

MINUTES OF HARRISVILLE CITY
CITY COUNCIL MEETING
Tuesday, April 23, 2013 – 6:00 p.m.
Council Chambers
363 West Independence Blvd
Harrisville, Utah 84404

Present: Mayor Richard Hendrix, Council Member Chad Allen, Council Member Bruce Richins, Council Member Paula Knighton, Council Member Michelle Tait, Council Member Grover Wilhelmsen.

Staff: Lynn Fortie, Treasurer, Pamela Crosbie, Finance Clerk, Jennie Knight, City Recorder, Max Jackson, Police Chief, Keith Wheelwright, Police Lieutenant.

Visitors: Jeff Pearce, Lance Peterson, Lauren Bailey, Jenessa Robertson, Karen Burton, Monyel Yip.

6:00 P.M. BUDGET WORK SESSION

Mayor Hendrix called the meeting to order.

Mayor Hendrix informed Council this work session is to follow-up from the last budget session. Lynn Fortie presented Council with the budget worksheet numbers based on their requests from the last session. He included a 10% wage adjustment, \$350 bonus for each employee. He said no increase was included for elected officials. The discussion regarding 401K contribution resulted in a 3% 401K contribution to ensure there are enough funds available should all employees opt to receive the 50% up to a 4% match contribution. This resulted in a \$127,513 deficit. He then calculated a property tax increase of 78% would be necessary to cover the proposed changes.

This property tax will generate \$290,000. If Council chooses to recoup the Weber County reduction, a 53% property tax increase would need to be added. Council Member Wilhelmsen clarified the county reduction is about 25%. Council Member Tait asked for specific numbers to relate for residents, how this will affect their yearly municipal property tax line item. Lynn Fortie said he has not calculated that number yet. He said the formula to determine this is city municipal tax rate multiplied by the taxable value of the property. He thought the taxable value of residential property is something like 55% of the total value of the home. Council Member Wilhelmsen calculated this would be about \$110 for about a \$150,000 taxable value, thereby a home worth about \$250,000. Lynn Fortie reiterated the total impact to residents would be less because of the reduction in the county tax line item. Council Member Allen asked if it's about \$40,560 that would be captured by the county tax line items. Lynn Fortie expressed his opinion about trying to absorb this county reduction. Residents may be reluctant to agree to a property tax increase even if the county line item is reduced. They may want to collect this money in their personal budgets.

Mayor Hendrix suggested looking at a 50% property tax increase. Council Member Tait questioned if this would be another band aid solution, not a long term solution. Lynn Fortie said a lot of this is impacted by the economy. He said he is very conservative about sales tax revenue, because it is unstable revenue. Council Member Allen inquired about the \$165,000 that was proposed in last year's budget session. He remembered it including \$75,000 in wages, \$25,000 in buffer fund and the remaining being set towards capital projects. Lynn Fortie specified Capital Project Funds are not included in the budget worksheet. These monies are treated separately. Council Member Allen suggested taking the \$35,000 surplus that was

retained from last year and adding the county reduction to provide the funds necessary for a wage adjustment.

Lynn Fortie said that is assuming the budget would be exactly the same as last year, and clarified it is not. There are different needs each year which results in different spending each year. Mayor Hendrix specified if the budget year ends in a surplus, the excess is used to build the rainy day fund.

Council Member Knighton asked about the sewer rate increase. Council Member Allen explained that the sewer fund is separate.

Council Member Wilhelmsen asked how much money is usually contributed to the rainy day fund. Lynn Fortie said there is usually the 18% maximum limit put into this fund. He mentioned that has been increased to 25% during this year's legislative session.

Council Member Allen said he feels like the city is in need of drawing on its rainy day resources. Times have become tough, in his opinion. Council Member Knighton commented that is why they have decided to move forward to the property tax increase. Council Member Tait expressed her desire to do something to fix the problem and not band aid the problem again. Council Member Wilhelmsen said he feels they still need to look toward the long term planning as well. Council Member Allen expressed his opinion there should not be a race to max out the rainy day fund when the employees need it. Mayor Hendrix clarified the rainy day fund is built from excess. Council Member Richins commented you don't impose a property tax to increase the rainy day fund. Council Member Knighton said there is no question the employees need this wage adjustment. She said that has been the priority through these budget sessions. She feels that is the direction Council is headed. Now is the time to determine how much. Now is the time to address how to approach the public. Council Member Richins emphasized the 10% wage adjustment is not across the board. Mayor Hendrix said it will be based on merit.

