

PAYSON CITY
CITY COUNCIL MEETING AND WORK SESSIONS
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, May 21, 2025

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Brett Christensen (5:50 p.m.), Taresa Hiatt, Brian Hulet (6:45 p.m.), Anne Moss (online), Ryan Rowley, William R. Wright

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Kim E. Holindrake, City Recorder
Brandon Dalley, City Attorney
Brad Bishop, Police Chief
Robert Mills, Assistant City Manager
Travis Jockumsen, Public Works Director/City Engineer
Michael Bryant, Planner II
Jonathan Knight, City Engineer
Karl Teemant, Community Services Director
Shawn Black, Power Director

OTHERS Rachel Cobia, Kaiden Nielsen, Julio Chavez, Theddi Chappell – Sustainable Real Estate Solutions, Chris Thompson – Hansen, Allen & Luce, Glade Nielson – Sunrise Engineering

A. CALL TO ORDER

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 5:35 p.m. The meeting was properly noticed.

B. WORK SESSION

1. Impact Fees

Chris Thompson presented the concept of annual impact fee updates and schedule 2 utility rates. He reviewed the increase in housing units (# of houses needed), increase in households (people moving in/need housing), and the cumulative shortage of housing (# of house built) between 2014 and 2023. The number of housing units needed is not responding to that demand. Generally, residents envision single-family housing and developers envision skyscrapers. What is being built is multi-family housing and townhomes.

A normal impact fee study encompasses a consultant who extracts the information needed from the city. It's a long, painful process you never want to do again. After 7 to 10 years, the city is behind on inflation, collecting less than it should, and budgetary restraints are causing the city to relook at a new study. Following the study, the city goes from the lowest impact to the highest impact fee in the state. This is good for the city, but the developer has done all its return on investment studies based on the lower impact fee, which has now doubled or more. The developer gets the Homebuilders Association

(HBA) involved, and the impact fee study takes a lot of scrutiny. This is the cycle of an impact fee over and over again.

A new way to do impact fees that has worked for 12 to 15 years includes updating an impact fee yearly, which the HBA is supportive in doing even though the impact fee is higher than average in the state.

A schedule 2 rate is what companies do to cover the initial costs of connecting a neighborhood or a new home by charging \$2.50 more than the base rate every month for the first 10 years. It is the rate for a new residence and not a rate increase. The additional \$2.50 goes into the impact fee fund. The schedule 2 rate is attached to the base rate over 10 years, industry and commercial developers like the concept because it lowers startup costs, the legislature likes it because it helps with the housing gap, and local elected officials like it. It allows a city to collect the maximum allowable for an impact fee. There is some liability when a city doesn't charge the maximum allowable impact fee such as not being able to reimburse a developer for additional infrastructure in a reimbursement agreement. Another issue is a homebuilder needs to make a profit of around 15% as well as cover regulation fees, land costs, and construction costs. This takes the cost of building an average home to \$481,847, which many residents can't afford.

One legal issue of using the Schedule 2 rate is ensuring projects are included in the impact fee facilities plan so refreshing the impact fee yearly takes care of that issue. Much of the impact fee data comes from the master plans.

Discussion that the HBA has encouraged cities to update impact fees yearly, which is better for risk assessment. There is still an impact fee at three-quarters of the maximum when using the schedule 2 rate. Payson's impact fees are about in the middle but the city needs to do an impact fee comparison to see where the city sits. It makes those who are creating the impact pay for the impact to the infrastructure, etc. It costs the city less to update impact fees yearly. The city engineer can stamp the impact fee update or a consultant.

C. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Ryan Rowley.

Pledge of Allegiance led by Bill Wright.

D. CONSENT AGENDA

1. Approval of the April 30, 2025, City Council Work Session
2. Approval of the May 7, 2025, City Council Meeting Minutes
3. State Auditor Fraud Questionnaire
4. Confirmation of Monthly Financial Information

MOTION: Councilmember Rowley – To approve the consent agenda. Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Anne Moss

E. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Presentation of new police officer and oath of office

Chief Bishop introduced Officer Rachel Cobia from Payson, Officer Kaiden Nielsen from Santaquin, and Officer Julio Chavez who comes from Kaysville.

Judge Jewell administered the oath of office to Officer Cobia, Officer Nielsen, and Officer Chavez.

2. Payson/Santaquin Chamber Business, Employee, or Community Service Award (6:10 p.m.)

Diane Jensen presented the Community Service Award to Diana Hunt for her dedication to the love of music as a passionate choir teacher at Parkview Elementary.

