West Bountiful City August 11, 2011
Public Hearing/Proposed Tax Increase

Minutes of the Truth and Taxation Public Hearing of the City Council of West Bountiful City held on Tuesday August 11, 2011 at West Bountiful City Hall, Davis County, Utah. Posted as required on July 28, 2011 and August 4th, 2011.

Those in Attendance:

MEMBERS PRESENT: Mayor Ken Romney, John Baza, James Bruhn, Dave Tovey, Valerie Shaw.

MEMBERS EXCUSED: Ben White (City Engineer),

STAFF PRESENT: Craig Howe (City Administrator), Heidi Voordecker (Auditor/City Recorder), Mindi Tullis (City Treasurer), Bev Haslam, Debbie McKean (Secretary).


Called to Order:

Mayor Romney of West Bountiful City called this Public Hearing to order at 7:00.

A Power Point Presentation was given by Craig Howe; City Administrator, explaining the need for a property tax increase. He noted the following:

- On May 3, 2011 West Bountiful City Council adopted a balanced tentative budget maintaining current service levels.

- The adopted budget did not include funding for the capital street plan. That plan remains under funded by 8.1 million. It is a 20 year plan with 31 projects involved.

- Proactive maintenance for our streets will save millions of future dollars. Craig presented a comparison of 60 year streets plan with and without maintenance indicating that the City would realize savings of 6.1 million dollars if streets are properly maintained.

- Examples of capital streets projects were listed.

- Sources of Funding for Streets were presented which included B & C Road Funds, Impact Fees, Federal, State and Private Grants, and the Use of Fund Balance (which takes 6 to 7 years to accrue funding for one project).
• City Administration has made several cuts to balance the current and prior year budgets, including staffing levels and employee benefits.

• Davis County Comparison of Tax Rate showing the tax rates of the other cities in Davis County, including those also going through truth in taxation this year.

• The proposed increase would cost $9.10 a month for a home valued at $200,000.

• Conclusion that lack of funding for the City streets has left the infrastructure in poor or dead condition. The property tax increase would allow for proper maintenance of City streets on a pay as you go basis saving 6.1 million per streets in life cycle.

Mayor Romney reiterated the need for this tax increase and explained the street capital improvement plan for the City done in 2006 was never able to be funded.

ACTION TAKEN:

Dave Tovey moved to open the Public Hearing for the Truth and Taxation Public Hearing at 7:18 p.m. James Bruhn seconded the motion with voting unanimous in favor.

Public Comments:

• Ryan Ashby - 675 West 1900 North - Mr. Ashby was shocked when he received his tax notice with a 67% tax increase. His property has gone down in value while his taxes keep going up. West Bountiful water rates are well over other cities. He currently works 60 hours a week in construction and has a hard time seeing how the City could raise taxes so much in the present economy. By keeping taxes low, West Bountiful should be able to bring more homes and businesses to the City. Mr. Ashby compared the difference in taxes between West Bountiful and Bountiful City. He feels the process should be incremental over a 10 year period of time and prefers to table the issue and revisit it next year. Mr. Ashby feels that the City has been managed poorly and would like administration to be responsible with the taxpayers dollars. His family will have to do with less in order to pay the additional $14 a month.

• Kaye Parrish - 762 West 1300 North - Ms. Parrish complimented the City on cut backs, but stated cut backs are being done in all business. She realizes that this Mayor and Council have been left holding troublesome issues. She will personally be okay with the tax increase, but does not like it. She has helped others purchase food, clothing, and shoes and people cannot afford additional expenses. It is understood that the roads need to be fixed, but she feels that people cannot afford it at this time. She shares her thoughts respectfully.

• Laura Charchenko - 1200 North Sewer Road - Mrs. Charchenko echoed Kaye Parrish, however her mortgage company recognizes it as $40 increase per month, not $10. She understands that something needs to be done, but wants a smaller increase rather than bigger.

