

PUBLIC HEARING ON THE AMENDED FY 2025 BUDGET
SPECIAL MUNICIPAL BUILDING AUTHORITY (MBA) MEETING
AND THE REGULAR TOWN
COUNCIL MEETING

MINUTES

WEDNESDAY, MAY 21st, 2025, AT 6:30 P.M.

CASTLE VALLEY TOWN BUILDING - 2 CASTLE VALLEY DRIVE

****This meeting was a hybrid meeting held electronically by Zoom and also in person at the anchor site of the Town Building.**

Council Members Present: Mayor Duncan, Council Members Gibson, Hill, and Holland.

Council Present on Zoom: CM O'Brien

Absent: None

Present at the anchor site: Colleen Thompson, Egmont Honer, Elizabeth Cate, Dorje Honer, Ron Drake, Brenda Short, Don and Tia Montoya, Mike Carlyle, Faylene Roth, Bill and Wendy Gustin, Scott Barnhart, and Ouri Malliris.

Others Present on Zoom: John Groo, Pam Hackley, HFH-Hollings? Unannounced 406-225-0021 and Mary Wakely

Call to order and Roll Call

SPECIAL MUNICIPAL BUILDING AUTHORITY (MBA) MEETING

M Duncan called the Meeting to Order at 6:33 PM, Buck called role.

1. Authorization of the annual Town Building CIB loan payment of \$7500.00.

CM Hill moved to approve the Town Building CIB loan payment for \$7500.00; CM O'Brien seconded motion passed unanimously.

PUBLIC HEARING

Public Hearing on the Amended Budget for FY 2025

M Duncan called the Hearing to Order at 6:34 PM.

Public Comment:

Faylene Roth asked what the \$181K Capital fund was used for. CM Hill explained \$147K was for the Backhoe and Grader purchase and \$30K was the Town's contribution to the Upper 80 crossing and \$10K was for the Water study. Roth asked how much money is still in the Capital Fund. Buck responded there is approximately \$500k.

M Duncan explained that with Truth and Taxation the public hearing on the property tax increase has to be after the preliminary tax notices are sent out from Grand County in July. So, the Public Hearing will be August 20th and the FY2026 Budget will be adopted after that.

Bill Gustin stated there was a remarkable variance and why are we allowed to amend the budget mid-year. M Duncan explained we are almost at the end of our fiscal year, and we amend the budget every year, we try to get as close as we can but inevitably there is going to be something else, it is allowed. The variance is because of the capital projects. Gustin asked with the State audit is that variance a concern. M Duncan explained it will change the budget/ audit threshold, and we will be required to do a more detailed audit. Gustin asked why the road maintenance repair is so far off. M Duncan stated because we had disasters. D Honer explained that road equipment maintenance and repair has basically been under-done, last year during and after the floods the first thing we had to do was repair equipment so we could keep using it. Since then, we have been spending a lot more time and ef-