Diana Hunt stated she loves Payson and was hesitant to leave Iowa. She has worked with amazing principals and loves what she does.

3. Update on I-15 Interchange (6:14 p.m.)

Eric Rasband reported on the Nebo Beltway Interchange Project. The project overview includes construct partial interchange, construct Nebo Beltway (railroad structure to SR-198), forward compatibility with development, FrontRunner, interchange (phase II MAG RTP 2033-2042). City coordination items include aesthetics, betterments (utilities) and roadway cross sections. Drainage is a significant issue with retainage. The project status includes geotechnical investigation, individual property owner visits, geometry review (30% design), initiate the property acquisition process, and city utility design betterment (2-year moratorium on underground work after project completion). UDOT airs on the side of the property owner and avoids eminent domain. Key milestones include public meeting fall 2025, early grading package spring/summer 2026 and roadway work 2027-2028. The website is active on the project.

4. Discussion regarding the Utah Commercial Property Assessed Clean Energy (CPACE) Program (6:27 p.m.)

Robert Mills noted Councilmember Hulet was approached by the development team working on the hotel by Walmart on options for financing that the CPACE can offer. They need the city's help to initiate the program in the community.

Theddi Chappell stated this program is enabled as part of the Utah State Statute to promote energy efficiency and water conservation. Owners request a voluntary special assessment be placed on their property equivalent to a water or sewer assessment with no relationship to taxes or taxing authority in Utah. The program applies to both existing buildings and new construction and includes a provision for retro-active financing of eligible measures. The benefits and characteristics of the program include performance based (focus on increased energy efficiency and water conservation measures), offers owners long-term fixed-rate non-recourse financing, ultimate goal (generate energy savings that offset/exceed energy expenses), can combine incentives (utility, tax, economic development), no personal guarantees require, based solely on building performance, and third-party lenders provide competitive lending option. There are more than 30 capital providers registered with the state to

provide funding. Those who benefit include owners/developers, cities/counties, contractors, and lenders. Eligible property types and improvements include office/commercial/industrial, retail, hospitality, multi-family, energy efficiency/water conservation, renewable energy, EV charging, and seismic upgrades. Soft costs include energy audits, engineering studies, feasibility studies, roof upgrades associated with solar, environmental cleanup, maintenance contracts, and program finance fee (3% at closing). C-Pace 2.0 is structured for success with open market to private capital providers and centralized organization and coordination. There are four basic steps in the application process. 1. Check with SRS to verify if city/county is currently a participating entity. 2 Complete and submit project application. 3. SRS validate eligibility. Eligible for 35% of construction costs. Closed projects include Hyatt Regency Convention Center Hotel in Salt Lake City, industrial development in West Valley City, and Ascent Condo Hotel in Park City. 4. Process is completed. Funding comparison shows a weighted average cost of capital before CPACE at 9.29% and after CPACE at 7.46%.

Discussion that if adopted, it is still just an option to use. It doesn't affect neighboring properties. It creates a more efficient profitable property. The city doesn't have to provide any incentives. The lender puts a lien on the property and is responsible for any collection. This lien is in first position and is what makes it attractive to lenders. The focus is on energy efficiency. The city makes the program available and the property owner makes the decisions.

Robert Mills will have documentation ready for adoption at the next council meeting.

5. Legislative Updates (6:55 p.m.)

Brandon Dalley updated the city council on the 2025 legislative bills. In 2025, 2,131 bills were filed and 582 passed and included 25 housing and land use bills, 24 tax bills, 16 election bills and 13 water bills.

- SJ4/SJ154 – Attorney and Work Product Privilege: Waives attorney-client privilege and attorney work product for legislative audits.
- HB64 – Public Official Bonding: Requires criminal insurance rather than a bond for elected officials for acts of misfeasance and malfeasance in office.
- HB355 – Mining and Critical Infrastructure Amendments: Defines vested critical infrastructure operation and allows expansion on contiguous land the operator owns or controls prior to May 7, 2025. Expansion requires a normal process, but no land use application.
- HB95 – Financial Disclosure Revisions: Requires Lt. Governor to provide on the financial disclosure webpage a way to search for all contributions by a single person or entity and to whom.
- Election Amendments:
 - HB27 - Deals with non-contiguous areas as voting precincts.
 - HB109 - Prevents City Council from changing the rules on how to fire a manager during the lame duck period.
 - HB263 (GRAMA) - Declares the video of ballot processing as a public record, but the election materials are private records.
 - HB300 - Changes the vote by mail system as of 2029. Voters must opt into mailed ballots and use the last four numbers of the Utah driver's license or ID as the voter verification.
 - HB315 - Amends last year's provision on tie-breaking to include a three-way or more ties.

