

MINUTES of the regular City Council meeting of Wellsville City held Wednesday, August 21, 2019, at the Wellsville City Offices at 75 East Main. City officials present were Mayor Thomas G. Bailey, Councilwomen Kaylene Ames, and Denise Lindsay, Councilmen Gary Bates, Carl Leatham, and Perry Maughan. City Manager Scott 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 16, 2019. The meeting was called to order at 6:30 p.m. by Mayor Thomas G. Bailey.

<u>Others Present:</u>	Jennifer Leishman	Mamie Hammer	Joseph Hammer
	Hyrum Hammer	Matthew Jenkins	Jacob Jenkins
	Bob Lindley	Chad Poulsen	Karma Leatham
	Blaine Anderson	Le Roy Parkinson	

Opening Ceremony: Joseph Hammer & Jacob Jenkins

The Council reviewed the agenda. Carl Leatham made a motion, seconded by Perry Maughan, to approve the agenda as presented.

YEA 5

NAY 0

Kaylene Ames
Gary Bates
Carl Leatham
Denise Lindsay
Perry Maughan

Mayor Thomas G. Bailey stated that the purpose of this meeting is a small tax increase for Wellsville City. Mayor Bailey stated that Denise Lindsay will explain the tax increase. Mayor Bailey stated that City Manager Scott Wells will address the plan for the additional tax monies collected and why Wellsville City has chosen to go this direction.

Denise Lindsay discussed how property tax is applied. Ms. Lindsay stated that she and City Manager Scott Wells prepared an informative brochure. Ms. Lindsay reviewed the information in the brochure with those in attendance. Ms. Lindsay reviewed the Tax Area Property Tax Distribution for Wellsville City. Wellsville City's portion is 8.846%. Ms. Lindsay explained how the property tax system works. Wellsville City is notified by the county the amount of property tax Wellsville City will receive based on several factors, such as the property tax rate and property valuations. Wellsville City has received approximately \$172,000 every year since 2011. In 2018, property tax revenue for Wellsville City general operation was \$173,000. The tax bill increases one of two ways – rate increases from a taxing entity or assessed value of property increases. The addition of new homes and businesses will lower Wellsville City's tax assessment on an individual property if the assessed value is the same year after year. Ms. Lindsay explained the 'hold the rate' concept. The theory is to maintain the same tax rate year over year versus keeping the tax rate the same. This will increase the tax each year in much smaller increments and growth (new homes) will add to the overall tax collected each year. Mayor Thomas G. Bailey stated that the monies that Wellsville City has lost out on has gone to Cache County. Ms. Lindsay stated that is correct. Ms. Lindsay stated that Cache County doesn't care if each city raises property taxes each year. Cache County doesn't want each city to hold their rate. Ms. Lindsay stated that she strongly suggests that Wellsville City look at holding their rate each year. It is foolish to let the monies go back to Cache County instead of keeping them in Wellsville City. Ms. Lindsay reviewed Wellsville City's tax rates since 2014. Ms. Lindsay reviewed the 2019 Current Distribution of Property Tax Funds. Ms. Lindsay reviewed the Municipal Tax Rates by City for 2018. Wellsville City is number 17 out of 20. City Manager Scott Wells stated that Cache County is willing to give any information that is asked for, but they won't give you any information without asking. Mr. Wells stated that he didn't understand holding their rate until he asked about it. Mr. Wells stated that he will do better going forward. Gary Bates stated that as more and more cities participate in holding their rate, Cache County will increase their taxes also.

City Manager Scott Wells discussed Wellsville City's need for additional revenue. Mr. Wells stated that Wellsville City owns a 1992 snowplow truck that needs some maintenance done on it. Mr. Wells stated

that he has looked into a grant, but the only trucks that qualify are 1997 to 2002. Mr. Wells stated that Wellsville City would like to purchase another state truck. Mr. Wells stated that he has learned that the State will no longer sell non-green burning vehicles to municipalities. Mr. Wells stated that he has talked to the surplus people and they are going to sell Wellsville City a 2002 truck that will qualify for the UCARE grant. Mr. Wells stated that Wellsville City's portion of the truck will be \$100,000. Mr. Wells stated that Urban Forestry Management will be trimming trees and taking care of trees. Mr. Wells stated that Wellsville City needs more revenue for sidewalks to get kids to school, to keep them safe, and off the roadways. Mr. Wells stated that Wellsville City needs more revenue for maintenance and upkeep on the splash pad.

At 7:00 p.m., Perry Maughan made a motion, seconded by Gary Bates, to go into a public hearing.