Performance evaluations may be kept up and available to be used for reference. Mayor and Council agreed some will get it and some will not. Mayor Hendrix said 10% wage adjustment was just the number suggested just like last year. He suggested Council can determine the percentage for the wage adjustment. This amount can be set to whatever Council deems necessary. Lynn Fortie said Council could budget for a 7% wage adjustment which would allow for some employees to receive more than that and others less depending on the performance evaluations. These decisions would be left up to the Mayor and Department Heads. Mayor and Council discussed several options to include a wage adjustment in the tentative budget. Lynn Fortie reminded Council the original budget worksheet included a 3% COLA but not all the deficit was created by the wage adjustment. Mayor and Council agreed it would be helpful to insert several scenarios into place to see how the deficit is being affected by certain line items. They discussed how to address resident's responses to the property tax increase. Council Member Knighton asked for ideas to address residents against the fact that a property tax increase would be proposed. Council Member Allen said his thoughts are more towards the amount of the property tax increase.

Lynn Fortie explained to Council the legislature may submit a bill for taxing internet sales in the near future. This was addressed at a recent Utah League of Cities and Towns training, and some money should be appropriated to the municipalities. This may improve the budget picture in the future. Council Member Knighton indicated this would just improve the cities revenue resources. Mayor and Council agreed this is too far in the future to plan for at this time. Lynn Fortie pointed out some budget line items for revenue are less reliable than others; building permits being one of them. There was a time when the city experienced healthy revenue from this item. Mayor Hendrix responded this is one-time revenue that hasn't been a reliable source for some time.

Council Member Richins suggested discussion on the 401K contribution and asked if Lynn Fortie had exact numbers of the current contribution. Lynn Fortie admitted he did not have the exact number. Council Member Richins said he seemed to remember the amount necessary

for a 2% contribution is roughly \$34,000. Lynn Fortie suggested adding half of that again to be at the proposed 3% for planning purposes.

Council Member Allen suggested looking at each item to determine how each item is affecting the deficit; particularly the wage adjustment. Council Member Knighton speculated the wage adjustment is probably close to about 89% of the budget deficit. Lynn Fortie said he has a spreadsheet that allows for each line item to be inserted showing the effect on the total budget deficit. He would have to play with each scenario to determine which items are creating the largest deficit.

Mayor and Council discussed giving a bonus option to employees. Pam Crosbie said about 22 employees are eligible for the bonus option.

Council Member Allen asked for clarification on the total proposed for last year's wage adjustment. He suggested capturing the decreased amount in the county line item and using the budget surplus to have sufficient money to fund the wage adjustment. Mayor Hendrix asked Lynn Fortie to run a few scenarios to give actual values to the proposed 10% increase. That way Council can see how much actual funds are being considered and by what percentage to define the wage adjustment.

Council Member Knighton implied the final amount will be used to determine the margin of wage increase and asked if this is the direction Council is moving. Council Member Richins reminded Council, this is the decision they concluded at the last budget session. That a property tax increase is necessary, they need to determine the amount of the increase. Council Member Knighton admitted this is a difficult task for Council. Mayor and Council discussed various numbers that have been proposed in the past and how these have influenced the budget worksheet.

Council Member Richins asked about the previously discussed ordinance that implements a wage adjustment for Mayor and Council, based on years of service. He suggested Council decide what their intentions are with this ordinance, if they do not include a wage adjustment for themselves, they need to redact this ordinance.

