

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

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

STAFF: Pam Crosbie, Finance Clerk.

VISITORS: Wendy Knight.

7:00 P.M. WORK SESSION

1. Discuss Second Draft of 2012-2013 Budget Worksheet.

Mayor and Council discussed the second draft of the 2012-2013 budget worksheet previously provided by Lynn Fortie, City Treasurer. Mayor Hendrix pointed out Employee Health Benefit rates will be increased by a .99% increase but will be counteracted by a decrease in the Dental Benefit rate. Mayor and Council discussed arbitrary numbers to better determine how the potential tax increase will affect the budget. They discussed the newly implemented tier-two retirement system, and the decrease in employer contribution on the new system.

Council Member Knighton presented a Harrisville City Pay Study Summary based on the information included in the Salary Study. Mayor and Council discussed the summary and differences in taxes that other local cities pay. Mayor and Council exchanged views on how Harrisville is used as an example of one of the lowest city tax bases. It was noted that the city of Marriott-Slaterville has no city tax. Mayor Hendrix reported on the experience Pleasant View recently had with raising taxes in their city.

Mayor and Council compared current home owner's property tax rates with how much of an increase would be necessary to cover a salary increase for employees. Pam Crosbie referred to the 2008 Business License Study that indicated each police call costs \$139.00, and each residential home was averaging two calls per year. Pam Crosbie indicated that the taxes paid by residents are not covering the average public safety calls per year for residential homes. Mayor and Council discussed how much of an increase would be required to allow for a wage increase. They discussed an increase of 5% or 10% on wages, including with that the increase in benefits. They continued their discussion on the pros and cons of increasing salaries and benefits.

They discussed whether the additional money from a tax increase would be put to use comprehensively, including all employees from all departments. Council Member Wilhelmsen pointed out future wage increases need to be addressed at this time to prepare for the future. Mayor and Council discussed the last pay increase, and how benefits were increased instead of a direct salary increase.

Council Member Richins emphasized that if the council chooses to advertise the tax increase, information in newspapers needs to be accurate so that residents do not misinterpret the raise in taxes. Mayor Hendrix suggested contacting Weber County to find the tax on an average size home, and to get an indication of how much the tax on an average size home will be. Council Member Knighton recommended that residents be notified on the reason why there is going to be an increase. Mayor Hendrix pointed out Bill Morris, Harrisville City Administrator, has suggested the city newsletter be a resource for explaining why the tax increase will be necessary.

Mayor and Council talked about the risks associated from serving in public safety positions, and the lack of pay compensation for those risks. Council Member Knighton reported that through her recent research

the city is above average on police officers per square footage. Mayor and Council discussed at length all the variables that need to be considered for a tax increase. Mayor and Council discussed the recent turn-over in public safety officers, and considered the reasons behind the turn over. They examined the impact the turn-over in officers creates has on the budget. Mayor and Council identified and discussed costs associated with training the police officers who left the city for better offers after receiving training through our city. The Mayor indicated that the rainy day fund would not cover the increase in employee salaries for multiple years. The Rainy day fund should only be used for emergency situations. Mayor Hendrix suggested creating a spreadsheet comparing property taxes of other local cities to Harrisville. Mayor and Council discussed using the city newsletter for June to begin advertising the need to raise taxes, and indicate to the public what needs in the city would be met by an increase.

Pam Crosbie pointed out that Council and employees have found and utilized grant funds to offset a lack of funding in certain budget line items. Mayor and Council examined the positive effects of outside grant money being available and utilized. Mayor and Council acknowledged the benefits of having an individual who is well versed in grant writing available.

Mayor and Council discussed the 2008 Business License Study. Pam Crosbie clarified the study was broken down into separate categories for businesses and residents. The study indicated the first two response calls were free for businesses, but they are charged for subsequent additional service calls. Mayor and Council discussed city revenue and average house hold incomes. Council Member Knighton indicated the need to reference sales tax revenue when discussing a potential tax increase. Pam Crosbie provided numbers from the local sales tax revenue including Harrisville. Mayor and Council discussed the sales tax revenue numbers. Pam Crosbie reported that she has recently identified several businesses that reside in Harrisville but were paying sales tax to the incorrect city. She has contacted the cities to hopefully remedy the problem so Harrisville will be collecting the appropriate sales taxes for our businesses. Mayor and Council discussed the costs associated with having a business district and the revenues received from having the district.

Mayor Hendrix reported that if Council decides on a tax increase, the County Treasurer's Office suggested identifying the needs and let the public know how these needs would be met by increasing the taxes. He reported being forthright and honest has eliminated some frustration from the public in other local cities who have been through the tax increase process.

Mayor and Council discussed total budget for Harrisville Police Department. They discussed the increased costs associated with fuel. Mayor and Council discussed the office staff budget. Pam Crosbie indicated many city employees stay in their positions for reasons other than wages. She communicated that many city employees say the work environment is enjoyable.

Mayor and Council discussed the Truth in Taxation process. Mayor and Council considered the time frame when the tax rate increase would go into effect for residents. Mayor and Council pointed out that wages of city employees are public information. Mayor and Council discussed options of how to implement a salary pay raise. They exchanged views on how other local cities have raise taxes more regularly to cover expenses.

Council Member Richins brought up the possibility of having public safety services provided through Weber County versus having the city public safety department. Mayor Hendrix indicated the county is currently undergoing an increase in public safety costs as well. They base the number of available officers on population needs, and there are always risks with possibly not having enough coverage depending on the needs of the community.

Mayor and Council discussed the impact that the Splash Pad will have on Public Works resources. They discussed having incentives available for Public Works and Public Safety. Mayor and Council complimented the efforts made by the city's public works employees, and pointed out the public works employees enjoy working for Gene Bingham, Public Works Director.

Mayor and Council agreed to continue discussion at the next council meeting on April 24, 2012 at

7:00 p.m.

2. ADJOURN

Mayor Hendrix moved to adjourn at 8:58 p.m.

RICHARD HENDRIX
Mayor

ATTEST:

JENNIE KNIGHT
City Recorder
Approved this 8th day of May, 2012