



Parowan City Council Meeting Minutes
May 9, 2024 – 6:00 p.m.
Parowan City Council Chambers
35 E 100 N, Parowan, UT 84761

Elected Officials Present: Mayor Mollie Halterman, Councilmember David Burton, Councilmember John Dean, Councilmember Sharon Downey, Councilmember David Harris, Councilmember Rochell Topham

City Staff Present: Dan Jessen, City Manager; Scott Burns, City Attorney; Callie Bassett, City Recorder; Heather Shurtleff, Deputy Recorder

Public Present: See attached sign in sheet.

NOTE: The recording of this meeting accidentally shut off for the first part of the meeting. It was re-started during Agenda Item 10 B (approximately 37:20 in the video.) The YouTube video recorded the first part of the meeting – www.youtube.com/watch?v=A1WyBRbHVvM

- 1. Welcome and Call to Order:** Mayor Halterman called the meeting to order at 6:00 p.m.
- 2. Opening Ceremonies:** Councilmember Topham offered the invocation. She then led the council and the public in the pledge of allegiance.
- 3. Declaration of Conflicts With or Personal Interest In Any Agenda Item:** No conflicts were declared. The mayor said she would like to hold the next council meeting at 5:00 p.m. due to the Parowan High School Graduation on May 23, 2024. The mayor also made some adjustments to the agenda. She moved agenda item RAP Tax Committee Approval to the first item on the Action Agenda. The second change was to remove item number 9. This was a redundancy and needed to be removed from the agenda. The third change was to move agenda item 13 to the action meeting with the possibility of a vote due to its time sensitive nature.

MOTION: Councilmember Downey moved to move the agenda items as explained by the mayor.

SECOND: Councilmember Topham seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

4. Public Comment:

Brett Howser, Brian Head City Manager: Mr. Howser said he wanted to make Brian Head Town's position clear regarding the chamber of commerce executive director. Brian Head Town is willing to fund half of that. They are a member of the chamber and are encouraging their businesses to join Parowan's Chamber and make it more of an area chamber. They see a lot of benefits in getting their businesses actively involved with the chamber. He also said they are in favor of the sewer treatment facility design and will fund half of that.

CONSENT MEETING:

- 5. Approval of City Council Meeting Minutes from April 11, 2024**
- 6. Approval of Warrant Register for May 9, 2024**
- 7. Approval of April 2024 Financial Report**

MOTION: Councilmember Topham moved to approve agenda items 5, 6, and 7 as outlined.

SECOND: Councilmember Downey seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

ACTION MEETING:

8. Approval of RAP Tax Committee Members: Marilee Stowell, Mike Crockett, Marta Mitchell, Jared Meibos, Councilmember Rochell Topham

Councilmember Topham said that the RAP tax passed in the last election. These monies will go toward Parowan’s recreation, arts, trails, and parks, and to non-profit organizations that support the same things. This committee will make recommendations to the council on where the funds should be spent.

MOTION: Councilmember Downey moved to approve the RAP Tax Committee members as stated.

SECOND: Councilmember Dean seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

9. Award Engineering Contract for Preliminary Sewer Treatment Facility Design:

Dan said they are starting the process of designing the new sewer treatment facility for sewer treatment. The state is requiring the city change the way they treat the water since they have a disposal permit. They are requiring them to manage the phosphorus levels to halt algae blooms. Dans said there is money in this year’s budget and will be carried forward into the next fiscal year to do the engineering. Parowan City and Brian Head have agreed that Aqua Engineering is the correct company to do the preliminary design for the sewer treatment facility. The contract is not to exceed \$35,000. The preliminary design will be a 50/50 split with Brian Head. Moving forward, they will have to determine how to bond for the construction of the project.

MOTION: Councilmember Topham moved to award the contract for the preliminary sewer treatment facility design to Aqua Engineering.

SECOND: Councilmember Downey seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

10. Approval of Budget Items for Tentative 2024-2025 FY Budget:

A. URS Tier 2 Rate. Dan explained that for Tier 2, the state made it so if employer cost match ever went above 10%, the employee would be required to pay the difference out of their own pocket. The rate for this coming year is 10.7%. The .7% must be paid by the employee. Other cities are adding .7% to Tier 2 employees’ COLA. Dan said the council discussed this in their last work meeting.

