't retain employees by paying them more. It is not the most important component. For my full-time job I oversee about 72 employees around the country. Five years ago my turnover was 25% per year. It is not all about the pay. It is about the culture as well. People want to be appreciated and challenged. There are a lot of factors which go into if a person stays employed at the same place. We are trying to develop a culture. Money is a component of that. I have done some ride alongs with the police department. I asked them what they think about the chief. I hope they were honest with me. I asked them if they feel appreciated. I asked them if they like what they do. I asked them if they have the tools to do their job. It is eye opening to have that conversation with them. The department heads are working on developing a culture. I would like to discuss the concept of holding the property tax rate the same each year. How does new growth effect the rate? What is the concept behind holding the rate the same? The amount a person pays for a home is based on 55% of the assessed value of the home times the rate charged by the city. If the value stays the same year after year and the rate stays the same year after year the person will pay the same amount year after year. Growth would then help the amount received slowly grow and current property owners would pay the same amount. There was an 11 year period where nothing was done. The rate actually decreased over that period of time. Wages were stagnant. Infrastructure was not being done. The rate and amount received should have been handled better over the last 11 years. I am not disrespecting anyone who previously served as I don't know the issues or challenges they were dealing with. I want the council to be forward thinking. The department heads presented their budgets. Hard questions were asked. We want the funds to be spent appropriately. The budget process starts in about March of each year and goes through June. If you have questions about the budget please ask.

DEON: I would like to provide a summary of the 2018 property tax rate and how it was allocated.

51.66%	Cache County School District
15.11%	Smithfield City
14.07%	Cache School Statewide Levy
13.92%	Cache County General Fund
3.18%	Cache County Assessing & Collecting
0.90%	Cache County Health Fund
0.62%	Cache County Mosquito Abatement District
0.46%	Cache School Charter Levy
0.08%	Multi County Assessing & Collecting
100%	Total

DEON: By far the schools receive the highest percentage. I reviewed the census and it only included cities with over 5,000 residents. Six cities in the valley were included. Smithfield is the third highest in the number of children five and younger. Families in the city are larger than most other places in the valley. The city also has the third most people in the valley over 65 years of age. It is hard for them to pay taxes when on a fixed income. The city is also on the bottom half when it comes to Modified Adjusted Gross Income (MAGI). There are seven major grocery stores in Cache Valley. Lee's Marketplace is the second lowest in the amount of property tax paid. We do not have a strong commercial tax base. We need to encourage people to shop locally. We need to get more businesses here as that will result in more property tax and sales tax received. I have been told many times over the last year by residents to please not raise the tax rate again. It hurts young families and seniors the most. The county has already approved their proposed increase.

CURTIS: Each council member is over a department. This is my fourth year on the council. The department heads are frugal. Machinery is being rebuilt rather than purchased new in some cases. Golf carts are years if not decades old. We are working with the funds we have. The department heads have to answer to the council, mayor and residents for what they do. Dave Anderson has attended many council meetings the last year and become educated on what is going on. The budget is the most important thing we do. We are always looking for grants to help with costs and projects. I have lived here since 1990. I like living here. The dollars of the city are carefully managed. Mayor Simmons and Council Member Kris Monson apologized for not dealing with this issue when they served before us. They left us with an issue to fix. Nothing had been done for 11 years. We have all lost sleep over what to do. I am excited to keep our employees. Also, we need to know about problems when you see them. I am proud of who I work with.

MAYOR: We have a good council. They have become educated on how the city works. They have shared their concerns as well. The city and each department is well run. The city is well managed. We are frugal and conservative. I would encourage you to review our budget and show us where there is waste. I don't see any. I want to personally thank Craig for how he manages the city and oversees the budget. Justin is heavily involved as well and provides us weekly updates on the budget and other items. Travis Allen is our Police Chief. Jay Downs is our Fire Chief. Doug Petersen is our Public Works Director. Clay Bodily is our City Engineer. They are all here tonight as they are concerned as well. Doug is very hands on and helps do the physical work which needs to be done. We should all be thankful we can turn on our water and flush our toilet. The golf course provides a service. Not everyone uses every service in the city. We are a full service city. People come to the city because of what we offer. They don't live here but they come to use our services. When people come here they spend money. The rate was not raised for 11 years so all of us saw a benefit as the amount owed to the city decreased over that period of time. Last year an increase was done and it was said at that time it would be implemented over a two year period. We will resolve some of our major issues by adopting this rate. My vision is we will not raise the rate in the future while I am serving. I support holding the rate the same in the future.

DEON: I think there needs to be an increase but I cannot support doing it all in one year.

\*\*\*A motion to adopt Resolution 19-12, a Resolution setting the Real and Personal Property Tax Rate was made by Bart, seconded by Curtis and the motion passed by a vote of 3-1.\*\*\*

Yes Vote: Anderson, Caley, Wall

No Vote: Hunsaker

Absent: Campbell

\*\*\**Jamie made a motion to adjourn at 8:17 P.M.*\*\*\*

**SMITHFIELD CITY CORPORATION**

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Jeffrey H. Barnes, Mayor

**ATTEST:**

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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 14, 2019**. The meeting will begin at 7:00 P.M.

Welcome and Opening Ceremonies by Curtis Wall

1. Public Hearing to discuss the proposed increase in property tax revenue for the city. The Smithfield City tax on a \$274,000 residence would increase from \$195.46 to \$252.27, which is \$56.81 per year. The Smithfield City tax on a \$274,000 business would increase from \$355.38 to \$458.68, which is \$103.30 per year. If approved the city would increase its property tax revenue by 29.06% above last year's property tax budgeted revenue excluding eligible new growth.
2. Discussion and possible vote on Resolution 19-12, 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.