

1 **PROVIDENCE CITY COUNCIL MINUTES**

2 **August 9, 2011**

3 **Providence City Office Building**

4 **15 South Main Providence, UT**

5

6 Call to Order:	Mayor Liechty
7 Roll Call of City Council Members:	Mayor Liechty
8 Attendance:	D Astle, B Bagley, D Calderwood, D Low, J Russell
9 Excused:	
10 Pledge of Allegiance:	Mayor Liechty
11 Motivational Thought:	John Russell

12

13 **APPROVAL OF THE MINUTES:**

14 The Providence City Council will approve the minutes from May 27 and July 26, 2011.

15 **Motion to approve the minutes with the following changes: D Low, D Calderwood second**

16 **May 27th**

17 **Page 1 – Line 34 – in addition to regular water rates**

18 **Page 2 - Line 5 – Base water rate**

19 **July 26th**

20 **Page 2 – Line 46 – 300 South and Highway 165 hung up in right of way acquisition.**

21 **Vote: Yea: B Bagley, D Astle, D Calderwood, D Low, J Russell**

22 **Nay: None**

23 **Abstain: None**

24 **Excused: None**

25

26 **PUBLIC COMMENTS:**

27 Debra Teare told the Council that she has a deer problem. She doesn't want to hide her garden behind an 8 foot fence. She hopes something else can be done about the deer besides the fence.

28 D Calderwood told D Teare that Brian Olsen is putting together a committee to see what we can do about the deer. He hopes that the State will step up and give the City some help.

29 Kaye Groll asked how much it would cost the citizens if the Council increases the property tax.

30 D Astle said \$30 to \$40 a year.

31 Lee Gyllenskog thinks it's preposterous to raise any taxes at this time. He believes that the Council needs to cut back anywhere they can in the City but absolutely not raise taxes.

32

33 **BUSINESS ITEMS:**

34 **Item No. 1. Discussion:** The Providence City Council will discuss a boundary line adjustment with Logan City regarding Parcel No. 02-088-0009, requested by Charlie Fulmer.

35 S Bankhead explained that C Fulmer came in on July 26th and talked to the Mayor. He owns commercial properties in Logan. In 2004 Providence City annexed property on the west side of Highway 165. Providence goes up to the County property line at the little white house and back behind Les Schwab Tire. C Fulmer would like Providence City to consider working with Logan City and changing our boundary line. That is legal today. Cities can adjust boundaries. If the Council wants to do this there is a process that needs to be followed.

36 D Calderwood asked if this property is set to be zoned commercial. If we go with this we could be giving up possible commercial development area.

37 R Liechty said C Fulmer doesn't believe that the City can provide services for him. Providence City can provide services for this area.

38 R Liechty is afraid that if the City opens this door we could lose all of our commercial property.

39 B Bagley said somewhere down the road Providence City will have to put services into this property.

40 J Russell says there is no reason to do move our boundaries.

41 B Bagley said what is in it for the City. Not a good idea.

42 The Council does not want to pursue this any further.

43

44 **PUBLIC HEARING (6:30 p.m.):**

45 The Providence City Council will hold a public hearing to consider a proposed property tax increase. If the proposed budget is approved, Providence City would increase its property tax budgeted revenue by 22.44% above last year's property tax

46 City Council Meeting

1 budgeted revenue excluding new growth. Providence City property tax revenue from new growth and other sources will
2 increase from \$402,192 to \$500,000. All concerned citizens are invited to comment during the public hearing on the tax
3 increase.

4 **Motion to open the public hearing: B Bagley, D Calderwood second**

5 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

6 **Nay: None**

7 **Abstain: None**

8 **Excused: None**

9 S Bankhead said it is difficult anytime to raise property taxes. Operational Cost is increasing just like everyone else.
10 Providence City has reduced their staff and employees have not had raises for the past 3 years. Insurance cost has been
11 reduced. The City is looking at every avenue it can to reduce its spending. There is not a lot left to reduce. It is time to look at
12 the budget. It is quite a lean budget.

13 D Astle told the citizens that the City is more efficient than other cities in the valley.

14 S Bankhead said that road maintenance has been looked at. Roads in the winter are kept safe but salt use has been reduced. In
15 looking through the budget the City is asking for \$95,000 in additional property tax. The way the budget is structured that
16 additional money is sitting in road construction projects. One of those road projects is Center Street due to the flooding. Class
17 C road funds money has to be used for road construction projects. Park money has to be used for parks. RAPZ monies will be
18 used to improve the tennis court at Zollinger Park.

19 S Bankhead went through the different road projects that the City is looking at completing and where the monies would be
20 coming from for these projects. There are quite a few roads that need significant maintenance. It is a constant game of catch-
21 up with the roads.

