

PAYSON CITY  
REGULAR CITY COUNCIL MEETING  
Payson City Center, 439 W Utah Avenue, Payson UT 84651  
Wednesday, August 7, 2024

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Brett Christensen, Taresa Hiatt, Brian Hulet (online), Anne Moss, Ryan Rowley, William R. Wright

STAFF PRESENT David Tuckett, City Manager  
Cathy Jensen, Finance Director  
Kim E. Holindrake, City Recorder  
Jason Sant, City Attorney  
Brad Bishop, Police Chief  
Robert Mills, Development Services Director  
Travis Jockumsen, Public Works Director/City Engineer  
Scott Spencer, Fire Chief (online)  
Jill Spencer, City Planner  
Michael Bryant, Planner II  
Tracy Zobell, Parks & Golf Director  
Karl Teemant, Community Services Director

OTHERS Chris Kilmer

A. CALL TO ORDER

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 6:04 p.m. The meeting was properly noticed.

**MOTION: Councilmember Christensen – To allow the mayor to deviate from the outlined agenda.** Motion seconded by Councilmember Moss. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

B. ACTION ITEMS

1. Public Hearing/Ordinance – Truth in Taxation and Certified Tax Rate

Staff Presentation:

Cathy Jensen reviewed the proposed certified tax rate (CTR) noting there is new requirement in noticing that take effect January 2025, but staff implemented this year. The tax increase on a \$403,000 residence, which is the average price in Payson, is \$6.65 per year. The tax increase on a \$403,000 business in Payson is \$12.09 per year. She showed the incremented home values and net effect of the tax increase; the tax increase on a \$800,000 residence is \$13.20 per year. Payson City's portion of the property tax allocation is 12%; the rest goes to other entities (Nebo School District 75.28%, Utah County 6.58%, County Assessing Rate 1.10%, Multi-County Assessing 0.15%, Central Utah Water Conservancy District 4%, and State Charter School-Nebo 0.81%). The historic view of the CTR in Payson shows the rate was kept the same the last four years. Keeping the rate the same prevents waffling in the future with a high percentage jump. The net revenue is about \$63,000.

**MOTION: Councilmember Rowley – To open the public hearing for the truth in taxation and certified tax rate.** Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Anne Moss
Yes	-	Ryan Rowley

Public Comment:  
No public comments.

**MOTION: Councilmember Rowley – To close the public hearing.** Motion seconded by Councilmember Moss. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Council Discussion:

Councilmember Rowley noted other cities proposing an increase include Lehi at 6.1% and Vineyard at 18.8%, It's important for the residents to remain solvent and for the city to have a baseline on revenues in order to provide services. This current rate doesn't even keep up with inflation, but it's much better to do small increments rather than a large one. The city strives to keep it as low as possible.

Councilmember Hulet likes the consistency, and it helps with bonding. It's a couple Big Macs

Councilmember Moss has a different perspective. If the city keeps increasing a little every year, it all adds up. If the city says no to exploring something like the Plunder building and then says yes to a tax increase at the same time, it's a conflict. The city had the money, and it didn't increase taxes for the new city building. This impacts the residents and adds to their bills. She lived, not at poverty level growing up, but close, and every dollar counts. A family can get cheaper groceries than a Big Mac. The city isn't in a desperate need to increase anything; the city would be fine. She encouraged those for it to reconsider because it adds up to a big chunk and impacts families.

Councilmember Rowley doesn't believe a blank statement that buying the Plunder building wouldn't have to raise taxes, but the city would certainly have too. With a bond amount, the city would have to tax. He sees a danger in striving to increase spending but decrease revenue.

Councilmember Moss noted revenues could be increased in other areas. Revenues don't need to be increased with the residents. Some residents in the city are already struggling. Everyone is justifying a little increase, which adds up to a lot and takes away from what they need and want. It's not a good idea; it's wrong.

