

**MINUTES OF HARRISVILLE CITY**  
**CITY COUNCIL MEETING**  
Tuesday, August 7, 2012 – 7:00 p.m.  
Council Chambers  
363 West Independence Blvd  
Harrisville, Utah 84404

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

Staff: Bill Morris, City Administrator, Max Jackson, Police Chief, Lynn Fortie, City Treasurer, Jennie Knight, City Recorder.

Visitors: Fawn Carlin, Tamra Heaps, Mel Heaps, Fred Oates, Janet Jackson, David Ferguson, Robert Bischoff, Gary Robinson, Amber Weston, Wendy Knight.

**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.**

Mayor Hendrix led the Pledge of Allegiance and opening ceremony.

**3. Business Items.**

Mayor Hendrix excused Council Member Wilhelmsen and thanked council and staff for their efforts on Heritage Days. He then read a letter received from Duane Poulson (former Harrisville Mayor) expressing his appreciation for the history program.

Bill Morris presented a presentation showing the history of decline in sales tax revenue, and building permit fees, and including a property tax comparison showing where Harrisville falls with regard to the surrounding areas. He informed residents of the recent decision council made to table the proposed contract with Weber County Sheriff's Department. He explained that council held a public hearing to receive feedback from residents regarding the property tax increase. After receiving this feedback, council felt residents did not want a property tax increase but wanted to maintain all of the city services. They decided to look at other options.

He then explained building permit revenue is down significantly from 2007. He said there is hope some of this will turn around, referring to council's recent approval for Wildflower subdivision phases 4 & 5 and zoning changes on property owned by Five-T behind the Deseret Industries on North Street allowing for future development.

Also affecting the budget deficit is a loss in sales tax revenue. The city was enjoying years of high sales tax revenue but has recently seen significant decline due to several factors. The state reallocated the distribution of sales tax revenue to compensate cities that do not have a business district. Opening of several super centers in Ogden that border Harrisville compete directly for the city's sales tax revenue.

When North View Fire Department was created, the city chose to allow resident's a break by eliminating the line item from collected property taxes. He displayed a flow chart indicating the local taxing entities. The highest being school taxes, then county taxes, Harrisville City rates as the 4<sup>th</sup> lowest tax rate. Farr West city has the lowest tax rate, with Marriott-Slaterville and West Haven having no city property taxes.

Bill Morris explained the departmental cuts that were made as option 5. He said items like employee incentives, city activities, and zoning enforcement reduced the administrative budget. Public Works reduced snow removal fees and overtime, sidewalk and street repair projects, and reduced their fuel budget. Police department made

cuts from their equipment and training, and alcohol enforcement. He indicated this new balance will last for the next fiscal year with hopes that revenue will increase and the business district will stabilize.

**a. PUBLIC HEARING: Truth in Taxation – Harrisville City is proposing to increase property tax revenue due to shortfalls in revenue.**

**MOTION: Council Member Allen motioned to open a public hearing on truth in taxation. Council Member Tait seconded the motion. All Council Members voted aye. Motion passed.**

Robert Bischoff – asked Council for more history and background about the city's revenue. He asked if the city had excess revenues in the past and what happened to the excess. He asked what will happen with regard to the future of the city's resources. Bill Morris responded the city has a rainy day fund of over \$900,000 to draw on as an emergency resource. He informed the residents with the departmental cuts this money will likely last for a long time.

Mr. Bischoff asked how much money resulted from departmental cuts. Bill Morris said the tentative budget included a cushion for the future. He said public safety cut the largest amount, with public works and administrative cuts being less. He said some projects were put off.

Mr. Bischoff relayed his concern with reducing the public safety resources. He asked if the possibility exists to use some of the surplus to maintain public safety. Council Member Richins and Council Member Knighton indicated some of these cuts may create a situation where they have to use the city rainy day funds and pointed these most recent cuts reduced the city budget to bare bones status.