22 D Astle talked about cutting expenses with Animal Control by \$10,000. Operational cost for the City has been cut back
23 drastically over the past few years.

24 S Bankhead said there are a lot of great people in this City that we need to take care of. The City is always looking at ways to
25 cut spending.

26 Dick Thorup asked why with all the cuts and adjustments why are taxes still being raised.

27 Linda Goetze is opposed to the tax increase. She believes that not everything that the City sees as improvements are seen by
28 the citizens as improvements. She doesn't believe that residential growth pays for itself. She agrees with the Sheriff's cuts.
29 She thinks that the offices across the street should be gotten rid of and those offices moved back to this building. She also
30 believes that citizens should be more involved in DRC and other such meetings.

31 Dennis Carlsen wants to know how much of the previous taxes the City received. To increase taxes so much at one time is
32 too much. He thinks that taxes need to be leveled out. There are a lot of people that are having a really hard time right now.
33 He appealed to the Council to not follow down this progressive social program. He believes the Government is too involved
34 in people's lives. Slow down and tighten things up a little more.

35 Teri Guy is happy with the services that are offered here. She would gladly pay more taxes to keep roads, etc. running well.
36 She would like to know what the plans are before they are implemented.

37 Brian Marble asked what the rate increase was in 2008.

38 S Bankhead said it was approximately 26% on the Providence portion.

39 S Bankhead explained how the property tax increase works. If the City doesn't do small increases every year we get less
40 money from the property taxes.

41 B Marble said this is very confusing for the public.

42 B Bagley explained how the certified tax rate works. He believes that the City is run very efficiently.

43 Rich Guy said if there is another way to get the money find it. He would really like for the Council to use power points, etc.
44 in their meetings.

45 Coreen Speth asked why the round-a-bout wasn't done at the same time that Gateway Drive was done.

46 Kaye Groll asked why they don't put in a 4-way stop on 100 North and Gateway Drive.

47 R Eck said it would not be efficient.

48 Dwight Cook asked what the figure was in 2007.

49 S Bankhead believes it was \$285,000.

50 D Cook is definitely against any tax increase. The Council needs to make hard decisions and live within the City's budget.

51 S Bankhead said we were getting a significant amount of money in building. We have lost that revenue source. Our cost of
52 doing business has gone up and our revenue source has gone down. The growth has slowed down but the citizens that live
53 here still want good roads and services.

54 Nancy Williams said their house assessment from the County has gone down and our taxes have gone up.

55 D Astle explained that the State allows cities to collect the same amount of tax rate every year. It doesn't matter if the
56 evaluation of your property goes up or down. If the citizens want the services they have to pay for them. The City can raise
57 fees instead of raising taxes.