YEA 5

NAY 0

Kaylene Ames
Gary Bates
Carl Leatham
Denise Lindsay
Perry Maughan

Beginning at 7:00 p.m., receive public input, then consider for possible adoption of Resolution 2019-09 increasing property tax revenue for Wellsville City. The Wellsville City tax on a \$284,000 residence would increase from \$134.80 to \$146.23, which is \$13.43 per year. The Wellsville City tax on a \$284,000 business would increase from \$245.09 to \$269.52, which is \$24.43 per year. If approved, the city would increase its property tax revenue by 9.92% above last year's property tax budgeted revenue excluding eligible new growth. Mayor Thomas G. Bailey explained the public hearing process. Mayor Bailey asked those in attendance to keep their comments to 3 to 4 minutes. Le Roy Parkinson stated that on his retirement check, the state takes a deduction. Mr. Parkinson stated that property taxes, there is an amount for the county, the school district, and the city. Mr. Parkinson stated that he is on a fixed income and receives no increases, yet taxes keep increasing. Mr. Parkinson stated that all these entities keep spending money and there is going to come a time with the taxpayer can no longer pay for it. Mr. Parkinson stated that there is no one here to protest. The burden is getting bigger and bigger. Mr. Parkinson stated that there are people in the community that are on very low incomes and it is not getting any better. Mr. Parkinson thanked the City Council for their time.

At 7:05 p.m., Gary Bates made a motion, seconded by Carl Leatham, to close the public hearing.

YEA 5

NAY 0

Kaylene Ames
Gary Bates
Carl Leatham
Denise Lindsay
Perry Maughan

Perry Maughan stated that he understands Le Roy Parkinson's concerns. Mr. Maughan stated that he has had his eyes opened concerning property taxes. Wellsville City is actually losing money and Cache County is receiving it. Mr. Maughan stated that this is something that Wellsville City needs to take a strong stance on. Denise Lindsay stated that she applauds Le Roy Parkinson for coming and expressing his opinion. Ms. Lindsay reviewed some of the ways that Cache County is spending their money. Ms. Lindsay stated that things need change. One of the problems is that no one shows up to the public hearings. Ms. Lindsay stated that Wellsville City didn't hold their rate, but the money was still collected. The money didn't go to Wellsville City, but to Cache County. Carl Leatham stated that Wellsville City has lost \$23.00 per \$100,000 in 5 years. However, the cost of operations in Wellsville City is still increasing. Mr. Leatham stated that we need to do what we can to protect the city and patch where we can. Mr. Leatham stated that Wellsville City needs more involvement. Ms. Lindsay stated that if Wellsville City decides to hold their rate, they will be clogging the hole and Cache County will do another tax increase. Mayor Thomas G. Bailey appreciated Le Roy Parkinson for coming to this public hearing. Mayor Bailey stated that Mr.

Parkinson has always been a champion for no or low taxes. Mayor Bailey stated that Wellsville City tries its best to have the dollars go as far as they can. Mayor Bailey stated that he agrees 100% with Mr. Parkinson and he doesn't know where it is going to end. Wellsville City tries to spend their money as wisely as they can, but Wellsville City can't keep sending their money to Cache County. Gary Bates stated that a tax increase for Wellsville City doesn't take away from other entities, the pie just gets bigger. Mr. Bates stated that holding the rate will give Wellsville City more money, but it will take away from the big pie. Mr. Bates stated that as the tax increase goes up, the property value goes up. Mr. Leatham stated that if Wellsville City, as well as every other community, would hold their rate, Cache County would be more honest, and taxpayers would say enough is enough. After discussion, Gary Bates made a motion, seconded by Denise Lindsay, to approve **RESOLUTION 2019-09 A RESOLUTION ESTABLISHING THE MUNICIPALITY CERTIFIED TAX RATE FOR FISCAL YEAR 2019/2020 AT 0.000949** and that Wellsville City understands that this affects people and they don't do it lightly.

YEA 5

NAY 0

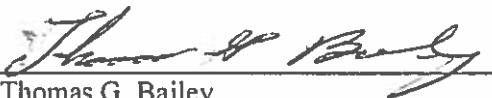
Kaylene Ames
Gary Bates
Carl Leatham
Denise Lindsay
Perry Maughan

At 7:30 p.m., Carl Leatham made a motion, seconded by Perry Maughan, to adjourn the meeting.

YEA 5

NAY 0

Kaylene Ames
Gary Bates
Carl Leatham
Denise Lindsay
Perry Maughan



Thomas G. Bailey
Mayor



Scott E. Wells
City Manager/Recorder