



City Council Meeting

July 19, 2023

City Council Chambers, 38 West Center

7:08 P.M. Mayor Nay opened the meeting.

Roll Call:

Rod Taylor, Shawn Crane, Robert Andersen, Lori Nay

Invocation/Inspirational Thought:

Given by Rodney Taylor

Pledge of Allegiance:

Led by Mayor Nay.

Public Forum:

No public comment

Minutes

June 28 Work Meeting:

Councilor Crane made the motion to approve the minutes for the June 28th work meeting, Councilor Andersen seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

June 28 Regular Meeting:

Councilor Taylor made the motion to approve the minutes for the June 28th meeting, Councilor Crane seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

Bills for period ending July 13, 2023, totaling \$244,963.90:

Councilor Andersen made the motion to approve the bills for the period ending July 13, 2023, totaling \$244,963.90, Councilor Crane seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

Previous Business - Discussion and Possible Action Items

Park Improvements (Skate Park, Parking Drainage, Plaza Lighting):

Dennis Marker, City Administrator spoke with the council. The City recently cleared out that skatepark equipment, and was able to have a dance during the 4th of July Celebration. He stated that he received a lot of positive feedback on having the dance. The council would like to go ahead with looking into three basketball courts and three pickleball courts, to put where the skatepark was. Dennis also went over a drainage problem at the City park. After some discussion with Public Works director, JD Bunnell, the council agreed the landscaping needs to be changed to fix this issue. The next item that he went over was putting lights on the plaza where the clock tower is. Mayor Nay stated that she would like to have events held there. She thought that lights and tables would be a great addition. She also stated that she would like to have food truck nights. The council agreed that this would be a good improvement for main street and that they would like Dennis to start looking into pricing.

Tentative Budget Update – Tax Rate Changes:

Dennis stated that during the previous Council meeting, the Mayor asked that information be provided about the need for a tax rate increase. Dennis went over the following points with the Council: • General tax theory is that property owners and businesses should pay for the services they utilize, derive benefit from or have access to even if they don't utilize them. Any service utilized directly by a property owner (E.g., water, sewer, power, etc.) should be paid for by that owner based on usage.

- Question #1: Which government services are being provided to all property owners, not just service users? Police, Fire, arguably culinary systems as fire coverage would be non-existent without hydrants, roads, financial management of public dollars and record keeping, and economic development efforts. Parks and recreation opportunities may provide direct and indirect benefits although property owners may not utilize these.

- Question #2: What major costs related to the above services can we anticipate and potentially raise property taxes to cover?

- o Police – Wages and Equipment Expenses increasing each year. \$60K in 2023-24

- o Fire – Wages and Equipment Expenses increasing each year. \$6K in 2023-24

- o Culinary system – New Well in the next five years.

- o Roads – Major maintenance work in the next five years B&C reserves

- o Economic Development – Generating funds to improve the business park \$2M+

- o Parks and Recreation – New court surface at Gunnison Park, new skate park, new trail systems, new public signage, new roof on pool, pool refurbish, etc. \$1M+

- Question #3: Out of the above listed projects, which are the highest priority for the City

Council, according to the project priorities set in January. New well, Skate court repurposing, G-Hill trails, Pool roof replacement, Innovation Park infrastructure.

- Question #4: What is the estimated cost of these items and what is the available funding source for them?

- o New Well \$10M Culinary fee increases

- o Skate Park Repurpose \$30K+/- None

- o G-Hill Trails \$500K Grants but no local revenue source except RAP tax.

- o Pool \$600K No current source except water and sewer funds

- o Innovation Park \$2M No current source except B&C funds and utilities.

The estimated capital costs next year alone exceed \$3M and we're not even funding all the capital projects on our list. We've estimated over \$13M in debt service and new capital projects over the next five (5) years. Covering these costs will likely be a combination of grants, loans, utility rate increases, property tax increases and reprioritizing. The city may also consider a general obligation bond for some like projects, i.e., recreation improvements. If the priorities haven't changed, the projects that need additional funding are recreation related projects. The operational expenses that need to be paid include the increases to public safety.

- Question #5: According to the taxrates.gov website, the current taxable value of Gunnison and the difference between holding the rate (.001638) or going with the recommended rate (.001622). Overall, the County is showing our taxable value went up over \$30.3M. Gunnison is projected to receive an additional \$49.7k if we hold our rate and \$47.2k if we accept the recommended rate. Financially, we are not really hurt accepting the recommended rate. At the same time, it is a good year to go through this process since the overall tax rate is going down 8% even while holding our rate.

- Question #6: Is the rate reduction really going to help if home values are going up?

To answer that, I did some digging on websites generally accepted as reliable housing market gauges. Realtor.com indicates home prices in Gunnison have dropped 2.6% since last year.

Redfin.com indicates homes in Sanpete County dropped in value 32.7% over the past year.

Zillow.com indicates homes in Sanpete County have dropped in value by 2% over the

past year. Utahrealestate.com is showing the median single family home price in Utah fell 9.8% between May '22 and May '23. It fell 7.4% between April '22 and April '23. In general, it appears that single family homes are likely near the same or slightly lower in value this year and with the 8% reduction in the overall tax rate, each homeowner should not see much difference in their taxes for 2023-2024. Shawn Crane stated that he thinks the City should move forward with the truth in taxation public hearing. He is hopeful that the community comes out to the public hearing and that they are involved so that they can get a better understanding of how this change will affect them.