MOTION: Councilmember Dean moved to approve the Tier 2 employee retirement COLA addition of .7%.

SECOND: Councilmember Downey seconded the motion.

VOTE: AYE - Councilmember Dean
Councilmember Downey
NAY - Councilmember Burton
Councilmember Harris
Councilmember Topham

The vote was 3-2 in opposition of the motion. The motion failed.

B. Recommended 4% COLA for all employees.

Dan said a COLA of 4% will cost approximately \$73,000, half of which will come from the enterprise funds and half from the general fund. Dan explained they used the same the methodology used last year. They look to what URS pays as a COLA for people they are paying retirement to. Dan said he likes to use URS’s recommendation because it is an unbiased number. That is the recommendation and that is the cost.

MOTION: Councilmember Downey moved to approve the 4% COLA for city employees.

VOTE: AYE - Councilmember Dean
Councilmember Harris

NAY - Councilmember Burton
Councilmember Downey
Councilmember Topham

The vote was 3-2 in opposition of the motion. The motion failed.

MOTION: Councilmember Topham moved to approve the \$7500 contribution for the Chamber of Commerce Executive Director contingent upon monthly reports and an end of year review to continue for the following year.

SECOND: Councilmember Harris seconded the motion.

VOTE: AYE - Councilmember Dean
Councilmember Topham
Councilmember Harris

NAY - Councilmember Burton
Councilmember Downey

The vote was 3-2 in favor of the motion. The motion carried.

11. Approval of PEHP as Medical/Dental/Vision provider for FY 2024-2025

Dan said we are very happy to work with HUB, who is the city's broker. They compare the different renewal rates from different companies. Dan showed the council the different comparisons. PEHP has a premium renewal increase of 5.5%. This is driven by our own usage. Other providers' premium increases are in the double digits. If the city stays with PEHP, the vision renewal increase is 0%, and the dental renewal increase is 1.6%.

MOTION: Councilmember Topham moved to approve PEHP as the medical/dental/vision provider for FY-2024-25.

SECOND: Councilmember Harris seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

12. Employee Benefit Discussion

A. Vacation Payout Upon Separation

Dan explained that a previous council gave permission for the administrative staff to make changes to the employee policy and procedure manual and asked that they advise the council on important changes. There is a written policy that says upon separation from the city, the city will pay out the employee's accrued vacation time. Due to some very expensive payouts, the administrative staff capped the number of vacation hours that could be carried over from year to year, and changed the policy so that only 50% of the accrued vacation time up to the cap would be paid out. This change was made in January of 2019, and has been in practice since that time. This was not brought to the council for approval, so there is a conflict between the printed manual and the staff edited manual that has been put into practice. Going forward, the council needs to make a decision as to how they want to handle this.

The council felt that the employees earn their vacation time and should therefore be paid out 100%. They also said that there should be a policy and a notification process for this. Dan also explained that capping the amount of vacation time employees can carry over helps with the city's exposure. Councilmember Topham asked if the city will have to go back and pay employees who were only paid out 50%. Attorney Scott Burns said the short answer was no.

MOTION: Councilmember Downey moved to approve paying 100% of accrued vacation time up to the cap of 200 hours for city employees and 240 hours for public safety employees upon separation from the city.

SECOND: Councilmember Harris seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

B. Health Insurance after Retirement:

Dan explained that a policy was put in place that said if you had worked 15 years, or had accrued 960 hours of unused sick leave, upon retirement the city would pay for 5 years medical insurance for the employee and spouse unless they had access to other health care. There has been a lot of confusion among the employees as to which policy applies to them. There are a lot of questions that need clarification. Bill Phelps, with HUB International, gave Dan some suggestions:

1. The city can keep the current policy in place for current and future employees, but better define the vague items.
2. Grandfather all existing employees into whatever they determine the policy is, and new hires would not qualify for this benefit.
3. Grandfather the original employees that had been vested, then move forward from that point.
4. Monetize each employee's accumulated sick leave hours, then, take those premium dollars and provide insurance with the city's insurance until they use up their bank.
5. Retain the same policy, but require the retired employee to pay the difference in premium as renewals go up. This protects the city's exposure.
6. Monetize each employee's accumulated sick hours, set up a health retirement account for them, allow retired employees to obtain their own insurance, and allow them to pay for their insurance with that HRA.

