

1 Minutes of the Centerville **City Council work session** held Tuesday, March 2, 2021 at 5:30 p.m.
2 with participants present electronically via Zoom and streamed on YouTube due to infectious
3 disease COVID-19.

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5 **MEMBERS PRESENT**

6
7 Mayor Clark Wilkinson

8
9 Council Members Tamilyn Fillmore
10 William Ince
11 Stephanie Ivie
12 George McEwan
13 Robyn Mecham

14
15 **STAFF PRESENT**

16 Brant Hanson, City Manager
17 Lisa Romney, City Attorney
18 Janet Denison, City Recorder
19 Jacob Smith, Administrative Services Director
20 Kevin Campbell, City Engineer

21 **DETERMINATION**

22 Mayor Wilkinson read aloud a determination regarding
23 electronic meetings without an anchor location due to
24 COVID-19

25 **FY2022 BUDGET**

26
27 Administrative Services Director Jacob Smith gave an overview of estimated General
28 Fund revenue and expenses for FY2022, and answered questions from the Council. He presented
29 a schedule for FY2022 Budget discussions and public hearings.

30
31 **TRUTH-IN-TAXATION PROPERTY TAX INCREASE DISCUSSION**

32
33 Mr. Smith showed property tax rate history for 2003-2020. City Manager Brant Hanson
34 stated truth-in-taxation for FY2022 would need to occur no later than September of 2021. He
35 spoke of a previous Council discussion regarding the possibility of going through truth-in-taxation
36 every year to provide a more stable revenue base for the City. Councilmember Ince said he
37 wanted to move forward with a cemetery ballot initiative to know the level of citizen support.
38 Councilmember McEwan said he would want to see voter response on a ballot proposition to
39 know what a truth-in-taxation hearing would generate in terms of a potential bond issue. City
40 Attorney Lisa Romney commented that the ballot proposition would make a property tax increase
41 necessary.

42
43 Councilmember Fillmore expressed the opinion that the City should go through truth-in-
44 taxation every year for the process to become more familiar and accepted. She stated a property
45 tax increase was necessary to continue providing a desired level of service, separate from the
46 cemetery issue. Councilmember McEwan said he did not have a problem with holding a truth-in-
47 taxation hearing, but emphasized that the amount and purposes would need to be known. He
48 said he agreed that a property tax increase for level of service, and a cemetery ballot initiative
49 were independent. Mayor Wilkinson said he agreed a property tax increase in FY2022 would be
50 for capital needs.

1 Ms. Romney explained deadlines associated with the truth-in-taxation process.
2 Councilmember Fillmore suggested an annual truth-in-taxation process would make the idea of a
3 property tax increase less of a political issue in the minds of the citizens. Councilmember McEwan
4 said he would want truth-in-taxation for FY2022 to be as separate from a cemetery ballot initiative
5 as possible.
6

7 Councilmember Mecham said she was not comfortable with a property tax increase in
8 FY2022 with so many citizens struggling under current conditions. She said that because of
9 federal CARES Act money, the City had been able to accomplish many things that needed to be
10 done, the City's reserve balance was more healthy than previous years, and she would not
11 support a property tax increase for FY2022. Mr. Hanson spoke of increased ongoing City
12 expenses, and commented that the reserve balance was not healthy enough to draw on for one-
13 time expenses. He stated the only way to continue providing the same level of service with
14 inflation was to increase revenues, and the only revenue source over which the City had control
15 was the property tax rate.
16

17 Councilmember McEwan commented that implementing the truth-in-taxation process did
18 not automatically mean a property tax increase would happen. Councilmember Mecham said she
19 would not want to even hold a truth-in-taxation hearing, and said she did not think it would feel
20 right for the City to ask for more money when the federal government was recognizing people
21 were struggling by providing stimulus checks. Councilmember McEwan responded that citizens
22 still wanted the City to provide a certain level of service. Councilmember Ivie said it was important
23 to be sensitive to the citizens who were struggling. Councilmember Fillmore said she agreed it
24 was important to be sensitive, and said she would only support a property tax increase that
25 allowed the City to maintain the current level of service.
26

27 Councilmember Ince referred to some of the City's capital needs. Mr. Hanson commented
28 that City services were currently subsidized by sales tax revenues, which were less stable than
29 property tax revenues. Responding to a question from Councilmember McEwan, Mr. Smith said
30 he believed property tax abatements were done at the County level.
31

32 Councilmember Ince commented that the Council chose not to initiate truth-in-taxation last
33 year because it was a difficult year with COVID-19, and said he remembered committing to
34 following through with the process for FY2022. Councilmember McEwan said he agreed
35 considering a property tax increase was the responsible thing to do.
36

37 Mr. Smith stated a 5% property tax increase would generate approximately \$70,000 –
38 almost enough for two new police vehicles. Councilmember Ince said he understood the
39 reasoning behind a small annual increase, but said he would be more inclined to support a slightly
40 higher increase every other year. Since the Council had not approved a property tax increase for
41 four years, he suggested a 10% increase. Councilmember Fillmore expressed support for a 10%
42 increase at a minimum. She recognized the need to consider those on fixed incomes. The
43 increased cost of living in Centerville was discussed.
44

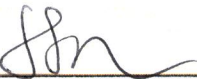
45 Mr. Hanson said Staff would prepare the FY2022 Budget, including a list of expenses that
46 could be funded by a 10% property tax increase. Councilmember McEwan suggested Staff
47 recommend a different percent increase if they found something other than 10% would make
48 sense with the City's needs. Councilmember Mecham said she agreed the City needed more
49 revenue to provide services the citizens wanted, but said she thought it was a hard year to do a
50 property tax increase. She expressed the opinion that the City needed to be careful to approve
51 commercial projects that would increase sales tax revenue.

CEMETERY FUNDING AND BALLOT INITIATIVE DISCUSSION

City Attorney Lisa Romney explained that a ballot proposition for bonding for a cemetery would have a budget impact, and would take Staff time to prepare. She encouraged a Council decision as soon as possible. A majority of Councilmembers expressed support for moving forward with a ballot proposition. Mr. Hanson said Staff would move forward.

ADJOURNMENT

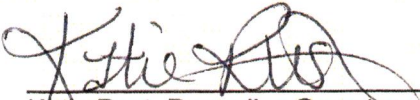
At 6:55 p.m., Councilmember Ivie moved to adjourn the work session. Councilmember Ince seconded the motion, which passed by unanimous vote (5-0).



Janet Denison, City Recorder

Mar 16 2021

Date Approved



Katie Rust, Recording Secretary