58 B Marble asked about the sewer increase that is coming.

1 S Bankhead said the City pays a lot of money for the street lights. We could take out the street lights. The City's cost is going
2 up just like the citizens cost is going up. Property taxes go into the general fund. Logan City has raised our sewer rates the
3 last couple of years. This year Logan City has almost doubled our sewer fees.
4 Zach Maughn wants to know where the master plan for road maintenance is. Is the City Council and staff really doing their
5 jobs? Is the Council looking 100 years down the road? How can you ask people to give a little bit more?
6 R Liechty said the Council has gone year after year after year needing to fix the roads. If you want good roads and services
7 then taxes need to be raised. If the citizens don't agree to a tax increase then the roads will continue to deteriorate. There is a
8 plan to start fixing the roads but we can't do anything without the increased taxes.
9 Brandy Rush loves Providence. She is totally willing to fund the growth and pay a tax increase as long as she knows where
10 the money is going.
11 Ramona Rukavina is concerned that the tax increase is so large. Raise the taxes a little bit at a time.
12 R Liechty said the Council looks at the \$95,000 doing some projects. A little bit every year doesn't give the City enough to
13 do any kind of projects.
14 R Rukavina said she believes that the City does cosmetic costs that don't need to be done. She would also like for more
15 things to be put on the website. She believes the Council does a great job.
16 Jan Blau suggested adding \$10 a month to the City bill for road maintenance.
17 Keith Thompson said he believes the City is at the point where they have to bite the bullet. He talked about the last tax
18 increase that the City had. He remembered citizens telling the Council that they will give up the road maintenance to keep the
19 taxes down. He believes that this tax increase is a fair deal.
20 D Low said if the roads aren't maintained at a proper level it will cost 10 times the amount to fix them.
21 J Russell said the Council had a strategic session on what needs to be done in the City. Roads were at the top of the list. They
22 asked R Eck to come up with a list of roads that have to be rebuilt. The Council looked at raising the taxes and the reality is
23 that it has to be done now. There are roads that have to be rebuilt now. This is something that the Council has not taken
24 lightly. Part of the problem is the Councils before us chose not to raise property taxes.
25 D Teare thanked the Council for all the work that they do and she thanked Randy Eck for all the good work that he has done
26 during the flooding.
27 Ralph Briscoe asked if monies from the different funds could be used for road maintenance.
28 Daniel Seamons appreciated the time that the Council has taken to answer questions. He would just like for the taxes to be
29 spread out a little bit more.
30 R Liechty said the City will use the web page more to let the citizens know what is being done.
31 S Bankhead said the citizens can call and the info can be e-mailed to them or they can come into the office and get any
32 information they need. There is the Utah Transparency web page that anyone can access.
33 D Calderwood read a letter from M. Lynn Lemon requesting that property taxes not be raised at this time. D Calderwood
34 spent 3 hours with S Bankhead discussing the tax rate increase. He talked about the different amounts of money that each
35 fund has. He explained about the sewer rate increase that will happen this year. He is not in favor of a tax increase this year.
36 Is it possible to take \$95,000 from the sewer fund and apply it to the roads?
37 S Bankhead said that money is not sitting in a savings account. As money comes in, money goes out.
38 Bryon Smith owns Edwards Furniture. He is not in favor of a property tax increase. The City has been incredibly good to his
39 business. He also believes there are other options to look at. He appreciates the Council and the City Staff.
40 J Blau says maybe we need a tax increase but does it have to be so much.
41 D Thorup thanked D Calderwood for telling him the truth about the excess money.
42 R Rukavina asked if the Council had a master plan but didn't raise taxes because the citizens didn't want them to and know it
43 has to be done.
44 R Liechty said he believes the past Councils just haven't wanted to raise taxes. Now this Council is trying to attack the
45 master plan and take care of the things that need to be done. During the Council workshop in May each Councilman listed
46 their top 3 priorities. The main priority was roads. That additional \$95,000 will be used for roads but it is only
47 S Bankhead explained how the different funds work and where the additional monies are used. Transferring money from one
48 fund to another is a stop gap measure. You have to be very careful when you think projects. \$95,000 will pay about 2 1/2
49 blocks of resurfacing asphalt. The State requires that the City have a 5% reserve at all times. There are commitments for the
50 monies in the different funds.
51 J Blau agrees that the City needs a reserve.
52 D Calderwood believes there are ways for the City to save money. He went through some of the ways that the City has
53 already saved some money.
54 **Motion to close the public hearing: D Calderwood, D Astle second**
55 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
56 **Nay: None**
57 **Abstain: None**
58 **Excused: None**

1 **BUSINESS ITEMS CONT:**

2 **Item No. 2. Resolution 11-020:** The Providence City Council will consider for adoption a resolution approving the proposed
3 budget for Fiscal Year 2012 and setting the certified tax rate.

4 **Motion to approve: J Russell, D Astle second**

5 D Astle agrees and disagrees with D Calderwood. It isn't a time to ask for a tax increase. He agrees with taking \$95,000 from
6 the sewer fund. Raising the sewer and water fund will increase by \$108 a year. A tax increase will be about \$40 a year. He
7 suggests taking half from the sewer fund and half from a smaller tax increase.

8 D Calderwood said \$900,000 from the sewer fund this year. \$600,000 will go to Logan City for operating expenses and the
9 City will keep \$300,000 for operating expenses. He believes that people will understand raising the sewer rates to pay Logan
10 City for their rate increase.

11 The Council discussed raising the sewer and water rates and the tax increase.

12 S Bankhead reminded the Council how much will be spent in the sewer fund if the City goes with the photo imaging of the
13 sewer line and increase sewer employees by 2 without benefits.

14 B Bagley said he believes the City needs an additional \$95,000 it is just how creative can we be in getting it.

15 D Astle said paying a property tax is tax deductible. Paying additional sewer and water funds isn't. He would be OK with a
16 12% increase in property taxes and increasing the sewer and water fees. He just wants the citizens to understand.

17 **Motion to raise property taxes \$450,000 and transfer \$50,000 from the sewer reserve fund to the general fund and not
18 increase the sewer fees: D Astle, no second**

19 J Russell asked if the Council wants to ask for another tax increase next year.

20 D Low asked if the decision will keep the City as great as it is.

21 B Bagley asked if the Council doesn't raise taxes then we transfer the \$95,000 from the sewer fund.

22 R Liechty said he guarantees the Council that next year it will be too much hardship we can't afford it. Is it because of public
23 clamor that we don't raise the taxes? Yes it is. There are a few people here that say don't raise our taxes so we don't raise the
24 taxes.