Dan said the problem with monetizing sick hours is that you encourage people to not use their sick time when they are sick. People come to work sick, get other people sick, and perhaps are not very productive. On the other hand, it also encourages people not to abuse their sick time. You must be careful what you incentivize.

Attorney Burns said that there are three separate issues. One, determining what the appropriate number of years is for qualification. Retirement is usually 20-25 or 30-35 years. The second issue is what is the expectation from the employees. He said this is an issue that has been debated and discussed nationwide. He said the trend nationwide is sick leave is for people to use when they are sick. It should not be monetized. It is not something to be cashed in when you leave. The third thing is when someone serves loyally for whatever time they decide, you hate to just let them go without any insurance. He said this is not something that is mandatory on a municipality. An employee has sick hours and at the time of retirement, you leave. Having access to insurance – whether through Medicare, or through a spouse, is a “mushy” subject that needs defining. He said it is up to the council on how to handle this, and these are the three equitable considerations they need to make.

Attorney Burns said, for the record, that the way the policy is crafted now it is unfair to the employees and to the city council and mayor. It needs to be redrafted, written, distributed, and noticed to the employees. He said he applauds the council for doing the hard work and cleaning things up.

MOTION: Councilmember Downey moved to table the 5-year retirement health care discussion.

SECOND: Councilmember Topham seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried.

The council scheduled a work meeting for 3:00 p.m. on Thursday, May 16, 2024.

WORK MEETING:

13. Water Ordinance Code Amendments for Turf Removal Qualifications for State Programs

Dan said they needed to wait for the planning commission to have their public hearing on May 15th. They are discussing amending the land use code regarding subdivisions to restrict new development scenarios and subject them to new water conservation requirements. If they choose to, they will also put this, by ordinance, in Chapters 7 of the code "Public Utilities," where there is already code that outlines the city's water conservation plan (PCMC 7.12). If approved, they will add items x, y, and z to the plan. These items will be discussed by the council later. The planning commission will bring a recommendation to the council.

Dan said the Water Board did not want to make a recommendation on this. This will come down to the city council on restricting landscaping related to sod. Dan said the reason they are having the discussion is because there are citizens that want to participate in the Utah Water Savers program "Turf Buy Back," where you get \$3/square foot of turf that is removed. For them to participate, the city must have these three specific water conservation items in the city's land use code for future development.

14. Reports, Updates, Old Business Follow Up: Elected Officials and Staff

Councilmember Topham reported on the drop off/pick up of students at the elementary school. She said traffic is moving smoothly, and it seems to be working well. She has not heard any complaints recently.

Councilmember Harris reported that the airport board meeting was good. They are discussing new hangar leases. Dan said he thinks they may have something to bring to the council to consider. There will be one more meeting to tweak a few things.

Councilmember Dean reported on Arbor Day. He gave a shout out to Linda Smith for providing pencils and bookmarkers to the elementary school kids. He attended water board meeting. They discussed the turf buyback program and the ground water management plan. In the pressurized irrigation meeting they received updates on the Dry Canyon Pond project and the recharge project. Dan said they are waiting to see what the State is doing on implementation. The water board would like the city to hold a meeting and invite everyone, but specifically the large underground water right holders, where they explore some ideas that they would like to propose to our legislative delegation. Then have a second meeting and invite the legislative delegation and other close rural communities, and ask them run a bill that will help meet the needs of these communities.

Councilmember Dean said he is attending the American Planners' Association training.

Councilmember Downey said she did not have anything to report on. She said there was a meeting on the Parkway Bi-way. The mayor filled in for her because she was out of town. Mayor Halterman said it was a good meeting. They walked through the entire project. She said the public works department said they can handle the city's in-kind match. She said the most significant things is that both of our entry signs on both ends of town will be powder coated. The kiosk at the Lion's park will receive two new panels that tell the story of why Parowan is called "Evil Water," and there will be interpretive signage. They will also be moving the Mt. Messiaen monument to either Hidden Haven or Lions Park.