- HB481 - Changes how proposed constitutional amendment are published but only if the constitutional amendment passes.
- HB504 - Mandates the conflict of interest disclosure required of candidates be submitted at the time they file for office (form has also changed).
- HB551 - Prohibits elected officials from using public funds to have their face or name on a billboard.
- SB53 - Amends how voters remove their names from petitions.
- SB54 - Deals with using legal names and nicknames on ballot.
- SB73 - Requires statewide initiative be published in the manner as constitutional amendments.
- SB118 - Requires state higher education to allow use of facilities by political parties.
- SB164 - Requires county clerk to coordinate with USPS regarding mailed ballots.
- SB290 - Candidates for elected attorney must provide proof of qualification at the time of filing.
- SJR2 - Proposed constitutional amendment that would require a 60% majority vote to pass statewide initiatives.
- SJR7 - Only the states can regulate state and local elections, not the federal government.
- HB77 - Prohibits governmental entities from flying certain flags. The only type that can be flown are United States, State, military, tribal, official city flag, official licensed flag of college or university, historic versions of flags, public school flag, and Olympic flag. Violations are \$500 a day for violations not cured within 30 days.
- HB81 - Prohibits addition of fluoride to public water systems.
- HB69 – GRAMA: Classifies voter records as private.
- SB277 - Gets rid of the State Records Committee in favor of an administrative law judge.
- SB169 - Requires entities to register any d/b/a as well as the official organization.
- SB259 - Holy Days: Includes Holi, Lunar New Year, Good Friday, Easter Sunday, Eid al Fitr, Passover, Vesak Day, Eid-al-Adha, Rosh Hashanah, Yom Kippur, Diwali, and Christmas. These are not state holidays except Christmas and now Easter Sunday (state employees may use personal time to take the day off).
- Judicial Amendments:
 - SB203 - Restores traditional standing rest for state and federal courts.
 - SB265 SB 265 Amends Utah Constitutional Sovereignty Act. Prohibits government officers from enforcing some federal laws by expanding “government officer” to include all employees of school districts and institutions of higher education.
- Land Use-Building:
 - HB58 - Building Inspector Amendments. Empowers Uniform Building Code Commission to gather data during the year concerning the building inspection process and report finding to DOPL and the legislature. The commission will issue opinions on code interpretation and send “letters of concern” to inspectors and their employers.
 - HB435 - County building code does not apply to high tunnels.
- Land Use – Housing:
 - HB37 - Allow for incentive density programs for affordable housing.
 - SB181 - Defines “affordable housing” and restricts driveways to 9 x 20 and garage spaces to 10 x 20.
 - SB262 - Allows settlement of land use litigation by consent agreements.
- Land Use – Signs and Other Provisions:
 - HB198 - Clarifies billboard relocations within same city.

- HB255 - Modifies subdivision rules for agricultural lands in counties of 3rd, 4th, 5th, 6th, and towns.
- HB256 - Short-term rental enforcement.
- HB368 - Ministerial land use regulations, annexations, municipal boundary adjustments, identical plans, plan review process, private maintenance of public assets, prohibits public hearings for variances and appeals, and modifies Fire Code roads.
- SB104 – Boundary Adjustments - Modifies definitions applicable to city land development, process for proposing a boundary adjustment, process for reviewing proposed boundary adjustment, exemptions from plat requirements, and process for subdivision amendment.
- SB179 – Requires a land use regulation to review business license uses.
- SB338 Non-Profit - Modifies the definition of “governmental non-profit corporation” to exclude the Utah Association of Special Districts and requires a governmental nonprofit corporation to post financial information on the Utah Public Finance Website.
- HB444 Data Privacy - Modifies requirements for privacy annotations and privacy notices, requirements for government website privacy notices, provisions related to data breach notification requirements, renames and modifies duties of state privacy auditor, modifies enforcement provisions related to privacy requirements.
- Roads:
 - HB26 - Removes SR-107 and SR-299 as state highways and modifies the descriptions for SR-176, SR-193, and SR-287.
 - HB103 - Requires the Public Lands Office and SITLA to identify roads on public lands and record the information with the county recorder. Prevents DWR from permanently closing a road in wildlife management areas without the consent of the county legislative body.
 - HB345 - Describes highway access points near Lost Creek State Park and Utah Raptor State Park.
- SB62 Spaceport – Appropriates \$1 million for a new Spaceport Exploration Committee to look at space launch services for satellites, scientific missions, defense missions, commercial space flights, space exploration, cargo transport, and space tourism.
- Taxes:
 - HB428 - Requires a school district mil levy to be certified by a consensus of the State Tax Commission, Governor’s Office of Planning & Budget, and Legislative Financial Analyst.
 - SB202 - Requires counties to report assessments to State Tax Commission and gives STC authority over non-compliant counties. Removes newspaper notification for tax increase but requires on-line participation at public hearings.
 - SB295 - If budget is reduced below the previous years’ budget in order to increase revenue for 5 years, truth-in-taxation may be avoided.
- Water bills include HB41, HB46, HB47, HB89, HB174, HB243, HB274, HB285, SB83, and SB80.
- SB147 Youth Protection – Requires youth organizations to ask for full name and ID of all employees and volunteers and requires them to check against sex offender registries.