**MOTION: Councilmember Rowley – To approve the (ordinance) Truth in Taxation and Certified Tax Rate as presented.** Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
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97 Yes - Taresa Hiatt  
98 Yes - Brian Hulet  
99 Yes - Ryan Rowley  
100 No - Anne Moss  
101

102 3. Public Hearing/Ordinance – Local Government Officers Compensation (6: 14 p.m.)  
103

104 Staff Presentation:

105 Melanie Marsh stated a new statutory requirement (SB 91) is to hold a separate public hearing to  
106 receive comment on the compensation increases for executive municipal officers. The bill defines  
107 compensation as salary, a budgeted bonus or budgeted incentive pay, a vehicle allowance, and deferred  
108 salary. A compensation increase means an increase in any item mentioned in the compensation  
109 definition. Executive municipal officer means the chief administrative officer (CAO), assistant CAO,  
110 city attorney, an individual who is a head or chief of any city department or division, or an individual  
111 who is the chief assistant or deputy or division head. Payson's positions include city manager, city  
112 attorney, police chief, power director, finance director, public works director, assistant city manager,  
113 fire/ambulance chief, human resources director, community development director, assistant city  
114 attorney/prosecutor, recreation director, golf pro/parks & cemetery department head, and library  
115 director. The proposed total increase is a 4.5%. A 10% increase was given last year because the city  
116 was lagging behind in salaries and having difficulties getting qualified candidates. She attended a  
117 compensation meeting where economists discussed the needs with regard to benefits and pay. Cities  
118 are not as competitive with the private sector statewide.  
119

120 Council Discussion:

121 Mayor Wright noted that for the most part in his 37 years with Payson, the city isn't in competition  
122 with the private sector as much as it is with other cities. Although the city doesn't want to be held  
123 hostage by employees, the city needs to pay attention to wages. Other cities steal employees from  
124 Payson, and it takes months to get another employee plus hidden expenses such as training especially  
125 in the police department.  
126

127 Councilmember Hulet questioned a way to do merit increases instead of across the board increases and  
128 does the city have to do this every year. Employees can see if one gets 5% and one gets 2%.  
129

130 Melanie Marsh replied yes, the city has to disclose each year.  
131

132 Dave Tuckett noted the city still has to disclose. It is up to 4.5% maximum but can be less based on  
133 merit. The State Legislature requires disclosure for certain officers. When COVID hit, the city tried to  
134 get employee salaries up to a comparative rate through studies and salary scales. A quick calculation is  
135 about \$80,000 to \$84,000 for these officers  
136

137 Melanie Marsh noted police wages for Salt Lake start at \$33 per hour, Lehi is proposing \$31 per hour  
138 and Payson is around \$29 per hour.  
139

140 Mayor Wright noted police wages are very competitive and there are hidden costs to get a new officer  
141 up to speed. Some cities have a signing bonus to entice new employees.  
142

**MOTION: Councilmember Christensen – To open the public hearing.** Motion seconded by Councilmember Rowley. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Public Comment:

Paul Johnson stated he believes it's too low. This is one of the best things the city can do to offset the cost of living. He likes the idea of attracting the best and the brightest and even poaching them from surrounding cities. It translates to about \$60,000 per year for \$29 per hour, which doesn't keep up with cost of living.

Kirk Beecher echoed the previous comment. This 4.5% is barely just above the cost of living and could go higher. It's a good thing, a good thing for the city, and keeps employees. The city has good employees. There is no reason to not give them better than the cost of living.

**MOTION: Councilmember Christensen – To close the public hearing.** Motion seconded by Councilmember Hiatt. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Further Council Discussion:

Councilmember Rowley wants the best people working in Payson. It saves the residents money when the city doesn't have to train over and over again. He wants to be competitive with wages and benefits and a place where people want to work. It's a modest amount to stay competitive.

**MOTION: Councilmember Christensen – To approve the (ordinance) local government officers compensation as presented.** Motion seconded by Councilmember Rowley. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Anne Moss
Yes	-	Ryan Rowley

2. Public Hearing – Enterprise Fund Transfers (6:27 p.m.)

Staff Presentation:

Cathy Jensen reviewed the proposed budget including enterprise funds, budget, and RDA.

Changes to Budget:

- Adjust for school employee training (police) to meet new State requirements.
- Rollover Utah Avenue project in B&C.
- New vehicle for engineering (\$60,000).
- Rollover cart storage building at golf RV park.
- Updated workers compensation allocation throughout budget.
- Adjust cost of streets loader lease.
- Increased property tax revenue to reflect potential property tax increase.
- Wage adjustments due to promotion (police) and competitive wage pricing (streets, storm, B&C, landfill)

- Upgraded L118 water one-ton flatbed to one ton dump bed (\$5,000).
- Rollover B&C projects from FY 2024 due to lack of contractors.
- Rollover storm drain curb and gutter for 100 North project from FY 2024.
- Rollover planning department funds for computers and tables.
- Added new insurance rates.
- New billing software for ambulance (\$7,000).
- Adjusted economic development for net golf tournament earnings.
- Adjusted landfill for new garbage truck lease.