Council Member Allen asked Max Jackson to explain some of the wage differences with our city in contrast to Pleasant View. Max Jackson said the starting wages in Pleasant View for patrol are about \$5,000 to \$6,000 more than ours. He informed Council that three of his patrolman applied for the open Pleasant View position and two remain in consideration for this position. Lynn Fortie pointed out that even a 10% increase will not increase their wages to this amount. Council Member Allen asked if Chief Jackson thought his patrolmen would stay for less money. Chief Jackson responded that the 10% would still not put us on an even playing field but would help close the gap between the two cities. He further informed Council, Pleasant View has a Master Officer program in place. After one year of service, if a patrolman is promoted to Master Officer, they receive a 12% increase. Mayor Hendrix mentioned the two cities are not totally comparable. Pleasant View's property tax is higher and the homes have a higher taxable value. Council Member Allen suggested looking to close the salary study gap. He expressed his concern throughout the departments in the city where others are underpaid. He said he is against a property tax increase but admitted the salaries need to be adjusted. Council Member Knighton and Council Member Tait asked Council Member Allen how he would propose addressing this wage gap. Council Member Knighton pointed out the discussion is about how much money Council can make available through the budget to address these issues. Council Member Tait admitted she is confused about how this would be possible without a property tax increase as well. Council Member Allen admitted he want to address the wage gap, but not necessarily through a property tax increase. Council Member Tait asked for suggestions on how to do that. Council Member Knighton asked what his suggestion would be to address that. Council Member Allen conceded he would like to see the numbers, including the bonus option. He said he would like to see money allocated to the lesser paid employees. Council Member Knighton clarified the role of Council is to make the money available to address the needs of the

city. The department heads in conjunction with the Mayor oversee the allocation of the funds and distribute these through the city. That is the purpose of the line items in the budget worksheet; to address the needs of the city. Council's job is to "fill the pot with money" and let the department heads and Mayor distribute this money.

Mayor Hendrix said there are several different issues that need to be addressed. He suggested Council look towards a bonus option if they do not want to consider the wage adjustment. Council Member Wilhelmsen said in his opinion, he feels nobody wants to impose a property tax increase because of the inconvenience to the residents. He continued further by saying they can't properly address the employee retention issue without considering this option. He said to maintain the quality of the programs and services in place, a property tax increase will be necessary. They have already cut the budget as much as possible. He suggested notifying the public of these needs and that this property tax increase is to allow for the continuation of the services residents have available. Mayor Hendrix agreed this property tax increase is vital to the continuation of the existing services. Council Member Knighton commented this may not close the gap between wages but it will still help and she feels they need to do something and this is the best they can do.

Council Member Richins suggested a 100% tax increase to allow for a buffer so Council will not have to revisit the property tax increase next budget session. He stated they already decided to go through truth and taxation last budget session. Council Member Tait agreed she does not want to go through this again. She agreed to increase property taxes enough to not have to go through this next year, and she does not see another way to do this. Council Member Knighton said she feels this is not what they want to impose on the residents but this is what needs to be done.

Mayor Hendrix clarified he will work with department heads to put stipulations on employee performance with regard to the wage adjustments. Council Member Richins said he trusts the department heads to distribute this money to the appropriate employees.

Council Member Tait asked how Harrisville City property taxes rate with surrounding cities. Lynn Fortie responded that Harrisville property tax is one of the lower taxes. He specified they need to be careful with comparisons, being sure to look at the entire picture. Council Member Allen pointed out some cities that have enjoyed no property taxes will now have property tax to address certain contracts that are being put into place.

Council Member Allen asked Chief Jackson if he thought employee retention would improve if wages are adjusted. Max Jackson suggested increasing the starting wage to about \$17 and increasing this to \$18 once the patrolmen complete FTO. Council Member Allen expressed his hope to retain these employees. Lieutenant Keith Wheelwright said most patrolmen did not want to leave, they feel a lot of loyalty to Harrisville, but in the end they must take care of their families. Council Member Allen agreed. Lieutenant Wheelwright said if the comparison is minimal and Harrisville officers are still earning less, in his opinion many of them will stay. Council Member Knighton asked what Council Member Allen is proposing; suggesting something is better than nothing. Council Member Allen said his fear is that they will still leave even after a wage adjustment. Chief Jackson said when he conducts their exit interviews they don't want to leave, and a lot of times wish they were still here. Council Member Knighton asked when the last time employees received a COLA increase. Chief Jackson said it has been 3 years since a COLA. Lynn Fortie reminded Council if you compare Pleasant View's property tax with our tax rate, it is very close to double. He said the taxable value is almost twice as well. Mayor Hendrix closed the discussion to begin the regularly scheduled Council meeting.