• Gary Jacketta - 670 North 1100 West - Mr. Jacketta feels the City has lots of things they can cut back on. For example, he purchased pipe one day and the cost raised a dollar the next day. He suggested buying pipe ahead of time to save the City money. He would also like to see some house cleaning in the City before we ask for a raise in taxes.

• Karma Robinson - 1055 West 600 North - Ms. Robinson stated that she works for the Bountiful Street Department and can see that we have lost all the roads in this City. In her experience, slurry seal is a waste. West Bountiful roads are so far gone that reconstruction needs to be
taken to the bottom. These roads have never been touched, so we need to take a less
aggressive approach and repair one road at a time. She is willing to ride horses instead of bikes
and go back to dirt roads. Ms. Robinson questions why the City spent $12,000 for fireworks
when we are short funding for infrastructure. She also suggested that, since the smell from the
refinery is so bad, the City should be compensated for the impact. People are having to decide
sometimes to cut back on eating or put gas in their cars and she feels this is ridiculous to
consider when everyone is hurting.

- Dave Boswell - 760 pages circle. Mr. Boswell has issue with the presentation on slide 8A showing
our City at the top of the scale. He felt the comparison should be made with South Davis cities
leaving North Davis out of the mix. He stated then the median would be much lower. He owns
rental homes and with 67% increase it will cost 1½ times over NSL and double that of his
Bountiful rentals. He has the figures and shared them with the council. He agrees something
needs to be done but not to this extent.

- Ellen Freestone – Ms. Freestone stated that she has lived in West Bountiful longer than anyone
here, and doesn't feel like we need to raise taxes to do this. She feels there are plenty of people
who can do what needs to be done rather than have to pay to do it.

- Terry Olsen - Pages Lane. Mr. Olsen feels that the presentation was all about the streets but
there are other things that need done. He is concerned that once our taxes are raised they will
never go down. He wanted to know how long it will take to get the streets repaired and up to
speed. Trimming back is the answer. We need necessities, we do not need nice-ities. He
suggested that we trim back at the Golf Course and that the City is paying for people that are
not in our City to play golf. Mr. Olsen further stated that he feels the graph representing the
Davis County tax rates was not a fair comparison. He feels that Woods Cross must be doing
something right, and we should look at them as an example. He concluded that West Bountiful
is a great City and wants to see it prosper, but feels we should trim back.

- Wendy Hughes- 1450 North 1100 West – Mrs. Hughes stated that she was sad to see so few
people at the public hearing. She feels this is an indication that people have given up hope on
this council. When the water rate public hearing was held, several citizens complained but
council still decided to raise rates. While she feels it was unfortunate that this council has
inherited this situation, and knows they have been working long hours to fix it, council should
listen to the people. Mrs. Hughes agreed with the previous speakers and stated that she hopes
those who have been elected would do as has been requested. Lastly, she questioned whether
administration was asking for a pony when they could really do just as well with a dog.

- Royce VanTassel VP of Utah Tax Association – Mr. VanTasel drove our roads and knows we are
in a difficult position. He saw significant problems with our streets and explained that the two
most important things for the health of a City is access to both roads and water. This is why the
Utah Tax Payers association endorsed the gas tax during that last legislative session. While he
appreciated the needs here, he is concerned about the combined impact of the West Bountiful
tax increase with the Davis School District increase. Mr. VanTassel provided a list of all the
agencies going through a truth in taxation and he is concerned about the impact on the tax
payers.