#### Insurance Renewal:

- General Liability \$437,502, Workers Compensation \$98,956
- Employee Health Insurance 6.2% increase, Dental 4.7% increase

#### Budget Highlights:

- Added market 4.5% adjustments to individual wages to keep wages competitive.
- Increased some part-time wages.
- Department heads given requested in operation budgets in most cases. Most department heads have requested a conservative budget.
- Total proposed budget for 2025 is \$132,967,706.

#### Proposed Utility Rate Increases:

- Independent rate analysis suggests a power rate increase of 5.5% for the next 4 years to provide for new electrical plant, operations, and SUVPS bonding obligations.

#### Water Fund Highlights (\$8,727,339):

- Forebay bond amount to be transferred from the General Fund to allow additional projects.
- Final payment for CUP infrastructure improvements.
- Christian Life Assembly Church (grant funded).
- CDBG grant for 500 South from 100 West to 500 West.
- Patterson Pump Station.
- Upgrade SCADA system and add security cameras.
- Salem City Interconnect.
- 1/5 of Redbridge Well in water impact fees.
- Replace Mini X (expected surplus sale of old Mini X to offset the cost).
- 1700 feet of 24-inch pipe Payson Canyon and Riley Drive (impact fees).

#### Impact Fees - Water (\$1,847,000)

#### Solid Waste Fund Highlights (\$4,255,668) - Garbage truck lease and employee

#### Electric Power Fund Highlights (\$20,147,597):

- Line truck funded through revolving loan funds.
- Large capital projects scheduled – Transmission line (mostly through impact fees) (\$2,550,000), SUVPS participation bonding, power plant, 650 West 800 South distribution circuit (\$60,000), lighting projects, Mini X (\$150,000).

#### Impact Fees - Power (\$2,627,000 transmission line)

Sewer Fund Highlights (\$46,497,818):

- CUP Spanish Fork to Santaquin line.
- Sewer Plant construction.
- I-15 Trunkline (\$210,000).
- 1/5 Redbridge reimbursement.

Impact Fees - Sewer (\$792,523)

Ambulance Fund Highlights (\$1,534,719):

- Major source of expenditures is operation expenses.
- Ambulance services have been enhanced by the paramedic program.
- New ambulance was ordered last year and should be received in the next couple of years.

Golf Fund Highlights (\$2,050,000):

- Entrance Gate (\$25,000)
- People Moving Cart (\$15,000)
- Top Dresser/Reel Grinder (\$25,000)
- Decks chairs and tables (\$10,000)

Storm Drain Fund Highlights (\$4,479,049):

- CUP Project to Spanish Fork (\$41,800)
- City-wide curb and gutter (\$300,000)
- Box culvert grant project (\$2,000,000)
- Business Park Injection Well (\$300,000)
- Curb box and inlet repair (\$25,000)

Transfers and Indirect Costs:

Indirect costs are charges to departments for services that would otherwise have to be outsourced for payroll, accounting, legal services, etc.

- General Fund – Vehicle Maintenance \$233,086, Information Technology \$474,266
- Electric/Power – General Fund \$806,922, Vehicle Maintenance \$40,790, Information Technology \$63,546
- Solid Waste – General Fund \$459,086, Vehicle Maintenance \$174,815, Information Technology \$10,332
- Water – General Fund \$811,265, Vehicle Maintenance \$58,272, Information Technology \$66,990
- Ambulance – General Fund \$82,737, Vehicle Maintenance \$29,136, Information Technology \$10,332
- Golf Course - General Fund \$99,556, Vehicle Maintenance \$11,654, Information Technology \$30,929
- Storm Drain - General Fund \$307,574, Vehicle Maintenance \$5,827, Information Technology \$5,132
- Sewer Fund - General Fund \$900,777, Vehicle Maintenance \$29,136, Information Technology \$13,776

Interfund Transfers:

Traditionally 9% of enterprise revenue is transferred to the general fund. This year 5% of electric revenue will be transferred to the general fund to help fund the new plant and operations in the Power Department.