7:00 P.M. CITY COUNCIL MEETING

1. Call to Order.

Mayor Hendrix called the meeting to order and welcomed all visitors.

2. Opening Ceremony.

Council Member Allen led the Pledge of Allegiance and opening ceremony.

3. Consent Items.

- a. Approve the minutes of April 9, 2013 as presented.

MOTION: Council Member Allen motioned to approve the minutes of April 9, 2013 as presented. Council Member Wilhelmsen seconded the motion. All Council Members voted aye. Motion passed.

4. Business Items.

- a. Weber County Emergency Management Presentation

Weber County Emergency Manager Lance Peterson introduced himself and gave a brief history of how his position allows him to work directly with county commissioners, all 15 cities in Weber County, the fire departments, and police departments. Emergency planning and what they do to prepare for emergency situations. He said the Emergency Operations Center (EOC) is in place for out of the ordinary emergencies. They have taken grant money to help fund programs throughout Weber County. These programs are in place for circumstances where cities run out of resources. For example when the canal broke in Riverdale flooding resident's basements full of dried mud. There were several cities that experienced lots of flooding in 2011. It cost \$14 million dollars to address these issues. In 1999 a tornado hit Salt Lake City. He said records show once every two years, a tornado, or funnel cloud touches down in Utah. Weber County was the worst until that SLC tornado in 1999.

Lance Peterson explained the definition of a Tier 2 site; a business or facility that has hazardous materials. Emergency planning also includes a risk assessment summary of what types of events impact the communities. Events such as Earthquakes, fires, and hazmat spills are considered high impact events. Events such as heat exposure and canal breaks are low impact events. Emergency management is in place to lessen the impacts of an episode and help clean things up, getting things back to normal.

Part of addressing these events is in the planning. Looking at analysis of events and having resources available. County wide planning helps deliver mutual aid with all the cities. All Weber County cities have signed into an agreement to share resources. After County resources are exhausted, emergency relief is given from volunteer organizations, and non-governmental organizations. Weber County also has a faith based program in our area. CERT is also a resource used to help manage emergencies by providing volunteers along with the Red Cross. The EOC does not manage events, they manage the resources available in the communities to distribute them timely and efficiently during an emergent situation.

During an emergency the city EOC would respond first, if more help is needed a county EOC response would activate. If more resources are needed, the state would be involved, and ultimately federal aid. No city is alone during an emergency to handle the event. Organization at the county level ensures that resources are shared among the communities that have needs. EOC is essentially the process of activating appropriate resources through an emergency.

In conclusion, Harrisville City already has an EOC policy with group in place that consists of all elected officials and department heads being matched up with day to day responsibilities to establish the resources we have available. Lance Peterson thanked Council for this opportunity to give this presentation and gave appreciation for the great working relationship he enjoys with the city staff.

Council Member Knighton inquired if Harrisville City has a Tier 2 site. Lieutenant Wheelwright confirmed there is not a tier 2 site in Harrisville but several exist not far from the city borders. Mayor and Council discussed the importance of zoning when establishing Tier 2 sites and credited Public Works Director Gene Bingham for the planning that has been done well to eliminate future concerns.

b. Weber County Library 5-year Capital Facilities Plan

Karen Burton, associate library director, introduced herself to Council. She said she generally handles community fairs, which is one on one contact with the public and this presentation is new to her. She informed Council as part of the Weber County Capital Projects, Weber County Commissioners approved a bond to vote on June 25, 2013 by mail. She distributed information sheets to answer questions regarding the mail voting. She explained on May 28, 2013 the ballots will be mailed out to registered voters. Information is already available on the Weber County Library website. They will be doing a campaign on the specifics on voting. A fact sheet on the bond was distributed.