Councilmember Burton thanked Councilmember Dean for going to the water board meeting. He reported on the planning and zoning meeting. They discussed a zone change, a conditional use permit to allow manufactured home sales by the south interchange, they went into the land use code, IADUs, ADUs, and water conservation. They also discussed a proposed residential construction, but it did not go anywhere. Larry Zajac had a couple of items from planning and zoning. He said they did consider and

approve more definitions that will be used in their ADU code and short-term rental code. They considered and approved a draft piece of code for ADU's. they also considered a draft piece of code for IADUs. They are going to bring these to the council in a packet so they all come effective about the same time. Larry said he also attended the American Planners' Association training, and he picked up a tip that he thought was interesting. He said it involved a situation where councilmembers were voting on something and the last councilmember was still trying to decide how to vote. He said the recommendation for that was to have a blind vote. He said it is well documented that people will vote their truest thoughts and their truest mind on a blind vote. They way they recommended doing that is each councilmember would have a slip of paper and would write their name and their vote on the paper and hand it to the recorder. The votes are counted and the mayor gets the count and announces the outcome of that. That avoids undo pressure and stress. He thought that was interesting. The mayor asked him to report on who is attending the training. He has seen planning commissioners, the mayor, the city manager, assistant zoning administrator, and council members there. He said they asked their planning commissioners to come back with three "A-Ha!" moments to brief the rest of the commissioners on.

David Burton asked if there was any report on the recharge. Dan said they have identified a primary route for both pipe lines. They are now going to be potholing and locating utilities to see what type of conflicts there will be. They are fine tuning the site. They are going on a field trip down to a diversion that is on the Virgin River that Alpha designed in lieu of their meeting in two weeks (May 22nd). The first is down 300 South to the old sluice box that sits there now, and the other route is the originally planned route that goes down around the north side of the cemetery, up that residential road, around the fairgrounds, and back to the pond and down 300 East. He said the only way to make 300 East work is to dig it right down the middle of the road all the way down, which is very disruptive and very expensive.

Dan Jessen reported on the pickle ball site. There is a lot of work being done. The new pipeline was installed. They are doing the rough grading, then they will have had it re-surveyed, finish master plan, and go out to bid. There is no doubt they will be done this year.

Dan said the tentative budget will be finished and we will file it. File it means it will be emailed to the council and posted on the website. He said in two weeks they will have a presentation and a public hearing, and in four weeks they will vote to adopt the final budget. That is the budget plan. The only thing that would stop them from adopting the final budget is if they decide to do truth in taxation. The budget must be adopted by June 30th, but the certified tax rate must be adopted by June 22nd.

Dan said he has been working with gas company for months on the pool heater. He got the ok to move forward. They recommend the city get a new heater. Dan feels we need to look at a vented heater, perhaps for next year. There is a punch list of things to get done to get the pool open by the end of the month.

Dan said he met with the selection committee to hire the engineer that will do the bridge design. They must follow UDOT's policy. As of when it is posted on Monday, no one from the city can talk to any vendor who is interested in applying. It specifically restricts Dan because he is on the committee, but they should not to anyone at the city. UDOT follows this like the bible. Questions should be forwarded to the project manager.

Dan also said that the belfry is plumb and it is strong. He said the city crews have done an awesome job and Rosenberg has done a great job on painting the Old Rock Church. The mayor said they have opened round two of bricks sales.

Dan also said that there are volunteers who are going to come in to the library and put things back together and finished before Cori Adams, library director, comes back.

Mayor Halterman did not have anything to report.

15. Closed Session: A closed session was not held.

16. Adjournment

MOTION: Councilmember Topham moved to adjourn the meeting.

SECOND: Councilmember Downey seconded the motion.

VOTE: All councilmembers voted in favor of the motion. The motion carried. The meeting adjourned at 9:00 p.m.



Mollie Halterman, Mayor



Callie Bassett, City Recorder

Date Approved: June 13, 2024