Melvin Heaps, 700 North, asked council if some of these budget decisions were made previously, why wasn't the public notified. He expressed his personal feelings of frustration when receiving the property tax notice that included a 100% increase in city property tax. He then expressed his concern if any of the departmental cuts from public safety will have an adverse or negative effect, he would like to maintain the current level of service. He said he has confidence that the police chief will be able to offer the same service to the public on a lesser budget.

Gary Robinson, 234 West Independence Blvd, asked if council has projected into the future about 5-10 years. He said in his opinion, the city is almost maxed out on building permits, and the revenue will be stagnant from that side of things. He said the public and the city can plan on a minimum of 5 years before the economy will turn around. He advised council to freeze all expenditures for the next 5-10 years because resident's income will not be going up. These things take time working themselves out, and it won't be turning around very quickly. He suggested city employees and staff get by on less, not replace things, and do without things to reduce spending. He suggested if public works is unable to plow the streets over the winter, residents will just have to do without and recognize these cuts were to eliminate an increase in property taxes.

Police Chief Max Jackson gave a brief history of conversations he had with Mayor Hendrix about officer retention. He informed residents of the recent loss of Officer Stetson Talbot to Pleasant View. He said Harrisville has seen the loss of three officer's and two city recorders over the last few years. He said they decided to address this issue with the council. The proposed budget included a raise to increase wages to a comparable level to other cities. He also said in the past 18 years of preparing his departmental budget he has not had the year end totals to reference when submitting his proposed budget to council. He said he was able to take exactly what was spent for each item and determine what cuts would not have a negative effect on the community. He said response times will not differ, but alcohol enforcement will be reduced by cutting down on youth alcohol and DUI shifts. He assured residents they can maintain the same expectations and quality response times they are accustomed to. Mr. Robinson asked how Harrisville compares with other small cities with regard to issues of retention. He said in his opinion most people do not stay with the same company for more than 5 years. Max Jackson said when revenue was up, there was not turnover. He said Harrisville Police Officer's enjoy working here; they like the small town atmosphere, and are usually forced to leave over issues such as higher wages being offered by another local city. He said it takes a special personality type to work in the law enforcement services in your own local community serving people you associate with outside of work. He said the police officer's realize the city will be moving forward without a wage increase in the budget. He also explained how cooperate Wal-Mart does not like to have a store dominating a large area. If they see a way to create another store nearby to reduce the amount a certain store brings in, they will open another store. Such is the case for Harrisville. We had the luxury of enjoying all of Wal-Mart's sales tax revenue, but saw a decline with the new Wal-Mart opening on 20<sup>th</sup> street in Oden.

Fred Oates, 2459 N. Rochester Ave., thanked council for making a wise decision with regard to the city's budget. He said by making reductions in certain areas residents will see no impact on the effectiveness or quality of the departments. He suggested council try to adhere to the budget every quarter, by keeping within the budget, the city will see this budget crisis turn around. He suggested the city concentrate on building the business district. He also shared positive feedback for the Heritage Days celebration. He once again thanked council for removing the burden of a potential property tax increase for those who are unemployed or on fixed incomes.

**MOTION: Council Member Richins motioned to close a public hearing on truth in taxation. Council Member Knighton seconded the motion. All Council Member voted aye. Motion passed.**

Mayor Hendrix clarified that when council began the truth in taxation process they submitted the tentative budget which included a \$140,000 increase in expenditures. As was mentioned before, department heads were able to use the last three months of information during this year's budget session. He said council was able to look at where things ended up. The biggest difference in the tentative budget was the employee wage adjustment. The remaining deficit was \$60,000 when the wage adjustment was eliminated from the budget. With the cuts from the department heads, they were able to reduce that deficit to \$25,000. If the \$25,000 remains at the end of the budget year, the rainy day fund is available, and will be used to balance the budget. He also commented on the very nice article in the Standard Examiner informing residents that council had agreed during a work session to vote against the property tax increase. He also explained that council was obligated to continue through to the end, once the truth in taxation process was begun. He said going through the truth in taxation process and paying the necessary fees has allowed the departments to really look closely at their budgets, without having to guess.