The Weber County Commissioners approved an increase in taxes to support capital facilities to address the needs of the libraries. The funds will be used to replace the southwest library branch in Roy. Roy city has donated a parcel of land to be used. This will be an 11,000 square foot building that will meet the needs of the community.

The funds will also be used to renovate and upgrade the main library branch in downtown Ogden. The county has spent the past three years making costly improvements to address some of the needs of the main library. They hired a firm and determined it was more cost effective to renovate rather than rebuild the main library.

They will also modernize the space at the North Branch. There is currently 10,000 square feet of unused space in the basement that will be renovated for use. The North Branch is the most used of all the Weber County branches.

She explained that library use is at an all time high. They have seen an increase of about 8% with 79,000 people attending sponsored events. 21 million individual items were checked out of the library last year.

Also being funded is a parking lot for the Ogden Valley Branch. This parking lot will be built across the street from the current library. This was decided to help stimulate economic growth in this area. This will allow for restaurants and venues in the park.

The bond the commissioners agreed upon is to not exceed \$45 million. Weber County is preparing to retire a current bond. Residents will see a \$2.24 increase for an average \$160,000 taxable value if this bond passes. They realize proposing a property tax is difficult. There will be a public hearing held on April 30th to answer any questions residents may have. There are also several other opportunities for residents to voice their opinions for their library facilities.

Council Member Richins asked if the new proposed location of the South Branch is too far away from the city center. Ms. Burton responded the park located right next to the proposed location is highly occupied and several schools are within walking distance. Mayor Hendrix asked if the library is concerned with the electronic direction in the future. Ms. Burton replied this electronic direction has actually stimulated library occupancy because of the resources that are available with internet and searchable options. They hired Dan Jones and Associated to conduct a sampling of Weber County opinions and the response was incredible, a huge portion believed a

library provides a large physical resource for those in the community who don't have their own personal resources.

The public indicated they want to continue with physical books. They also offer a collection of electronic books. Both are available. Medical Library is also a highly used resource where individuals can talk face to face with a person to address their needs. Council Member Knighton commented even the online universities are expanding their libraries. Because of the increasing costs of physical text books, electronic access is gaining importance. These shared resources are provided through the library services.

Council Member Richins asked about the length of time to pay off the bond and what line item is affected. Ms. Burton said it will take 20 years to pay off the bond and the library already has a line item on property taxes, this will just be increased. She ensured the bond money will not be used to staff the library. They feel comfortable with this because everything is so automated they will not have to increase their staff.

Mayor Hendrix thanked Karen Burton for her presentation.

5. Public Comments.

No public comments were offered.

6. Mayor/Council Follow-Up.

Mayor Hendrix informed Council he will not seek reelection this year. There is an opportunity available for those who desire to serve the public. He reminded Council the filing date has been shortened and will be held June 3rd through June 7th. There are two Council positions open as well. He encouraged Council to help pass the word around to the resident's

Council Member Richins informed Council the \$4,700 dollars paid to Les Olsen for the document imaging software could not be returned. He informed Council the league has been allotted \$250,000 to develop a document imaging software and expressed his desire to utilize this option when it becomes available. Bill Morris asked for the information Council Member Richins obtained at the league training and staff will look into this.

Council Member Tait informed Council Sizzler is giving up their lease on 12th Street, the owner will be selling the property. Council expressed their desire to follow-up to see if Sizzler is interested in relocating. Bill Morris will follow-up with this. Some Council Members thought Walgreens may be filling this spot on 12th Street.

Council Member Knighton commented on the positive angle of the marketing campaign on library bond. She expressed interest in following this same practice with the city's property tax increase.

Council Member Wilhelmsen commented he has received positive feedback about Heritage Days and resident's desire to maintain tradition of this event. They look forward to this event and last year's basic format worked well.

7. Adjourn

Mayor Hendrix motioned to adjourn at 7:58.

Mayor Hendrix informed Council the tentative budget must be met and passed by May 14, 2013. There will be another budget work session on Tuesday, April 30th, at 6:30 p.m.

RICHARD HENDRIX

Mayor

ATTEST:

JENNIE KNIGHT

City Recorder

Approved this 14th day of May, 2013