

MINUTES of the special City Council meeting of Wellsville City held **Tuesday, August 5, 2025**, at the Wellsville City Offices at 75 East Main. This special meeting was held to conduct Truth in Taxation requirements as mandated by the State of Utah. City officials present were Mayor Thomas G. Bailey, Councilwomen Kaylene Ames and Denise Lindsay; Councilmen Carl Leatham, Bob Lindley and Austin Wood. City Manager/Recorder Scott E. Wells was also present. A copy of the Notice and Agenda was mailed to the Mayor and Council members and emailed and faxed to the Herald Journal on August 01, 2025. The meeting was called to order at 6:00 p.m. by Mayor Thomas G. Bailey.

Others Present:	Bob Burrows Angie Olsen	Michelle Burrows David Olsen	Christine Lindley Megan Petersen
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Opening Ceremony: Councilman Carl Leatham

The Council reviewed the amended agenda. **Councilman Austin Wood made a motion, seconded by Councilman Bob Lindley to approve the amended agenda as presented.**

<u>YEA</u> 5	<u>NAY</u> 0	<u>ABSTAIN</u> 0	<u>ABSENT</u> 0
Kaylene Ames Carl Leatham Bob Lindley Denise Lindsay Austin Wood			

At 6:05 PM, City Manager/Recorder Scott Wells began a discussion on property tax allocation, presenting this year's tax calculations on overhead screens and making a copy of the presentation available to attendees (see Attachment #1). He used a pie chart from the "*Tax Area Property Tax Distribution*" to illustrate that Wellsville City's portion of property tax funds is the fifth largest of twelve entities, at 10.865%. This percentage follows the Cache School District (32.502%), the Cache School State LE (18.498%), Cache Schools Go Bond (17.787%), and the Cache County General Fund (14.702%). He noted that from 2022 to 2024, approximately 55 new homes were built in Wellsville. Tax bills can increase in two ways: either the tax rate is raised by a taxing entity or the assessed value of a property increases. The addition of new homes and businesses can actually lower an individual property's tax assessment if its assessed value remains constant year after year. City Manager/Recorder Wells explained that "holding the rate" is a method to maintain a steady tax rate, which allows for smaller annual tax increases and enables the city to benefit from revenue generated by new homes. He pointed out that not holding the rate steady in the past has resulted in Wellsville City having the thirteenth lowest tax rate among the nineteen municipalities in Cache County. He emphasized that the city's operational expenses, particularly for its aging water and sewer systems, will not decline and will only increase as the population grows. He clarified that while new infrastructure pays to connect to city utilities and collects impact fees, it is property tax revenue that is essential for maintaining the existing systems. Therefore, holding the rate steady is crucial for the city to maintain the same property tax revenue and to benefit from future growth.

City Manager/Recorder Wells discussed the city's need for additional revenue, citing several key areas of increasing expenses. The city is facing a rate increase of \$5,015.00 for the Cache County Sheriff's Contract, despite not receiving more hours. This increase was anticipated after holding the rate steady for several years. The city chose to remain with the Hyrum Library, which is increasing its rate due to its own rising costs. This will add an extra \$10,500.00 to Wellsville's expenses. The city sets aside \$25,000 annually for its sidewalk fund, but this amount is insufficient. A recent sidewalk project on 100 East, from 100 South to 200 South, cost \$34,000, demonstrating the need for more funding in this area. Wellsville is dealing with stormwater infiltration into its sewer lines. The city has installed sensors in six locations to identify where storm or canal water is entering the system. During public meetings, playground repairs have been a recurring concern. City Manager/Recorder Scott Wells stated that while an amount of \$18,000 was spent on fixes several years ago to ensure safety, more significant funds are needed for repairs. The city is considering an aeration system for Sewer Cell 1. A study by JUB to determine the city's sewer capacity and provide insight on improving sewer lagoons and land application alone will cost \$35,000. City Manager/Recorder Wells also stated that Wellsville City needs to save for a future fire station, sewer

truckline capital, and an air compressor for the sewer. Additionally, the city needs to allocate funds for employee wages for a new City Planner. The city currently has a temporary planner, but plans to post the job and conduct interviews for a permanent, part-time planner after the new mayor is sworn in.

