

City of La Verkin

435 North Main St., La Verkin, Utah, 84745

(435) 635-2581 Fax (435) 635-2104

www.laverkin.org

La Verkin City Council Meeting Minutes

Wednesday, August 2, 2023, 6:00 pm.

Council Chambers, 111 S. Main, La Verkin, Utah

Present: Mayor Kelly Wilson; Council Members: Patricia Wise, Micah Gubler, Blair Gubler, Richard Hirschi, and Chuck Hardy; Staff: Kyle Gubler, Chief Nick Nuccitelli, and Christy Ballard, Kevin Bennett; Public: John Valenti, Blaine Worrell -Sunrise Engineering.

Derek Imlay was excused.

A. Called to Order –The invocation/thought and Pledge of Allegiance were given by Chuck Hardy at 6:00 pm.

B. Consent Agenda: (Items on the consent agenda may not require discussion. These items will be a single motion unless removed at the request of the Mayor or City Council.)

1. Declarations of conflict of interest
2. Agenda
3. Meeting Minutes: July 5, 2023, regular meeting, and July 19, 2023, work and regular meeting
4. Checks & Invoices: \$1,183,506.54

The motion was made by Councilman Chuck Hardy to approve the consent agenda as written, including the minutes of the July 5, 2023, and July 19, 2023, work and regular meeting, and Checks & Invoices in the amount of \$1,183,506.54, second by Councilman Richard Hirschi. Roll Call Vote: Hardy-yes, Hirschi-yes, Micah Gubler-yes, Wise-yes, Blair Gubler-yes. The motion carried unanimously.

C. Business:

1. Discussion and direction on the Stormwater Master Plan rate increase with possible setting of the public hearing for Wednesday, August 16, 2023.

Mayor Wilson stated three proposed drainage rate increase options were presented during the July 19th work meeting. The Councilmembers must decide which option they would like to move forward with. A public hearing needs to be set for the rate increase and the impact fee.

Kyle said that Troylinn mentioned that attaching the fee to undeveloped parcels would be challenging because it would require notifying the property owner to set up an account.

Mayor Wilson said Blaine Worrell with Sunrise Engineering is here to answer questions. The Stormwater Master Plan was first given to the Council in June and needs to move forward, so any new business will pay its share of impact to the system.

Commissioner Hardy doesn't feel agricultural property should be charged a drainage fee because they are not being used. Once they develop, they will pay the impact fee and begin that drainage fee. Undeveloped properties help the community with drainage.

Commissioner Blair Gubler agrees with Councilman Hardy. The agricultural properties have water draining on them from other developments, and we should not put a fine on them for doing something for the community.

Mayor Wilson reported Derek said there were about 80 acres of agriculture properties, and they are currently not paying any drainage fees.

Kyle explained the current drainage fee is billed based on meters, and most agriculture doesn't have a meter, so they would be exempt. Unless we include them in the billing, that is when the City would need to figure out a way to get them to open an account. He doesn't feel exempting them would be an issue. If the property doesn't have a meter, regardless of the zoning, it is probably undeveloped and could be exempt.

Mayor Wilson explained what is being proposed does not put a charge on agricultural property.

Councilman Hardy likes higher fees for commercial since they generate a lot of drainage but not necessarily the highest.

Kyle agreed that commercial properties need to pay, but we also need to ensure the fee isn't so high that no businesses come here.

Councilman Micah Gubler asked if the options could be divided.

Blaine replied the residential rate was set for all three options and then they took the remaining funds required for revenue needed and determined the commercial rates.

Councilwoman Wise asked if Sunrise Engineering were comfortable the rate increase would see us through the next ten years.

Blaine answered that this rate would not make it through ten years, with inflation being how it is. During the work meeting, it was discussed to potentially add a percentage increase as time goes on. The rates will cover if the growth rate and projected targets are met, but any deviance from that could cause it to fall short. He recommends that rates be reviewed every three to five years and adjusted as necessary. The smaller time frame prevents extreme increases.

Mayor Wilson commented that it is wise to do an annual increase in rates. The State is much more willing to work with a community on funding if they are current on the rates.

Blaine mentioned a cash flow analysis in the proposed Plan that includes a \$.20 per year increase for reference to how the future may look in 20 years.

