

MINUTES of a special **City Council** meeting of Wellsville City held **Tuesday, August 03, 2021**, 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 Chad Poulsen and Austin Wood. Also present was City Manager Scott Wells. A copy of the Notice and Agenda was mailed to the Mayor and Council members and emailed and faxed to the Herald Journal on July 29, 2021. The meeting was called to order at 6:00 p.m. by Mayor Thomas G. Bailey.

|                 |                |                |             |
|-----------------|----------------|----------------|-------------|
| Others Present: | Reed Bailey    | Ryan Lamoreaux | Deb McBride |
|                 | Megan Petersen | Ardis Tingey   | Bill Tingey |

Opening Ceremony: Kaylene Ames

Councilman Bob Lindley was excused from this meeting.

The Council reviewed the agenda. **Kaylene Ames made a motion, seconded by Austin Wood, to approve the agenda as presented.**

**YEA 4**

Kaylene Ames  
Denise Lindsay  
Chad Poulsen  
Austin Wood

**NAY 0**

Denise Lindsay presented this year's tax calculations. A copy of the presentation was available for those in attendance. She noted that residents received a Notice of Proposed Tax Increases from Cache County which reads that Wellsville City's budget percentage increased by 16.84%. Ms. Lindsay stated that this percentage is very misleading. She declared that Wellsville City is not changing its tax rate at all. For the last three years Wellsville City has elected to 'hold the rate' of 0.000949. Ms. Lindsay reviewed a pie chart illustration from the Tax Area Property Tax Distribution. She used a pie analogy to explain the tax distribution. She pointed out that Wellsville City's "pie slice" has remained the same percentage of the pie- 9.810%. The pie gets bigger due to increased home values. The overall size of the pie has increased, therefore Wellsville City's "pie slice" of 9.810% is now a larger value. She gave the hypothetical value of the City's base increasing from \$1 million to \$2 million. That exact same city tax percentage of 9.810% would double in value *because* the base doubled, not because the tax percentage changed. Ms. Lindsay spoke with the Cache County Assessor who said that every home built between 1991 and 2005 had been reappraised. Ms. Lindsay stated that Wellsville City's average annual operating budget is \$170,663. Due to the increased value of properties, Wellsville City's tax revenue will increase by approximately \$37,000. She said that \$37,000 sadly will not stretch far. She shared the amount of Wellsville City's *monthly* Logan City garbage bill which was \$31,477. Ms. Lindsay stated that holding the tax rate does not mean increasing the tax rate. If there is no increase in the value of the property, then there is no tax revenue increase. The value of the property is the value as of January 1, 2021. Ms. Lindsay stated that holding the rate keeps the money in Wellsville City. Wellsville City is ranked sixteenth lowest out of twenty cities in Cache County for their municipal tax rate. Ms. Lindsay said that the city has a very small commercial business base, therefore 'holding the rate' allows the city to stay in line with new residential home growth and support our infrastructure.

City Manager Scott Wells discussed Wellsville City's need for additional revenue. Mr. Wells stated that Wellsville City is in need of the following: Snowplows/Maintenance Vehicles, Urban Forestry Management, upgraded equipment for EMS/Ambulance and Fire Department, Sewer Infrastructure, Water Infrastructure, Sidewalks, Parks, Trails, and Splash Pad. Mr. Wells stated that the city's snowplows are too old to even qualify for the County's clean air program, which reimburses a percentage of an old vehicles value to upgrade to a new vehicle to reduce emissions. The Fire Department's needs are larger than their \$46,000 annual budget allows. Mr. Wells hopes additional commercial industries will help with increasing revenue in the future.

Beginning at 6:25 p.m., a public hearing was opened to consider for possible adoption of Resolution 2021-14 increasing property tax revenue for Wellsville City. The Wellsville City tax on a \$366,000 residence would increase from \$163.46 to \$191.03, which is \$27.57 per year. The Wellsville City tax on a \$366,000 business would increase from \$297.19 to \$347.33, which is \$50.14 per year. If approved, the city would increase its property tax revenue by 16.84% above last years property tax revenue excluding eligible new growth. Mayor Thomas G. Bailey stated that this is a public hearing and asked if there was any public input. Ryan Lamoreaux asked for further clarification on the 16.84% increase in property tax revenue if Wellsville City is maintaining the same rate. Ms. Lindsay explained the 16.84% is the tax revenue increase of \$37,000. That 16.84% budget growth is simply due to increased property values. The tax rate has not changed. Mr. Lamoreaux also asked if impact fees will be raised. Mr. Wells stated the two items are unrelated, but any changes to impact fees will depend on a Capital Facilities Study which the city hopes to complete in the next year. Mayor Bailey clarified that it is the State who determines impact fees, not the city. Deb McBride asked why the budgeted tax revenue excludes eligible new growth. Ms. Lindsay answered that calculated tax rates do not include new homes until the following year. The city will not receive taxes from a home built in June 2021 until January 2022. Chad Poulsen pointed out that if the city doesn't hold the tax rate any additional revenue would go to Cache County rather than Wellsville City. Reed Bailey stated he hopes that a new Capital Facilities Study will increase Fire and EMS's budgets. He also suggested taking money from the Parks budget to add to Fire and EMS's budgets.

**Chad Poulsen made a motion, seconded by Austin Wood, to close the public hearing. At 6:40 p.m., the public hearing was closed.**

**YEA 4**

**NAY 0**

Kaylene Ames  
Denise Lindsay  
Chad Poulsen  
Austin Wood

**After discussion, Denise Lindsay made a motion, seconded by Chad Poulsen, to approve Resolution 2021-14 a resolution establishing the municipality certified tax rate for fiscal year 2021/2022. This resolution will increase property tax revenue for Wellsville City by holding Wellsville City's tax rate of 0.000949.**

**YEA 4**

**NAY 0**

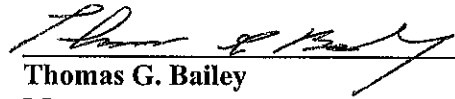
Kaylene Ames  
Denise Lindsay  
Chad Poulsen  
Austin Wood

**At 6:45 p.m., Denise Lindsay made a motion, seconded by Chad Poulsen, to adjourn the meeting.**

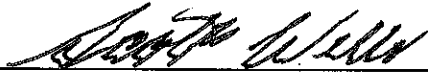
**YEA 4**

**NAY 0**

Kaylene Ames  
Denise Lindsay  
Chad Poulsen  
Austin Wood

A handwritten signature in black ink, appearing to read "Thomas G. Bailey", written over a horizontal line.

**Thomas G. Bailey**  
**Mayor**

A handwritten signature in black ink, appearing to read "Scott Wells", written over a horizontal line.

**Scott Wells**  
**City Manager**