- Steve Schmidt - 234 North 1000 West- Mr. Schmidt stated that "compromise" is the word of the
evening. He understands the feelings of the people this evening and questioned why someone
would want to buy a home here given the high water rate and property tax rate. Mr. Schmidt
asked where the money from the property tax increase would go, and if it goes in to the general
fund, that is not good enough. He proposed a reduced rate increase that would be put into a
fund dedicated to streets. He stated that the council members that are not running for re-
lection (the lame ducks) should not be voting on this issue. Mr. Schmidt encouraged a
compromise where a lower tax rate would be adopted with a less aggressive road plan.
• Mike Youngberg - 633 West 800 North - Mr. Youngberg stated that he has lived here for many, many years from a youth. He sat as a council member and became discouraged. He noted the golf course is often dependent on funding from the City. It has been explained that when the bonds are paid off, things are supposed to be better, but we all got sold a bill of good. The problem today is the RDA agreements, which are giving away a portion of our sales tax revenue. If we had that money we could do the roads. Currently, he owns property in the City that cannot be sold because of the cost of development. The water rates are shocking to new comers. He stated that he loves West Bountiful and has served it well and now is ashamed to say he is a part of this City. He feels that a road built in the 70's is still a new road, and that the $5/foot presented earlier includes replacement of all infrastructure. He stated that we are in survival mode and encouraged council to do what we can now with cut backs until the economy is stabilized. He also expressed that the 10th North project was a fiasco from the word go and was poorly managed. He stated that if that is what is going to be done with his money, don't bother. He encouraged council to consider a smaller increase.

• Dennis Vest - 1405 West 1200 North- Mr. Vest stated that if the City has failed in its management of streets and water, why do we think we can succeed on a golf course? The tax rate increase will affect businesses as well as homeowners and the additional costs will be passed on to them again as the consumer. We stand the chance of losing major stores that will not come back and employees in the future CDA area will not want to build in West Bountiful. The highest proposed increase in surrounding areas is 22%, and he feels a 20% increase would be more suited for West Bountiful. Mr. Vest recommended that the City do what they can with duct tape and bailing wire and presented Mayor Romney with a shirt echoing the sentiment. Mr. Vest stated that government never feels it has enough money and requested that council do what they can to keep the increase lower. He appreciates the efforts of council and hopefully good times will come soon.

• Don Hall - 516 North 840 W. - Mr. Hall stated that he hasn't had the chance to look through the entire budget, but a few things trouble him. He is concerned that while we are not broke, the budget is balanced on the City staff and public services. City employee's work hard and they deserve a raise. He stated that if the increase is adopted, he will understand that it is councils' best effort. Lastly, he wanted to remind council that having a budget doesn't mean you have to spend it all.

• Dwayne Hughes- 1425 North 1100 West — Mr. Hughes explained that he has lived in West Bountiful for many years and is a General Contractor. He stated that the cost of doing business continues to increase, and described the high cost of registering his business vehicles. He offered to volunteer his back hoe to dig pipe, but doesn't believe that the water pipes in the City are in as bad of shape as has been stated. He concluded that lots of money makes us think dumb, while having little money makes us think smart. Council should follow what the citizen's want and if they feel there is a true need for a tax increase, residents need to be educated.

• Larry Stanger- 1428 North 675 West – Mr. Stanger stated that he lives on a fixed income and a $10/month increase in property tax means that he is going to have to give something up. He does not have any luxuries and already lives on the bare necessities. Mr. Stanger then shared information related to the golf course salaries as presented on Utah's Right to Know website. As of 11/17/2010, the Golf Pro makes $72,000 a year, and Mr. Stanger questioned why and if the City could get by with a semi-pro. He also did not understand why the Golf Superintendent makes $67,000 a year. He has nothing against the golf employees personally, but added up a cost of $240,000 a year in wages, while the City has to subsidize it at $200,000/year. Mr. Stanger asked why the City does not sell the golf course to a contractor if it is a losing proposition. He also requested to know when Bev Haslam retired and what her part time status was with the City. It was explained that she retired last year and continues to work on a part time basis at $12/hour. Mr. Stanger stated that the list of wages he has is public information and he feels
there is tax money that can be made by cutting wages. Also, our golf course is not a state rated course, and the property should be sold to a contractor.