In a sense, there is a commercial drainage rate based on meter size, with the 3" meter paying \$109.08 per month.

John Valenti said that is a typo; the current 3" meter rate is \$190.08.

Mayor Wilson stated this would be an increase to the commercial properties. They are the biggest contributors to the drainage in the community.

The fee shouldn't be based on meter size but on lot size.

Councilman Micah Gubler asked what the jump would be for commercial properties.

Councilwoman Wise said if the current rate is \$190 for a 3" meter, the maximum increase would double the current fee. Whatever we choose, we need to add a 2% annual increase.

Kyle explained that current commercial businesses pay some fees, and the City will see the difference in new businesses needing to pay an impact fee. Right now, only residential construction pays a drainage impact fee.

Councilwoman Wise said commercial impact fees would help our budget, but she doesn't want to hurt our already-established businesses. How many of them are over 3 acres?

Blaine answered that the RV Park, the new Holiday Inn, Davis Market, and the hot springs will all be over 3 acres.

Councilman Micah Gubler likes either option two or option one. Otherwise, we are putting the majority onto the residents.

Councilwoman Wise asked if Sunrise had information on what other communities are charging businesses.

Blaine responded that the proposed rates are higher, but it isn't a fair comparison. The biggest portion of the user rate for La Verkin is playing catch up on infrastructure that has been needed for a long time.

Councilman Blair Gubler is in favor of option 2.

Councilwoman Wise wishes there was a window between options 2 and 3.

Councilman Micah Gubler said out of the options presented, he likes option 2.

Councilman Hirschi likes option 2.

Councilman Hardy feels option 2 is the most reasonable.

Mayor Wilson reported the Council will move forward with Option 2 for the public hearing. He asked for questions regarding the proposed impact fee.

Councilman Hardy said page 6 says the method chosen to analyze the City was the Soil Conservation Service Unit Hydrograph Method, but page 9 says the analysis was done using HEC-1.

Blaine explained one is the methodology, and the other is the software.

Mayor Wilson asked Blaine to explain the proposed impact fee.

Blaine explained impact fees have only been charged to residents and were based on zoning. The City wants to update the residential fee and include commercial properties in the fee.

The impact fee law states a city can charge impact fees for new growth's impacts on the system. Money cannot be used for old problems in the system or to increase the level of service a community offers. Since La Verkin has an existing drainage system, new growth will impact that system. There are existing issues with the system, so the impact fees can only be used to charge for the portion of new projects done by further growth.

They used the total acreage of the lower bench area of developed and undeveloped properties to calculate that percentage. New development should be charged a portion of the proposed projects based on how much they add to the developed part of the City via impact fees. The impact fee calculation chart in the Stormwater Master Plan shows that calculation. The ratio, or impact fee eligible, means that a portion of the city of those developments will pay that portion of projects within a ten-year window. A ten-year window was chosen because the Impact Fee Law states that as you collect money, it must be spent within six years.

The one project in that window is the 100 East Trunk Line. They took the cost of the project plus inflation and financing costs, giving the total project value. That number was then divided by the number of acres they anticipated seeing in that ten-year window. That would be the portion of the project that new growth would be impacted, which is 38%. That makes the proposed residential impact fee maximum \$5,086 and commercial impact fee \$7,629. These rates are acre-based so that smaller properties will pay less and larger properties will pay more.

Councilman Hardy asked about detention basin requirements and how they work.

Blaine reported there are many places in town with detention basins and explained they limit the amount of water released onto a city street to be the same pre and post-development. New developments are required to install them if necessary.

Kevin said the Master Plan does talk about detention basins. It is one thing we still need to work through. When a developer installs a detention basin, it can be creditable toward the impact fee, and that hasn't been provided for yet.

The City can adopt the proposed Stormwater Master Plan and draft ordinances to implement what is in the Plan. The Plan provides what the City needs to implement the impact fee, but there is an entire chapter in the Impact Fee Law that talks about how to approve those fees.

He has not been a part of the process to this point. The Plan is wonderful to set the user fee with the \$.20 annual increase, but impact fees are an entirely different process. The City can adopt the proposed plan and the user fee at the next meeting.

He spent the end of today trying to determine what had already been done to comply with the impact fee law.

Mayor Wilson asked Kevin to get with Sunrise Engineering to work through the issues.