Bill Morris added the city council and staff worked very hard to get out the proper notices and in return receive feedback from residents about the property tax increase. He mentioned the city survey on the website, articles in the newsletter, advertisement on the marquee. He also said the city paid for truth in taxation notices in the newspaper, and the county tax notices announced the public hearing place and time. He said council held a public hearing prior to the mandated hearing, where residents expressed their opinions and offered solutions to the budget deficit. Council Member Tait said the minutes are also available to the residents on the city website. Bill Morris stated the noticing is not perfect, but the city went above and beyond what is required to notify residents. He also said he has informed employees there will be no wage adjustment, and all projects have been put on hold. He indicated Harrisville still has areas for development, and these residential areas will pay property taxes to increase the revenue. He said the city has been looking towards the future, and could not have seen the impact local superstores such as Winco and the new Wal-Mart in Ogden would have on the city's sales tax revenue.

**b. Discussion and/or possible action of Harrisville City Resolution 2012-04, a resolution adopting the FY 2012-13 final budget for the fiscal year ending June 30, 2013.**

Lynn Fortie said there was one minor change to the final budget worksheet. He suggested since the certified tax rate has now been determined, that will update the final budget worksheet to include the exact amount. Mayor Hendrix asked for any more discussion among the council members. Council Member Tait commented that council members were "talked out" about the budget. Mayor Hendrix thanked council for their hard work and putting forth the extra effort over the last 5 months of extra meetings and work sessions to discuss all available options and find a solution for this budget session. Council Member Allen expressed his concern with two employees receiving 20% 401K contribution and all other employees being reduced to 2% contribution. He said he disagrees, and therefore will vote against the budget. Council Member Knighton said a contract was agreed upon for certain employees, and in order to maintain the level of people, if the allocation were to be cut, adjustment would have to be put into wages to fulfill the contract. In her opinion, this does not offer a cost savings as there is not cost savings with reallocating the funds. Council Member Allen said there is a contract with one employee that was not made with this mayor and council. In his opinion, there is not obligation for the second employee. Council Member Knighton said if someone acts on behalf of the city and enters into a contract, the city should honor that contract. Bill Morris suggested council spend some time reading the contracts so everyone knows what agreements were made.

**MOTION: Council Member Knighton motioned to adopt the FY 2012-13 final budget worksheet, including the change to the certified tax rate. Council Member Tait seconded the motion. A roll call vote was taken.**

<b>Council Member Allen</b>	<b>No</b>
<b>Council Member Richins</b>	<b>Yes</b>
<b>Council Member Knighton</b>	<b>Yes</b>
<b>Council Member Tait</b>	<b>Yes</b>
<b>Council Member Wilhelmsen</b>	<b>Excused</b>

**Motion passed 3-1.**

Mayor Hendrix thanked council and staff for the efforts that have been made on this year's budget sessions.

**4. Public Comments.**

Gary Robinson, 234 W. Independence, asked if the city could include budget revenues and expenditures in the city newsletter in the future. He also asked for clarification on how much the city expends on the school resource officer and whether that is mandatory. Police Chief Max Jackson said the district pays out roughly \$12,500 for the Orion Junior High Resource Officer. He said the day time duty car spends half time in the school and half time patrolling the city. Gary Robinson said he did not realize the school district is supplementing the salary for this resource. Bill Morris said the city will consider whether to include budget review in the newsletter on a quarterly basis.

**5. Mayor/Council Follow-up.**

Mayor and Council agreed the fireworks display at Heritage Days was very nice. Mayor Hendrix recommended having a work session to discuss Heritage days including the volunteers that were involved. Mayor and council agreed to include a Heritage Days work session immediately following the regularly scheduled council meeting on August 28, 2012. Mayor and Council agreed to cancel the next regularly scheduled council meeting due to lack of agenda items and to postpone the burial of the city time capsule until a later date. Mayor Hendrix suggested inviting the Heritage Days volunteers that helped to the work session.

**6. Adjourn.**

Mayor Hendrix motioned to adjourn at 7:57 p.m.

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**RICHARD HENDRIX**  
Mayor

**ATTEST:**

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**JENNIE KNIGHT**  
City Recorder  
Approved this 28<sup>th</sup> day of August, 2012