6. Public Forum (7:27 p.m.)

Glade Nielson attended to listen and learn. He saluted all who serve. He lived near hear and has many friends here. He appreciates the sacrifices that go into public service. Sunrise Engineering opened an office in Nephi to increase presence, responsiveness, and close if needed.

7. Staff and Council Reports (7:30 p.m.)

Staff Reports

ADMINISTRATION – Dave Tuckett noted the new high school ribbon cutting two days ago where many attended. There is a lot of work to be done on the new school before opening. He can reach out to the school district if anyone wants to take a tour. There were comments on Facebook about the city buying the old school for a recreation center. The city inquired previously, but there are many problems and issues with old school.

ADMINISTRATION – Robert Mills stated Parade of Homes tickets were dropped off for the council. There is a limit is two because of the \$50 gifting law in state code. There is a Parade of Homes in Payson this year.

Council Reports

Councilmember Hiatt questioned the employee taking care of the Main Corridor needs a side by side with an electric pump as well as parks, recreation, and golf. The savings makes up for the gas ones. Karl Teemant noted that the course has a large one. She thanked Jonathan Knight for clarifying things with her so well.

Mayor Wright noted the Memorial Day program on Monday at the cemetery at 9:30 a.m. He, Briant Hulet, and Robert Mills attended the ICSC event over the weekend, met with many companies, and it was very productive. Announcements will be forthcoming.

Councilmember Moss attended the high school ribbon cutting; the new school is a beautiful building. She congratulated the new officers. Officer Nielsen her sons best friend, and it's great to see him join the force. The Police Department is amazing.

Councilmember Rowley reported the Youth City Council added two new members and toured the city center. The next tour will be the police station. He thanked all the staff for answering all his questions and emails. He thanked Travis Jockumsen and Jonathan Knight for their attention to details with all the projects. He noted that Officer Mimi Sandoval retired, who gave him his first ticket for unsafe backup. She served Payson for a long time.

Councilmember Hulet stated June 7 is Adventure Day. The MTECH board meeting was held today and approved the lease for the Innovation Center for Payson. The ICSC event this year was by far the most productive; it went really, really well. He has attended for years.

Councilmember Christensen gave a shoutout to the employees and appreciates engineering moving things forward. The city has done a lot with officers to keep retention. He feels officers want to stay in Payson.

F. ACTION ITEMS (7:41 p.m.)

- 332 1. Ordinance – Reapproval of the request to extend the municipal boundaries to encompass the
333 property included in the proposed Staheli Payson Addition Annexation containing 26.6 acres
334 located at approximately 675 Goosenest Drive (30:055:0037, 30:055:0048, 30:054:0314,
335 30:055:0051, 30:054:0108, 30:055:0054, 30:55:0030, 30:055:0040)
336

337 Staff Presentation:

338 Michael Bryant addressed items 1 and 2. When this annexation was previously approved, property
339 owners commented that they wanted some input, so information has been added to the agreement. The
340 annexation went past the 60 day deadline to be sent to the Lt. Governor's office so it is being brought
341 back for reapproval. The agreement has clarifying changes noted in red, and the second paragraph
342 needs Wayne Barbon added because he purchased a property. One paragraph was deleted about a trail
343 because no trail in this area. This did not need to go to the Planning Commission.
344

345 **MOTION: Councilmember Christensen – To reapprove (ordinance) to extend the municipal**
346 **boundaries to encompass the property included in the proposed Staheli Payson Addition**
347 **Annexation containing 26.6 acres located at approximately 675 Goosenest Drive.** Motion
348 seconded by Councilmember Rowley. A roll call vote was taken as follows and the motion carried.
349