25 **Motion to approve this budget as presented with a tax increase with no transfer from the sewer fund and not increase
26 the sewer fund: J Russell, D Low second**

27 **Vote: Yea: D Low, J Russell**

28 **Nay: D Astle, B Bagley, D Calderwood**

29 **Abstain: None**

30 **Excused: None**

31 **Motion to not have a property tax increase, transfer \$95,000 from the sewer fund and raise the sewer rate by \$6 and
32 the base water rate by \$3: D Calderwood, B Bagley second**

33 **Vote: Yea: B Bagley, D Calderwood**

34 **Nay: J Russell, D Low, D Astle**

35 **Abstain: None**

36 **Excused: None**

37 The Council discussed whether to raise the fees or raise property taxes.

38 S Bankhead asked the Council if they really want to go through another tax increase next year.

39 J Russell said let's be honest with the citizens about why we are raising property taxes.

40 **Motion to accept the budget as proposed with the stated tax increase, no sewer rate increase or base water rate
41 increase: J Russell, D Low second**

42 D Astle asked if we don't raise the base water rate what happens.

43 S Bankhead said we could take \$50,000 out of the sinking fund take some of the prior year fund.

44 R Liechty suggested transferring from the sewer fund to the water fund \$20,000.

45 The Council discussed where to get the additional monies for the water fund without a rate increase.

46 S Bankhead said the additional monies could be taken out of the sewer fund and transferred to the water fund.

47 **Vote: Yea: J Russell, D Low**

48 **Nay: D Calderwood, B Bagley, D Astle**

49 **Abstain: None**

50 **Excused: None**

51 **Motion to pass the budget with the proposed tax increase, do not increase the sewer fees but increase the base water
52 rates by \$3 a month: D Astle, J Russell second**

53 **Vote: Yea: D Astle, J Russell, D Low**

54 **Nay: D Calderwood, B Bagley**

55 **Abstain: None**

56 **Excused: None**

57
58

1 **STAFF REPORTS:**

2 S Bankhead told the Council that she received an e-mail from the Utah Conservation Corps. There will be a ribbon cutting for
3 the Providence Canyon Trail on August 27th. The Council is invited to the 10 year Conservation banquet on August 26th. She
4 told the Council that staff went to some refresher training with our Software Company, Caselle. Our software system will
5 have to be upgraded in a couple of years. The baseball/softball recreation programs are done. Soccer and kickball registration
6 is done. They will start playing in September. The Gardener's Market and Bazaar is going well. She reminded the Council
7 about the car show and the Sauerkraut dinner. The auditor's will be here sometime this month to start preliminary auditing.
8 She explained how the transparency act works. She told the Council that the City is getting ready for school to start. She
9 thanked the Council for their work.

10
11 **COUNCIL REPORTS:**

12 B Bagley said he had a gentleman thank him for the green waste bins. Two citizens in Cobblestone complained about the
13 speeders on Gateway Drive.
14 D Low lives in a great neighborhood. He thinks the street are pretty good. He appreciates the Council and the hard decisions
15 that they make. If you want to fight taxes fight them on a federal level.
16 D Astle said he was told by a citizen that they respect the decisions that the Council makes.
17 R Liechty had complaints about weeds not being cut down close to the roads.
18 S Bankhead said the mower is broke. It is being fixed.

19
20 **Motion to go into executive session: D Low, J Russell second**

21 **Vote: Yea: B Bagley, D Astle, D Calderwood, D Low, J Russell**
22 **Nay: None**
23 **Abstain: None**
24 **Excused: None**

25
26 **Motion to close the executive session: J Russell, D Astle second**

27 **Vote: Yea: B Bagley, D Astle, D Calderwood, D Low, J Russell**
28 **Nay: None**
29 **Abstain: None**
30 **Excused: None**

31
32 **Motion to adjourn: B Bagley, D Calderwood second**

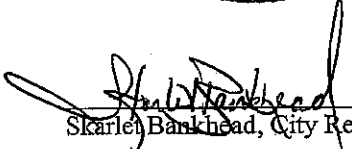
33 **Vote: Yea: B Bagley, D Astle, D Calderwood, D Low, J Russell**
34 **Nay: None**
35 **Abstain: None**
36 **Excused: None**

37
38 Meeting adjourned at 10:00 p.m.

39
40 Minutes taken and prepared by Terri Lewis

41
42 
43
44 Ronald Liechty, Mayor



41
42 
43
44 Skarlet Bankhead, City Recorder