Kevin said there would need to be separate public hearings. The City needs to make sure impact fees are not paying for anything to correct from the past. The first thing a community is supposed to do is achieve the level of service and then get impact fees. If they don't, they need to give a lot more detail on how they are only charging for that, which isn't increasing the level of service. The Plan states all the way through that we are not there.

Mayor Wilson asked Kevin to meet with Sunrise Engineering and get the impact fee portion ready to move forward as soon as possible.

Kevin said the Council could move forward with the Stormwater Master Plan approval and the drainage rate increase if they are ready. He needs to know what option the Council would like to adopt so he can get something ready to be published for the public hearing.

Mayor Wilson asked him to move forward with Option 2.

E. Citizen Comment & Request for Future Agenda Items:

John Valenti-In regard to the drainage rate increase, one of the things looked at was agricultural. He has about 2 acres; most of the land was acquired after he purchased his home. It drains large like agricultural properties do, but because his house is near that property, he pays the residential rate. To exclude those properties doesn't seem quite fair. Why not have them pay the \$8 or \$10? That is not much money. As far as businesses are concerned, he doesn't think a business would leave La Verkin over \$100/200 per month.
Option 1 or Option 2, no difference.

D. Mayor & Council Reports:

Mayor Wilson reported on the League of Cities and Towns' upcoming conference.

Hardy-Southwest Mosquito meets next week. The Historic Preservation Association has seven people who have agreed to serve on the Historical Commission, and about eight more are willing to help in an advisory capacity. The names will be on the next agenda for approval.

Blair Gubler-Nothing new to report.

Hirschi-Hurricane Valley Fire District is advertising the fire chief position. They are proposing the sales tax increase to the County Commissioners, discussed by Representative Eliason during the work meeting.

Ash Creek Special Service District hopes to begin construction on the La Verkin treatment plant within the next few months.

Wise-She reported on the July 26th Planning Commission meeting.

Commissioner Iverson presented at the Economic Development meeting.

The Zion Regional Collaborative (ZRC) workshop was last week. There is a board called Zion Regional Recreation Management Plan which consists of four counties. They are pushing to have contributive commerce. This is where businesses generate funds for recreational opportunities around them. Ruby's Inn has donated about 1 million dollars over the last ten years to Bryce Canyon & Cedar Breaks. One way they have received money is to provide a QR code at the hotel front desk asking for donations.

The owner of the new discovery/visitor center on East Zion is a proponent of having appropriate businesses next to natural amenities and encouraging tourists to donate to them.

ZRC had Cameron Cutler present as the planner of the transit system. He reported five clean diesel buses had been ordered. The first one should arrive next summer. The agreement has been "ironed out" with the BLM for a storage/mechanical facility.

The County reported the Zion Corridor Trail should be going out to bid for the environmental assessment soon.

She has discussed with Kyle and the Mayor the Corridor Trail that goes through Cottonwood Hollow Subdivision.

Interstate Rock Products wants to get moving on that trail so it doesn't slow down the development. IRP will present a total cost analysis that we can then give the County to get the trail built with corridor trail monies.

Kyle reported he received the cost analysis from IRP today but didn't have a chance to look at it.

Councilwoman Wise said she asked Derek if the costs were reasonable, and he felt they were. The County Representative didn't think there would be any hiccups with starting the La Verkin portion of the trail.

There will be a stop in La Verkin for the transient system. La Verkin needs to come up with an appropriate location; if we don't, we could potentially lose the stop. The City would need to either use property we already own or be willing to purchase property.

Micah Gubler-Nothing new to report.

Kevin asked if the City intended to apply impact fees to the School District. There is a section of code pertaining to whether we do. It would apply to public and charter schools if they are exempt or not. If we do not exempt them, we need to go through the process to determine what the charge for them would be.

Blaine replied that Sunrise Engineering did include schools under Commercial/Institutional under the Master Plan.

Mayor Wilson asked the Council if they felt schools should be exempted.

The majority of the Council agreed to exempt schools.

E. Adjourn:

The motion was made by Councilwoman Patricia Wise to adjourn, second by Councilman Chuck Hardy. The motion was carried unanimously at 7:05 pm.

September 14, 2023
Date Approved

ATTEST: Christy Ballard
Christy Ballard
City Recorder

Kelly B. Wilson
Mayor Kelly B. Wilson