Beginning at 6:13 p.m., the Council shall receive public input, then consider for possible adoption of **Resolution 2025-07** increasing property tax revenue for Wellsville City. The Wellsville City tax on a \$583,000 residence would increase from \$256.84 to \$259.73, which is a \$2.89 per year. The Wellsville City tax on a \$583,000 business would increase from \$466.98 to \$472.23, which is \$5.25 per year. If the proposed budget is approved, Wellsville City would increase its property tax budgeted revenue by 0.99% above last year's property tax budgeted revenue excluding eligible new growth.

City Manager/Recorder Scott Wells recounted the events from the 2022 Truth in Taxation meeting. He explained that a proposed 46.26% property tax revenue increase was met with public feedback asking for the increase to be spread over three years due to high inflation. Subsequently, **Resolution 2022-08** was approved, which increased property tax revenue by 12.25%. This decision was based on four factors: the city's strong financial position, citizen concerns about inflation, the consensus to break up the increase over several years, and the plan to re-evaluate the city's tax rate at a future date. He then explained that while the 2022 plan had called for a continued increase, the city has elected to hold its current tax rate and ask for the same amount of revenue as the previous year, particularly because of the water rate increase. City Manager/Recorder Wells concluded that the city's goal is to find a "happy medium" between its financial needs and the burden on taxpayers by holding rates steady where possible and budgeting accordingly, especially with upcoming water rate increases.

The city is requesting the same tax rate as last year, which is 0.000810. City Manager/Recorder Wells clarified that if a property tax bill increases after holding the rate, it's due to an increase in the property's assessed value, not the tax rate. The 0.99% entity revenue percentage increase is attributed to minor adjustments in property values. He stated that by holding the tax rate steady, the city is able to benefit from new construction. As new homes are built, the additional properties contribute to the overall tax revenue collected by the city, even though every property owner continues to pay the same rate as the previous year.

At 6:15 p.m., Mayor Thomas G. Bailey opened the public hearing and asked if there were any comments.

City Manager/Recorder Wells asked the attendees if the explanation was helpful, and the crowd responded "yes." He also reported that there were no participants in the Zoom meeting.

Chad Lindley requested that an example be presented comparing last year's tax rate to this year's. Mayor Thomas G. Bailey and Councilman Carl Leatham detailed the following: *"The Wellsville City tax on a \$583,000 residence would increase from \$256.84 to \$259.73, which is a \$2.89 per year. The Wellsville City tax on a \$583,000 business would increase from \$466.98 to \$472.23, which is \$5.25 per year. If the proposed budget is approved, Wellsville City would increase its property tax budgeted revenue by 0.99% above last year's property tax budgeted revenue excluding eligible new growth."*

Councilwoman Denise Lindsay provided information for residents on fixed incomes who may be concerned about property taxes. She encouraged those who qualify to look into property tax relief options available on the Cache County website. Councilwoman Lindsay specifically mentioned the **TC90CY** form (also known as the "circuit breaker"). The **TC90CY** form is officially titled the "Low-Income Abatement and Homeowner's Tax Credit Application." The Low-Income Abatement is available to individuals who are 66 years of age or older, or a surviving spouse, and have an income less than \$42,623. She explained that if they meet these criteria, they can fill out the form and the state will pay their property taxes for them. Councilwoman Lindsay emphasized that this program is an incentive for people on a fixed income to be able to stay in their homes and that many in the eligible age and income bracket are not aware it exists. She encouraged residents to take advantage of this relief.

At 6:22 p.m., **Councilman Carl Leatham** made a motion, seconded by **Councilman Bob Lindley**, to close the public hearing.