fort in maintaining equipment so it is viable and won't keep breaking down. Buck added that in amending we stay within the department line items, so that money to amend came from not having to lease a backhoe, because we took money out of capital and bought a backhoe. Honer added the Road Department has not gone over budget we have just shuffled money around within the Road's budget. Don Montoya asked if there were any applications for disaster recovery with the State or Federal government. M Duncan explained we don't meet thresholds for that kind of recovery. We are working with NRCS, which we did get some relief they are helping us match funding for the repair Castle Creek culvert. Unfortunately, we are limited by what we can match; NRCS did look at other areas along the drainages. If you have money for a match, you can do more things. Montoya stated that is a huge bite is there a way we could extrapolate rather than pay for it all at once. CM Hill stated we did also apply for CIB emergency funding but were denied, it was hard to get Federal funding for the Upper 80 crossing. We are between a rock and a hard spot as far funding goes. M Duncan added that to put this into perspective the year Moab had the major floods they did not meet the FEMA thresholds for recovery money. We don't even have the infrastructure to ever meet the FEMA thresholds. Scott Barnhart stated how much they appreciate how well run the Town is, we recognize there are a lot of services, and we support the property tax increase. Buck added that with grants there is always a match required and there is always a pre-paid reimbursement. We have to pay and then file for reimbursements and wait to be paid back. Brenda Short asked if the Placer creek crossing has been reimbursed. M Duncan responded yes, we just barely last week got reimbursed. We put money away every year since the last property tax increase 10 years ago specifically for capital projects. Don Montoya asked what line 5547- \$36,740.00 was for. M Duncan, CM Hill and Buck explained this was for engineering for the Castle Creek culvert; \$32000.00 will be reimbursed as part of the NRCS grant. NRCS covers 100% of the technical assistants/engineering part of the armoring protection of the crossing/culvert we have to cover the engineering on the actual structure. The \$520K includes the structure itself and our portion/ match of the armoring. Montoya asked if that was the current bid. M Duncan stated we have not put it out for bids yet, that amount is what we consider the max for the project, hopefully it will be less. Montoya stated he has worked on projects like this his entire life and there are many different methods to reduce/control stream bank erosion methods through engineering. M Duncan added that we are on an alternative now we looked at things that were much less expensive and then when the hydrology data came back it would not meet the volumes we have seen, what we have now is rated for 1500 cfs (cubic feet per second) basically severely under capacity for what we have seen. Honer explained what we are looking at now is an arch open bottom culvert that can handle 5000 cfs. Most of the costs are the excavation, installation of the culvert and repair of the road above it. Montoya suggested streambed erosion mitigation could reduce the need for the culvert cfs capacity. M Duncan added the NRCS funding requires specific design standards the engineering and project will be based on the hydrology data. Montoya pointed out the Courthouse wash at the Utahraptor State Park required State engineering for stream bank mitigation. Honer added the last flood had Castle Creek at 3000-4000 cfs. Buck and CM Hill agreed that the June 2024 flash flood severely damaged the existing culvert and it could have easily run over the road which would have destroyed the road. Short asked where in the budget is the money for maintaining the side roads. Honer responded that it is under the road staff salary line items. Also, money is set aside every year to buy road material (gravel). Honer continued this last year priority has been to fix damaged drainages, so a lot of road surface work still needs to be done. M Duncan continued road maintenance is the primary reason for the property tax increase. Honer explained right now the road department budget can only afford a 2-day work week. Gustin asked if the property taxes will

have a fixed escalation every year. M Duncan explained we don't do increases often; we know that people are already paying too much and that Grand County keeps increasing our taxes. We also have a fair amount of sales tax revenue that has increased over the years to a point where we have not needed to raise property tax. Short asked how the Town gets sales tax without having businesses in the Valley. CM Hill explained some of the money generated from State sales tax on automobiles, boat, RV taxes and registration fees. Mon-toya asked why the budget jumped from \$391656 in 2024 to \$847370 in 2026. CM Hill explained the 2026 budget includes the Capital fund transfer of \$520K for the castle creek culvert. Every year we save our surpluses to our Capital fund account in order to save up to do capital projects such as the culvert and chip sealing Castle Valley drive. The only way to pay for these capital projects is to save our surpluses. Our 2026 operating budget property tax revenue will increase \$75K from \$135K to \$210k. The budget has to reflect capital funds used for projects. M Duncan appreciated all the questions please come back in August for the Public Hearing on the property tax increase. Roth asked how many more days per week the road department will work with the property tax increase. Honer hoped it would allow for 3-4 day work weeks. CM Hill thanked everyone for showing up.

Regular Town Meeting

M Duncan called the Regular Meeting to Order at 7:09 PM.

1. Open Public Comment: None

2. Approval of Minutes: Regular Town Council Meeting April 16, 2025.

CM Hill moved to approve the April 16th Minutes, CM O'Brien seconded motion passed unanimously.

3. Executive Reports:

*Water Agent and Water Committee Report - John Groo reported the draft of Water Budget Study has been released. The Final will be released to the public in July. The Study is excellent; it contains valuable information for future water management and water rights strategies. CM O'Brien commented the Study is very, very well written and understandable for the layman. It was agreed the Study was money well spent. Groo expanded the Study information will help quantify the Aquifer and the dynamics of how water moves through it and interacts with surface water. Groo also explained that the Division of Water Rights website posts any new water rights filings. Two recent applications were an existing right extension the other was for a property in Willow Basin. Neither affected the Town's interests. Buck added the Water Study cost \$100,000.00; Utah Geologic Survey paid half, Federal and CIB grants paid for the rest except for the \$9000.00 contribution from the Town.