- Curtis Phipps - Evergreen Circle - Mr. Phipps stated that one thing that impressed him when he came to this evenings hearing was what he read in West Valley City concerning their proposed 18% tax increase. This brought out a huge crowd in West Valley. He feels that because West Bountiful is proposing to increase taxes 67%, we should have every citizen in the City here tonight. Mr. Phipps votes for no tax increase. He is familiar with the water rates in other cities and explained how West Bountiful is much higher. He is further concerned that residents are wasting their time here tonight as City Council will just do what they want. He asked what the population was and Mayor Romney responded we have approximately 5600 residence. Mr. Phipps then compared West Bountiful to a large condo project trying to act like a big City. He feels that the police department is bigger than anything around. Craig Howe noted the reduction of 5 employees in the last two years. That reduction in full-time benefited employees includes the police force. We have 8 employees currently in the police department including the detective and police secretary. Mr. Phipps stated some ways that the City can make reductions. He feels that a full time engine is not necessary and questioned how Wendell Wild could run the City on his own where we now have three employees to take his place. He also stated that we do not get taxes from the Costco project. Craig Howe replied that we do receive sales tax from Costco and the RDA, and that in the year 2015 the developer’s share will end and then our portion will increase to $200-300,000/year. James Bruhn noted that those funds are factored into capital streets plan at that time. Mr. Phipps wondered if we could we go after Holly for more taxes and concluded that there could be lots of trimming back, including the full time mechanic.

- Joaquin Harris - 825 West Pages Lane - Mr. Harris asked that the Mayor and Council indicate where they stand on this issue. Mayor Romney stated that each council member will be given time to comment after the public hearing is closed.

- Laura Blackburn - 662 1600 North - Ms. Blackburn expressed that tax rates are a big deal with everyone out of work. KTV News showed up at her door and interviewed her extensively about the tax increase. She feels council needs to consider the current economy and that lots of people are out of work and struggling. She owns a small business herself and has had to put in more hours. Ms. Blackburn explained that she has lived here since 1968 and nothing like this has happened until now. She is discouraged because council will not listen and it is their responsibility to listed to residents.

- Beverly Blasongame - 1201 West 1200 North- Ms. Blasongame is concerned about older people on fixed incomes. She wondered if council has considered a grandfather right for those people. She feels there has got to be a way for these people to still live in West Bountiful, because for residents on a fixed income, this tax increase is not doable. Mayor Romney responded that there have been extensive discussions. There is relief through the County for this living on fixed incomes in an of Indigent Abatement.

- Larry Stanger- Mr. Stanger stated that all the people want is for the Mayor and Council to stand up for the people. Listen to them. Don’t just say yes because you think it is the best thing to do, stand up for the people.

- Kelly Enquist - 654 West 1300 North - Mr. Enquist stated that he is disappointed in the attendance here. He asked citizen’s where they have been during City Council meetings and stated there are only about four residents that attend City Council meetings regularly. He appreciates the hard work the council does and has seen what they go through to do a budget. He stated that he and some others present are the self imposed "Ethics committee" and they have had a lot of discussions on the budget and golf course. He appreciates that staff is very open about the figures, more so that in the past, and he has taken the time to come and find
out. He feels citizens are to blame as well. He would love to see the City Hall filled every
meeting. Mr. Enquist then spoke to the issue previous speakers had with the golf course. He
doesn't want to see an Ivory Home project where the golf course is. He likes the rural feel the
golf course gives and would like to see our City and golf course run more like a corporation with
the citizens as the stock holders. Instead of looking at the golden year of Utopia in a few years,
he would like to see the golf course management contracted out. Mr. Enquist further feels that
the parks department and golf course should be under the same roof and that are parks should
look like our fairways. He would like to see the council look at contracting out parks
maintenance, lawn mowing, etc as well. He would also like to see part time/seasonal positions
advertised within our community. He would love to see West Bountiful earn an award for being
run the efficiently. He also feels the statement that West Bountiful hasn't had a tax increase
since 1972 is inaccurate as the City portion of his taxes goes up 3% every year. Mr. Enquist
concluded that he appreciates the work that has been done by the Mayor, Council and Staff.