<u>YEA</u> <u>5</u>	<u>NAY</u> <u>0</u>	<u>ABSTAIN</u> <u>0</u>	<u>ABSENT</u> <u>0</u>
Kaylene Ames			
Carl Leatham			
Bob Lindley			
Denise Lindsay			
Austin Wood			

Mayor Bailey asked the Council for questions. Councilman Austin Wood thanked City Manager/Recorder Scott Wells for his clear explanation. Councilman Bob Lindley asked if the proposed tax rate was solely for Wellsville City's budget. City Manager/Recorder Wells confirmed that it was. The Mayor clarified that any other city applying for an increase or choosing to hold its rate would be funding its own city's budget. Councilman Lindley then asked if this would affect the percentage on the pie chart for other entities like the Cache School District. Mayor Bailey responded that another entity would only see its percentage increase if it also asked for and received a tax raise. Councilman Bob Lindley made a motion, seconded by Councilwoman Kaylene Ames to adopt Resolution 2025-07 increasing property tax revenue for Wellsville City. The Wellsville City tax on a \$583,000 residence would increase from \$256.84 to \$259.73, which is a \$2.89 per year. The Wellsville City tax on a \$583,000 business would increase from \$466.98 to \$472.23, which is \$5.25 per year. If the proposed budget is approved, Wellsville City would increase its property tax budgeted revenue by 0.99% above last year's property tax budgeted revenue excluding eligible new growth.

<u>YEA</u> <u>5</u>	<u>NAY</u> <u>0</u>	<u>ABSTAIN</u> <u>0</u>	<u>ABSENT</u> <u>0</u>
Kaylene Ames			
Carl Leatham			
Bob Lindley			
Denise Lindsay			
Austin Wood			

Department Reports:

Councilwoman Denise Lindsay-

- 1) No business or concerns at this time.

Councilman Carl Leatham-

- 1) No business or concerns at this time.

Mayor Thomas G. Bailey-

- 1) Mayor Bailey and the City Council discussed the candidates for the Founders' Day Marshal of the Day.

Councilwoman Kaylene Ames-

- 1) Councilwoman Ames announced that the city would not be holding a Founders' Day watermelon bust this year. The funds from the watermelon budget are being reallocated to support other Founders' Day activities, including bingo cards for a bingo game that has grown in attendance from 80 to 200 people, as well as prizes for a pickleball tournament. She also mentioned that prizes for the horseshoe tournament have not yet been discussed. Regarding logistics, Councilwoman Ames mentioned that the Rough Stock band requested two flatbeds for their performance. She also noted that Sharp Transportation would be providing a refrigerated semi-trailer for the event.

Councilman Bob Lindley-

- 1) Councilman Lindley confirmed that the golf, softball, and horseshoe tournaments are all underway, stating that "wheels are in motion" for these events.

Councilman Austin Wood-

- 1) Councilman Wood then discussed the Sham Battle, noting that Jared Parker is bringing a couple horse teams, along with the Alan Arnell's mule team. Tommy Maughan will be building a structure. City Manager/Recorder Scott Wells mentioned that the city has an extra wagon in good condition, which they

recently purchased from Colorado for the parade. He noted that if an extra set of horses can be found, they could use the wagon.

2) Councilman Wood asked City Manager/Recorder Wells about the roads, specifically whether a slurry seal or a chip and seal would last longer. He noted that the public works believe slurry lasts longer, but his opinion is that chip and seal has more longevity.

City Manager/Recorder Report:

1) City Manager/Recorder Wells concluded with an update on a new pickleball and basketball court at the elementary school. He stated that the city plans to break ground the day after Labor Day. The court will be 46 feet long, which is not a full half-court for basketball, but will include the three-point range. It will also accommodate two pickleball courts.

At 6:42 p.m., Councilman Bob Lindley made a motion, seconded by Councilman Carl Leatham, to adjourn the meeting.