Water Fund	Transfer to General	\$511,137
Solid Waste Fund	Transfer to General	\$312,363
Electric Fund	Transfer to General	\$857,203
Ambulance Fund	Transfer to General	\$107,100
Storm Drain Fund	Transfer to General	\$93,870
Sewer Fund	Transfer to General	\$593,100
General Fund	Transfer to PCT	\$7,000
General Fund	Transfer to Electric-Bond	\$260,000
General Fund	Transfer to Water-Bond	\$578,700
Geneal Fund	Transfer to CDBG	\$150,000

Internal Service Funds:

- Vehicle Maintenance \$582,771 - Large lift for ambulance and service truck equipment
- IT \$675,298

Revolving Loan Fund (\$2,430,000):

- Electric Line Truck \$368,000, Cemetery 2021 F150 \$55,000, Administration Escape \$29,000, Administration Escape \$29,000, GIS Chevy Trail Boss \$62,000, Public Works Construction Inspector F150 \$56,000, Golf F150 \$55,000, Golf Ranger \$38,000, Water Chevy 2500 & service bed \$70,000, Water One Ton Flat Bed \$65,000, Water F150 \$60,000, Streets F250 \$55,000, Sewer Ford F350 \$70,000, Storm Drain Corridor Maintenance Ford F150 \$50,000, Solid Waste F150 \$53,000, Building Inspection Ford F150 \$60,000

PARC Tax Fund (\$414,600):

- Utah Live Concerts \$5,000
- Half Penny Youth Theater \$3,150
- Payson Scottish Festival \$6,000
- Payson City Band \$5,000
- Huish Performing Arts \$25,000
- Payson Library Story walk \$10,000
- People Preserving Peteetneet \$17,250
- Payson Civic Chorale \$4,200
- City Projects – Latin Festival \$5,000, Forebay Equipment \$15,000, Recreation Mini X Forebay \$24,000, Playground at Hillman \$180,000, Safety Netting Hillman \$17,000, Trail Repair Near Maples \$25,000, Peteetneet Exterior Painting \$67,000

General Fund (\$27,853,943):

- Steady sales tax
- Decrease in building permits
- Roof repair 40 South Main building (\$11,000)
- Carpet in Banquet Hall (\$35,000)
- Various planning studies
- Increased Animal Shelter Fees

- B&\$ Projects: 680 West 800 South, 450 South 1050 West, Loafer View Road, Riley Drive, 500 South
- Fire Extrication Equipment (\$56,000)
- Polaris Side by Side and Trailer (\$65,000)
- Grounds (2) Ventric Mowers (\$100,000) (\$25,000 annual lease)
- Door scanners for Justice Court (\$7,000)
- Library Feasibility Study (\$20,000)
- Planning Studies
- Recreation Outfield Fence Repair (\$32,000)
- Swimming Pool Toy Refurbish and Irrigation Controller (\$93,400)
- Streets Road Fee Feasibility Study (\$20,000)
- Sidewalk Repair (\$188,400)
- Parking Lot (\$300,000)
- Assistant City Manager

Redevelopment Agency (\$

- Town - \$18,000 (Walgreens Agreement)
- Business Park - \$913,000 (Maker Space)

**MOTION: Councilmember Rowley – To open the public hearing for the Enterprise Funds.**

Motion seconded by Councilmember Moss. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Public Comment:

Chris Kilmer asked if the council has thought about the way the city does budgeting. Every year there is transferring of funds back and forth. Each entity/department needs to stand on its own and quit transferring money back and forth. If the Power Department makes money, spend it on what it needs. If it has extra, great; transfer it to the general fund. It would be clearer on what is being spent. He can't see if departments are making money or costing money. Citizens should readily see what departments are making money and those costing money. He questioned if there are any savings through efficiencies or is it all reduction because it's not spent on projects.

Cathy Jensen explained the best source is the audited financials at end of year. The general fund departments are not expected to make money. The enterprise funds/departments act like individual businesses. Transfers other than operational transfers are overhead allocations for services provided by the general fund for the enterprise funds.