*Road Department Report- D. Honer explained all the dirt hauling in the valley was from cleaning out drainages/ ditches to increase flow volume. And also, to create space to be able to clear debris effecting flow. Honer reported that most of the culverts plugged with tumbleweeds have been cleared out. Honer is still working with the BLM to get permission to work on Castle Creek up above Shafer Lane.

*Planning & Land Use Commission-Faylene Roth reported the General Plan Survey is getting close to being done and should go on to the Council in July and out to property owners in August. Ideas for increasing the promotion of the survey were discussed to try to get more surveys returned / input.

*Utah Renewable Communities-CM Gibson reported that the Public Service Commission has approved the URC solicitation packet. RMP still needs to file their program activation documents.

*Fire District-Chief Drake reported the Burn Window is closed. And the Fire District will be putting on a 4th of July Pancake Breakfast. M Duncan added that there are 2 open seats on the Fire District Commission; these positions need not be active firefighting positions.

*I.T. Report - report provided. Colleen Thompson reported that after promising us there would be State funding for free email hosting she has since been informed the Town doesn't qualify.

Thompson is still looking into email storing and archiving options. Meanwhile the State keeps coming up with more cyber /I.T requirements.

4. Correspondence: None

5. Administrative Matters & Procedures: No Town letters. Election Declaration Week is June 2-6. The Property Tax Public Hearing is on August 20, 2025.

NEW BUSINESS

6. Discussion and Possible Action re: Resolution 2025-3 Adopting the Amended FY 2025 Budget.

CM Gibson moved to approve Resolution 2025-3 Adopting the Amended FY 2025 Budget.

CM O'Brien seconded motion passed unanimously.

7. Discussion and Possible Action re: Resolution 2025-4 Adopting the Proposed FY 2026 Budget.

CM Hill explained this will be the budget up until the Public Hearing on the property tax increase in August after which the Council will vote on it in order for it to be the final approved FY 2026 Budget.

CM Gibson moved to approve Resolution 2025-4 Adopting the Proposed FY 2026 Budget.

CM O'Brien seconded motion passed unanimously.

8. Discussion and Possible Action re: Payment of MBA CIB Loan for \$7500.00.

CM Hill moved to make the CIB loan payment, CM Gibson seconded, motion passed unanimously.

9. Discussion and Possible Action re: Approval of the "Public Land Sales Provision" Letter. Council complimented Holland on a great letter.

CM Hill moved to approve the "Public Land Sales Provision" Letter, CM Gibson seconded the motion passed unanimously.

10. Discussion and Possible Action re: Approval of Castle Creek Arch Culvert Project for up to \$520K Capital Funds.

CM Hill moved to approve Castle Creek Arch Culvert Project for up to \$520K Capital Funds and hoped we do not need to spend that much. CM O'Brien seconded, motion passed unanimously.

Drake asked why the project had changed from having an insert in the existing culvert to the arch culvert. M Duncan and Honer explained the latest hydrology studies showed the insert would further reduce flow volume. It is not cost effective for the Town to spend so much money for a less efficient culvert, especially considering the flashflood volumes we saw last year.

UNFINISHED BUSINESS

11. Discussion and Possible Action re: Water Agent Job Description/ Budget (tabled).

CM Hill moved to un-table, CM Gibson seconded, motion passed unanimously.

M Duncan explained this version has John Groo's input.

CM Hill moved to approve the Water Agent Job Description, CM Holland seconded, motion passed unanimously.

12 Closed Meeting (If necessary)

13. Payment of the bills.

CM Gibson moved to pay the bills, CM O'Brien seconded, motion passed unanimously.

ADJOURNMENT

M Duncan adjourned the Meeting at 7:55PM

Approved:



Jazmine Duncan, Mayor

Attested:



Jocelyn Buck, Town Clerk