- Mayor Romney commented that citizen's should be thankful for those that do come to City
Council meetings. The Council has made many changes because of what the people say at our
City Council meetings. It is a pretty open forum and all are encouraged all to come. Council has
made many improvements and have come a long way from a time when they did not pass the
budget one year. Council tries to be conscious of every decision that is made. Regarding the
comment of employing a full time engineer, Mayor Romney explained that engineering services
cost way more to contract than to have them in house. Our full time engineer saves us money
in design work and by overseeing the projects.

- Mayor Romney spoke in regards to the Golf Course: He explained that we have crunched the
numbers and reviewed the subsidies that have been made. He explained the outstanding bond
on the course and that there are two more years before the bond is paid off. While nearly 1.2
million dollars in subsidies have been made, the golf course will be required to pay those back to
the City, and in turn the City owns the 110 acres that the golf course sits on. A resolution will be
passed by City Council outlining the repayment of the subsidy. The Council has gone through
every department and made changes to become more efficient and the golf course will have its
turn. We have to realize homes are a draw on the City. Property taxes do not cover all of the
basic services a household requires. While we collect on average $170 per household in
property taxes, basic services like snow plowing, street lights, and police cost close to $900 per
year per household. To sell the course would not be in the best interest of the City at this point
in time. Mayor Romney stated that if there are better options, we will look at them and make
sure the golf course operates as efficiently as possible.

- Mayor Romney spoke in regards to the Police Department: Council has made many changes to
increase efficiencies in the police department. They have reviewed benefit and staffing levels
and have cut back on officers and gone back to having a patrolling chief. Council feels our police
department is now operating in the most efficient mode it can. He concluded by stating that
when he moved to the City, he saw things that bothered him which encouraged him to get
involved. He stated that council appreciated the input and recommendations of residents.

- Gary Jacketta - Mr. Jacketta questioned if there is there some tax we can charge Holly. Staff
responded that Holly pays close to $100,000 in personal property taxes to the City each year.

- Terry Olsen – Mr. Olsen asked about the sales tax that is being shared with the Developer. Staff
responded that the agreement ends in 2015, and at that time we will be able to put that
$300,000 per year towards the capital streets plan. With the proposed tax increase, the City will
collect a little more than $400,000 in additional revenues, with roughly 40% coming from
residential and 60% coming from commercial. Mr. Olsen questioned if we can back off taxes in a
few years as other revenues become available. Heidi Voordecker explained that the budget was
run for 20 years at historical escalations and all additional revenues were figured in to the
capital streets plan. The plan is to complete 31 projects over 20 years, but at the end of the 20
years there will be other streets that join the list. The plan also involves consistent maintenance
of our good streets, which is currently funded from B & C road funds. The City has historically
borrowed money for capital projects and is now at its constitutional debt limit. We want to get
out of that mode and borrowing is no longer an option for us. Mr. Olsen stated that he would
like to see a less aggressive plan. Mayor Romney noted that delays in projects cost much more
money in the end. Delaying repairs and maintenance causes the roads to die sooner and then
the cost to replace them skyrocket. Mr. Olsen suggested the City quit building sidewalks,
because nobody uses them anyway.

• Karma Robinson – The slurry seal that was done last year didn’t last and had to be redone.
Council member Bruhn explained that the problem was related to bad product and was redone
at the cost of the contractor. Ms. Robinson responded that Bountiful City has close to 10 streets
that are coming up from the slurry seal.

• Kent Martineau - 633 North 660 West - Mr. Martineau expressed that his position is to trust
and appreciate what work of Council. He feels that the City has made mistakes in the past, but
that he appreciates having a good City and having the resources to do things right. He
appreciates staying away from debt. He would like to see a brief sketch of the City budget.
Heidi Voordeekers directed him and others to go to the City website for information on the
current budget as well as previous year budgets and last year’s audit report.

Action Taken:
Valerie Shaw moved to close the public hearing at 9:00 p.m. Mark Preece seconded the motion and
voting was unanimous in favor.