Irrigation Water Meters:

The Mayor and council decided that they wanted to hold separate meetings with Council and staff to further go over this.

New Business

Review of West Hills Subdivision Improvements:

City code requires that with the new subdivisions the City council has to accept the improvements in order for the warranty period to start. JD stated that he went out and inspected and felt like they have a small list of things they need to do. He stated that they are waiting for signs to be made. Then they are also on the schedule with Rocky Mountain for the streetlights. Rod stated that he recently learned that the City needs to be involved with where to put the lights. Once the warranty period starts, they have a year to make sure there are no problems. The city will keep 25% of the construction bond for that year.

Councilor Crane made the motion to start the warranty period for West Hill's Estates with the remaining improvements, Councilor Andersen seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

Resolutions and Ordinances

Resolution 2023-04 Amendments to Personnel Policy Regarding Hiring Processes:

This resolution was discussed during the June 7, 2023, Council meeting. The Council asked for clarification of employee classifications (i.e., Full-time, Part-time, Seasonal, etc.). Further discussion was tabled until the changes could be brought back for consideration. Changes that have been made to this resolution include the following: 1) Clarifications have been drafted for paragraph h of section 3.1.040 Definitions 2) Additional qualification consideration were added to the paragraph on "Merit Principle" 3) Clarification is made as to the Mayor's authority as the Personnel Officer under 3.3.060. 4) Additional steps and clarification have been added to the Candidate Selection process outlined under paragraph (c) of section 3.3.110. Specifically, providing for an initial screening of applications, addressing the Council's involvement with Appointed Positions, and the selection committees needed for full-time and part-time/seasonal employees. 5) Added clarification on how employment offers are to be made under paragraph (d) of 3.3.110. 6) Consolidated and clarified language about Probation periods into section 3.1.160.

Councilor Taylor made the motion to table Resolution 2023-04 Amendments to personnel policy regarding hiring processes. Councilor Crane

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

Reports of Officers, Staff, Boards and Committees

JD Bunnell:

During the last council meeting they discussed road maintenance. JD said that they put three bids out: for chip seal, seal coat, and crack seal. They received 2 bids for the chip seal from Geneva and Hales. They received one bid back for the seal coat from Holbrook Asphalt CO. They are still waiting for a bid for the crack seal. He said that Hales bid was significantly less than Geneva's. He needs the councils ok to move forward with getting on the schedule with the contractors. They are looking for around \$400,000 for these two projects. They discussed last council meeting, and the streets that needed to be done this year. They also discussed spending around \$400,00 For this year.

Crane made the motion to get on the schedule with the understanding that the final approval will come in once the exact numbers come in, Councilor Taylor seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

JD said that they have had a few issues with irrigation this week. There is a small section off on the West side.

Dennis Marker:

Dennis stated that he received the contract for the CBDG funds. They will be sending a link for final signatures. Next week is the monthly planning and zoning meeting. They will have 2 home occupancy licenses to go over. They will also be going over the architectural standards final. The last couple of weeks the police department have brought complaints to the City about people living out of mobile trailers. He stated that the code stated that this isn't allowed but that if they do this, they'll have to start better code enforcement all around. The tentative budget does have a part time code enforcement officer in it.

Valerie Andersen:

Valerie received a call from Andy Nelson, a county western singer. He wants to put a concert on in the City park on September 2nd. The following week would be the United we March celebration. The Mayor mentioned that it would be hard for them to collect money. Valerie will follow up. Valerie mentioned that has her UMCA conference coming up in September. The Utah league of City and Towns is also in September. This will be during United we March, the council members will look at dates so that she can get them registered as soon as possible. She also mentioned a BBQ for everyone that was involved with the 4th of July committee. The audit will be October 23-25th. She also stated that the new City website will launch on Friday.

Reports by Mayor and Council Members

Mayor Nay:

Brad Wilson, the Speaker of the House for the legislature came and visited with the Mayor and Dennis. They went over the importance of the Well and why the State needs to pay for half of the costs. He got a good understanding of the importance of having the State help with this project. She also found out about some funding through GOEO funding for water projects.

Rod Taylor:

Rod stated that they need to get a contract for the light. He stated he will follow up on this. JD will also follow up on what the City needs to do. He asked if they ever received a list of the irrigation shares. JD said that he talked to him, but they hadn't received them yet. Rod asked him to follow up with him again.

Shawn Crane:

There was an issue with the clock with the amplifier because of the heat. JD cleaned out the filters. He said that they are going to wait until the weather cools off to turn it back on.

Adjournment:

Councilor Andersen made the motion to adjourn, Councilor Crane seconded the motion.

Roll Call:

Taylor: Yes, Crane: Yes, Andersen: Yes

A handwritten signature in blue ink, reading "Lori Nay", is written over a horizontal line.

Lori Nay, Mayor

Approval Date: 8-2-23

Attest:

A handwritten signature in blue ink, reading "Valerie Andersen", is written over a horizontal line.

Valerie Andersen, City Recorder