<u>YEA</u> <u>5</u>	<u>NAY</u> <u>0</u>	<u>ABSTAIN</u> <u>0</u>	<u>ABSENT</u> <u>0</u>
Kaylene Ames			
Carl Leatham			
Bob Lindley			
Denise Lindsay			
Austin Wood			


Thomas G. Bailey
Mayor


Scott E. Wells
City Manager/Recorder

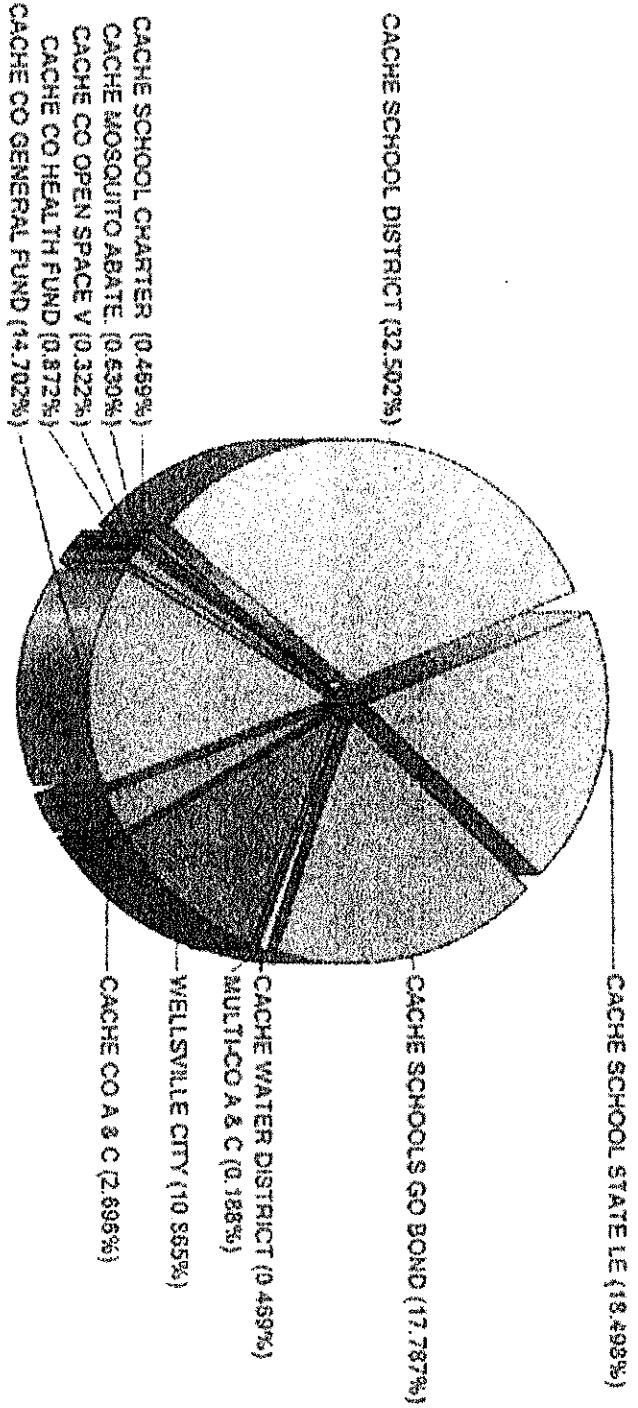
City Council agenda is as follows:

August 5, 2025

1. Welcome
2. Roll call
3. Opening ceremony
4. Approval of the agenda
5. Scott Wells – Discuss how Property Tax is allocated.
6. Scott Wells – Discuss Wellsville City's need for additional revenue.
7. Beginning at 6:10 conduct the follow Public Hearing;
 - a. The Council shall receive public input, then consider for possible adoption of resolution 2024-11 increasing property tax revenue for Wellsville City. The Wellsville City tax on a \$583,000 residence would increase from \$256.84 to \$259.73, which is \$2.89 per year. The WELLSVILLE CITY tax on a \$583,000 business would increase from \$466.98 to \$472.23, which is \$5.25 per year. If the proposed budget is approved, Wellsville City would increase its property tax budgeted revenue by 0.99% above last year's property tax budgeted revenue excluding eligible new growth.
8. Department reports
9. City Manager/Recorders report

TAX AREA PROPERTY TAX DISTRIBUTION:

004-WELLSVILLE CITY

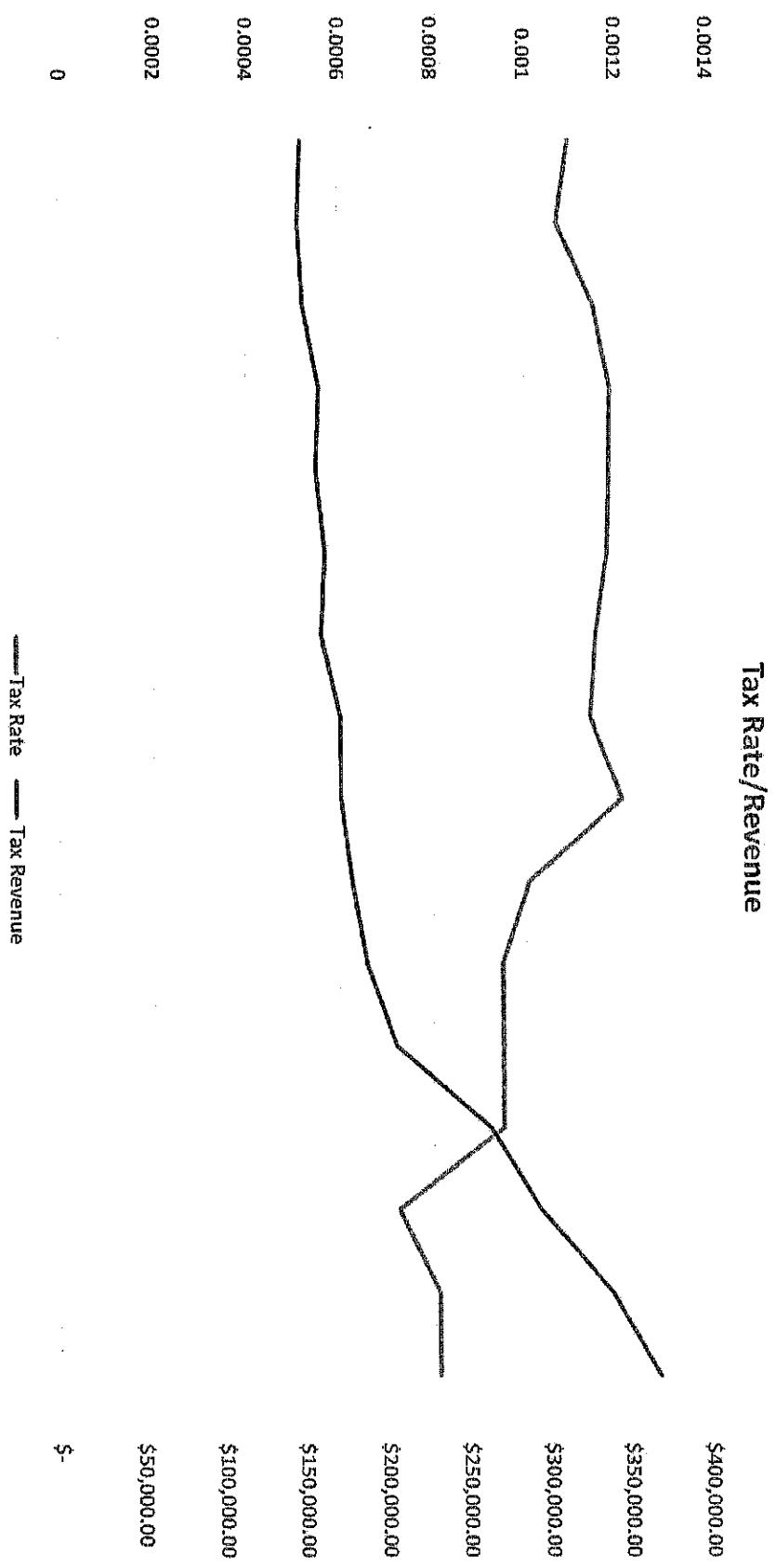


Current Distribution of Property Tax Funds - 2025	
Cache School District	50.289%
State School Levy	18.498%
Cache Co, General Fund	14.702%
Wellsville City	10.865%
Cache County A & C	2.696%
Cache Co Health Fund	0.872%
Cache Mesquite Abate	0.630%
State Charter Schools	0.469%
Cache Co. Open Space	0.322%
Cache County Water District	0.469%
Multi-Co A & C	0.188%