Mayor and Council Comments:
Mark Preece - Council Member Preece stated in was great to have input and see people here. Any
indication that Councils minds are made up is related to the work and review that has occurred up to
this point. He agreed it is shocking if this is the first time you are hearing it. He asked if we would get
nearly the same crowd in here if we continue to neglect our streets. Council has reviewed the capital
streets plan and feels it is fairly conservative. We live in a unique City - we are small so we have to
collect more to maintain the same quality of service. He stated that the comments of residents mean a
lot to council and that they truly have their best interests in mind? He concluded by asking if they
wanted what was best for the City.

Valerie Shaw- Council Member Shaw responded to Mr. Schmidt that she is not a lame duck. To not vote
on this issue after all of the effort and finance committee meetings she has been involved in would not
be right. The financial state of the City has been bad for a long time. When she was first elected to City
Council, she was appalled by the City finances. The people who sit on City Council have to make difficult
decisions. Council needs to act responsibly and do what needs to be done. Val stated that she
appreciates everything that has been said this evening, and that the proposed tax increase would have
an impact on her family as well. She stated that it is her nature to be a nay-sayer and encourages cutting
frills. Council has put a lot of time and thought into this process, if they do not act upon the needs and
simply pass the issues on to the next Council, she believes that this Council will be as guilty as the
previous ones of neglecting the needs of the City. Val stated that she plans to be involved well after
January and encouraged residents to get involved. She concluded by encouraging those in attendance to
call or email her with their ideas.

James Bruhn- Council Member Bruhn agrees with what has been said by council so far. Frills have been
cut out of the general budget. RAP taxes are being collected and are covering some of the funding for
the Arts Council and independence day. He explained that the City spends $6000 on fireworks and Holly
pays $5000 of that. We have tightened budgets for 4 years and have not been able to fund street
improvements. It is costing us more money every day we let a road die. He acknowledged that the
residents requested council to do the right thing for the citizens. Property Taxes have not been raised
for forty years and he does not see any other means of funding the streets needs without a tax increase.
Fixing waterlines leads to having to fix the roads that are dug up. We have picked up where others have
left off. While he does not like the idea of raising taxes, he does not see any other way to fund it. He
stated that council needs to comments and recommendations that will help them work through the
situation.

John Baza - Council Member Baza explained the background of being a member on the council. While he
has served for two years, he will not run again. He explained it has been a tough but great education and
stated everyone should have the chance to serve. Prior to being on City Council, he was blissfully
ignorant, but has learned things and will vote by his heart. He stated that some of the things that have
been said tonight he agrees with and some of them he does not. John feels that the golf course should
be given time to prove itself. He stated that he has not made up my mind on how to vote for this, but
understands that nobody in this room wants a tax increase. He feels he does deserve a vote on this
because he lives in this City.

Dave Tovey - Council member Tovey explained that he was not elected to his seat, but rather was
selected to fill George Biada’s seat. I was not elected to this council seat. I replaced George Biada. He
thought he knew a lot from serving on the planning commission, but has learned a lot more. He felt it
was important to state that in these cases, an ounce of prevention is worth a pound of cure. If the City
had raised rates years ago this would not be a problem. He reiterated that we cannot borrow another
penny for road repair. He plans on living in WB for a long time and is passionate about the City he
leaves behind. Putting off projects and borrowing have cost us more money in the long run. He stated
that the City has to move forward and if there is a better way, he will listen. He is willing to drive on dirt
roads but realizes that is not the answer. The less we do now the more it will cost us someday.

Mayor Romney - Mayor Romney concluded the meeting by encouraging the citizens to contact the
council and talk to their neighbors. Council has been working on this for seven months. The City has held
town hall meetings, put articles in the newsletter, and notices in the newspaper and website. He
thanked the citizen’s for coming out and voicing their opinion and stated that he wished more citizen’s
were here. He thanked council for their hard work and expressed his love for the City and it’s rural feel,
stating that it is the citizen’s that make it great.