350 Yes - Brett Christensen
351 Yes - Taresa Hiatt
352 Yes - Brian Hulet
353 Yes - Anne Moss
354 Yes - Ryan Rowley
355

- 356 2. Resolution – Staheli Payson Addition Annexation Agreement amendments
357

358 **MOTION: Councilmember Christensen – To approve the (resolution) Staheli Payson Addition**
359 **Annexation agreement amendments.** Motion seconded by Councilmember Rowley. A roll call vote
360 was taken as follows and the motion carried.
361

362 Yes - Brett Christensen
363 Yes - Taresa Hiatt
364 Yes - Brian Hulet
365 Yes - Anne Moss
366 Yes - Ryan Rowley
367

- 368 3. Resolution – Employee Policy Amendments – Youth Worker Eligibility and Sex Offender
369 Registry Checks and Youth Protection Training and Reporting (7:52 p.m.)
370

371 Staff Presentation:

372 Brandon Dalley reviewed the proposed policies. The first policy requires everyone who works with the
373 youth to have their name run through the National Sex Offender Registry or Utah's Sex, Kidnap, or
374 Child Abuse Offender Registry. If they are found on either registry, they will be disqualified from
375 employment or volunteering. This information is kept confidential. If a current employee or volunteer
376 is found on a registry, they will be immediately removed from their duties involving youth, face
377 termination, and/or legal consequences. The second policy is regarding training and reporting for all
378 youth workers on sexual abuse identification and reporting. The training is a video provided by Utah
379 Local Governments Trust that identifies signs of abuse and who to report to, which is directly to a

police officer or the Division of Child and Family Services. Failure to reports is a class B misdemeanor.

Discussion that training will be coordinated with the city's HR director. Training intervals and running employee names through the registries can be determined by the city council. Current employees could be done now and then every two years, which can be added to the policy.

MOTION: Councilmember Christensen – To approve the (resolution) for employee policy amendments, youth worker eligibility, and sex offender registry checks and youth protection training and reporting with underneath the guidelines the mandatory registry check occurring every two years. 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

G. WORK SESSION

1. Fiscal Year 2025-2026 Budget (7:55 p.m.)

Staff Presentation:

Dave Tuckett noted that staff plans to have budget work sessions on a regular basis. The council has previously discussed the concept of a new fire station and financing. The next step is the design phase. Staff has discussed using \$4 million from fund balance, what the property tax would be, and financing \$6 million.

Cathy Jensen explained every year if there is over 35% excess fund balance, it's moved to the capital improvement fund, which currently about \$11 million. A portion of this will be used to finish the downtown. About \$4 to \$6 million could be used to fund the new fire station. If the city financed \$6 million with an annual debt service with a 15-year bond at 4.12% interest, the cost per household would be around \$56 per year on a \$405,000 home. A \$500,000 household would cost \$69 yearly and \$551,000 would be \$76. This is variable until the CTR comes out and the actual debt service rate.

Councilmember Hiatt is concerned about the pressure this puts on the residents just because previous councils didn't take care of it then.

Councilmember Hulet noted the city has to show how the debt will be paid when bonding. Much of this can be paid with impact fees so the \$76 goes back into the general fund and then could roll back into capital projects.

Dave Tuckett explained that the city has used impact fees quite a bit over the years and have been charged since he started with the city. If response times are quicker, a resident's home insurance may go down. For example, Washington County had a 6 ISO rating and went down to a 3. Payson is a 3 already. The city is in the process of a new study for public safety impact fees. Impact fees can't be used for deficiencies, but some aspects warrant the use of impact fees.

Councilmember Rowley stated an awful lot is being asked of the residents with rate increases and everything is more expensive. If the residents can be told that almost half the funds were saved to pay for it, he would like to use \$5 million from the capital fund at a minimum.

Discussion that the plans could be used in another location with a new site plan. The need for a new fire station is because of growth so impact fees need to be used. Some fund balance should be kept for a rainy day. Just over \$3 million is needed for the downtown project. A budget amendment will be needed before July 1 to true up accounts so some of the fund balance could be used for the design of the fire station. A fire station is needed and a worthwhile investment. Once the certified tax rate is in, additional discussion can be held.

Dave Tuckett addressed the yearly \$300,000 used for sidewalks and showed pictures of completed projects. Staff is gathering information on wages to address at a future meeting. There will be a public hearing on June 4 for utility rate increases.

H. ADJOURNMENT

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

The meeting was adjourned at 8:17 p.m.

Kim E. Holindrake, City Recorder