Chris Kilmer noted he understands because he attends some meetings. The average citizen won't understand. He encouraged the council to look at this, which he mentioned last year. It's a better way to budget to see who is efficient.

**MOTION: Councilmember Moss – To close the public hearing.** Motion seconded by Councilmember Rowley. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Council Discussion:

Councilmember Rowley appreciates the comments. Anything that can make this more readable and break it down is time well spent. It will also give departments the opportunity to show how they're



shining. Golf has been making money over the last five or six years. As a government entity, the city is primarily asset consuming. It's not the city's job to make money off residents.

Councilmember Christensen always worries about the golf because it includes parks. More transparency would definitely help.

Mayor Wright noted it is good for the city to be financially stable.

Cathy Jensen explained the city is required to follow government accounting standards and present a balanced budget. The audit is presented to the council in an open meeting.

Councilmember Hulet stated along with the enterprise funds and transferring, those nonprofits that don't pay property taxes is a way to help fund police, maintenance, and staff overhead.

4. Public Hearing/Ordinance – Fiscal Year 2024-2025 Budget (6:47 p.m.)

**MOTION: Councilmember Christensen – To open the public hearing.** Motion seconded by Councilmember Rowley. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Public Comment:  
No public comments.

**MOTION: Councilmember Moss – To close the public hearing.** Motion seconded by Councilmember Hiatt. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Council Discussion:  
Councilmember Christensen stated he doesn't want the \$300,000 for sidewalks to be absorbed into something else. Some departments have had concerns on matching funds. He would like to allocate an amount in the budget for matching funds so when departments find matching grants, there are funds available and not taken from other areas. For example, the Parks Department had to make budget adjustments to purchase the Forebay mini-X.

Mayor Wright noted some of the matching funds are in kind as well.

Dave Tuckett stated staff will look at it and propose a future budget amendment.

**MOTION: Councilmember Hiatt – To approve the (ordinance) Fiscal Year 2024-2025 Budget as presented.** Motion seconded by Councilmember Moss. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Anne Moss
Yes	-	Ryan Rowley

C. ADJOURN TO REDEVELOPMENT AGENCY (6:52 p.m.)

**MOTION: Councilmember Christensen – To adjourn to Redevelopment Agency.** Motion seconded by Councilmember Rowley. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Anne Moss
Yes	-	Ryan Rowley

1. Public Hearing/Ordinance – Fiscal Year 2024-2025 RDA Budget

**MOTION: Director Moss – To open the public hearing.** Motion seconded by Director Rowley. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Public Comment:

Chris Kilmer missed the Truth in Taxation hearing but wanted to be on the record. The city needs to reevaluate its approach to taxation. Taxation is legal theft by taking my money and I don't get a say on how it's spent. Keep this in mind when raising taxes and fees. The city needs to live within a budget and reduce the budget. The city will be more efficient. He challenged the council to completely eliminate property tax. He would spend the money in sales tax if not spent on property taxes. The city may find it doesn't need as much.

**MOTION: Director Rowley – To close the public hearing.** Motion seconded by Director Hiatt. Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion carried.

Council Discussion:

Councilmember Rowley noted as an elected official, this is one of the most important duties is education, information, and prudence with these cherished tax dollars. The city can continue to look at better way to do that, tighten the budget, and maintain a solvent city.

**MOTION: Director Hiatt – To accept the (ordinance) Fiscal Year 2024-2025 RDA Budget as presented.** Motion seconded by Director Rowley. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Anne Moss
Yes	-	Ryan Rowley

D. ADJOURN FROM REDEVELOPMENT AGENCY

**MOTION: Director Moss – To adjourn from Redevelopment Agency.** Motion seconded by Director Hiatt. A roll call vote was taken as follows and the motion carried.

475  
476 Yes - Brett Christensen  
477 Yes - Taresa Hiatt  
478 Yes - Brian Hulet  
479 Yes - Anne Moss  
480 Yes - Ryan Rowley

481  
482 E. ADJOURNMENT

483  
484 **MOTION: Councilmember Hiatt – To adjourn.** Motion seconded by Councilmember Rowley.  
485 Those voting yes: Brett Christensen, Taresa Hiatt, Brian Hulet, Anne Moss, Ryan Rowley. The motion  
486 carried.

487  
488 The meeting was adjourned at 6:58 p.m.

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Kim E. Holindrake, City Recorder