How the Property Tax System Works

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

- In 2011 property tax revenue for general operations was \$150,246
- In 2017 property tax revenue for general operations was \$172,425
- In 2020 property tax revenue for general operations was \$205,446
- In 2022 property tax revenue for general operations was \$263,220
- In 2024 property tax revenue for general operations was \$367,539
- Tax bill increases in one of two ways - rate increases from a taxing entity or assessed value of property increases
- **Addition of new homes and businesses will lower Wellsville City tax assessment on an individual property if the assessed value is the same year after year**



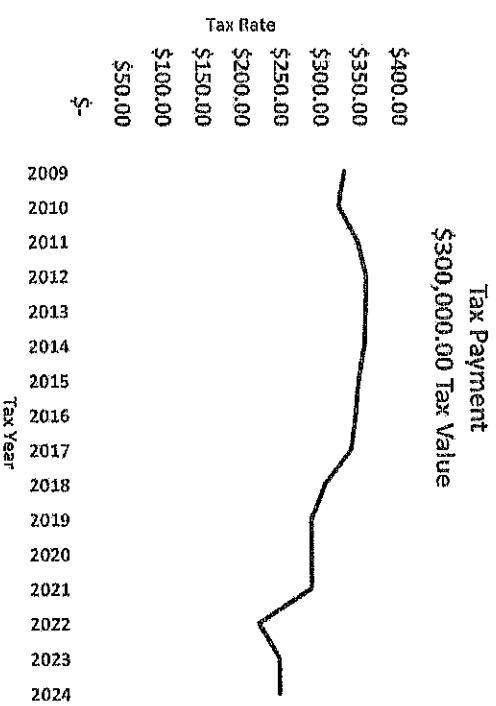
- Hold the Rate Concept

Theory is to maintain the same tax rate year over year versus keeping the tax revenue 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.

How the Property Tax System Works

- Wellsville City Tax Rates for the last several years – assuming \$300,000 taxable value:

- 2010 tax rate of .001072 equals tax \$321.60
- 2011 tax rate of .001151 equals tax \$345.30
- 2012 tax rate of .001187 equals tax \$356.10
- 2013 tax rate of .001184 equals tax \$355.20
- 2014 tax rate of .001179 equals tax \$353.70
- 2015 tax rate of .001153 equals tax \$345.90
- 2016 tax rate of .001140 equals tax \$342.00
- 2017 tax rate of .001121 equals tax \$336.30
- 2018 tax rate of .001007 equals tax \$302.10
- 2019 tax rate of .000949 equals tax \$284.70
- 2020 tax rate of .000949 equals tax \$284.70
- 2021 tax rate of .000949 equals tax \$284.70
- 2022 tax rate of .000725 equals tax \$217.50
- 2023 tax rate of .000810 equals tax \$243.00
- 2024 tax rate of .000810 equals tax \$243.00



MUNICIPAL
TAX RATES BY
CITY - 2023

1.	Lewiston	.001765	11. Logan	.000965
2.	Cornish	.001567	12. Hyrum	.000847
3.	Nibley	.001378	13. Wellsville	.000810
4.	Mendon	.001453	14. Newton	.000755
5.	Smithfield	.001352	15. Millville	.000520
6.	Clarkston	.001330	16. Paradise	.000501
7.	Richmond	.001110	17. River Heights	.000489
8.	Hyde Park	.001101	18. Trenton	.000461
9.	North Logan	.001066	19. Amalga	.000413
10.	Providence	.001055		

Wellsville City Needs:

• Cache County Sheriff Contract	\$ 5,015.00	• Aeration System Sewer Pond	\$40,000.00
• Hyrum Library	\$10,500.00	• Air Compressor Sewer	\$ 5,000.00
• Sidewalks	\$ 5,000.00	• City Planner	\$ 35,000.00
• Sewer Line Repair	\$30,000.00	• Sewer Trunkline Capital	\$30,000.00
• Repair Playground	\$15,000.00	• Future Fire Station (Capital)	\$10,000.00