MINUTES OF MORGAN CITY COUNCIL MEETING	**May 12, 2026; 7:00 P.M.**
MAYOR AND COUNCIL MEMBERS and PRESENT:	**Mayor Steve Gale, Tony London, Laurann, McGuire Jeff Wardell, David Alexander**
STAFF PRESENT IN-PERSON:	**Ty Bailey, City Manager; Gary Crane, City Attorney; and Janet Pace, City Recorder**
EXCUSED:	**Jeffery Richins**
OTHERS PRESENT:	**Scott Jensen, Natalie Weeks, Hadley Weeks, Jane Cantwell, Skyler Crowther, Mason Williams, Chary Jensen and Lance Prescott**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morganutah.gov

This meeting was called to order by Mayor Steve Gale

The pledge of allegiance was led by Council Member Jeff Wardell

The opening ceremony was presented by Council Member Laurann McGuire

APPROVAL OF MEETING AGENDA

MOTION: Council Member Tony London moved to approve the agenda.

SECOND: Council Member Jeff Wardell

Vote was 4 ayes; Motion passed unanimously to approve the agenda; council member Jeffery Richins was absent.

MINUTES AND WARRANTS

MOTION: Council Member Tony London moved to approve the following:
Minutes of the City Council Meeting – April 14, 2026, and the Warrants from April 11, 2026 to May 8, 2026

SECOND: Council Member Dave Alexander

Vote was 4 ayes; Motion passed unanimously to approve the agenda; council member Jeffery Richins was absent. Mayor Steve Gale made a change in the order in the Action Agenda.

VERBAL PRESENTATION

Results of the Naming of the Alleyway – Jake Young

Jake gave a verbal presentation on naming the new alleyway plaza and explained that the project had reached the point where the City needed to select an official name for the new public gathering space. He reviewed the process used to gather input, including brainstorming by the Planning Commission, feedback from the Council and historic committee, and a public survey that received 110 responses. Jake said the survey results showed **Front Street Plaza** as the top choice, followed by **Commercial Street Plaza**, with the remaining options ranking noticeably lower. He noted that the survey was intended to provide guidance, but that the final decision would rest with the Council.

Council discussion focused mainly on whether naming the plaza **Front Street Plaza** would be confusing if the street itself remains officially named Commercial Street. Tony asked whether it would make sense to change Commercial Street back to Front Street if that name were selected for the plaza. Jake explained that renaming the street could be done, but it would involve some work with the post office, businesses, residents, and signage. Dave and Laurann both discussed the historical connection to the name Front Street, with Laurann noting that she remembered it by that name growing up. Gary later added that Front Street was historically the name used for the road in front of the railroad tracks and that it eventually evolved into Commercial Street as the downtown business area developed.

The Council generally expressed support for the name **Front Street Plaza**, while also recognizing that changing the actual street name might be a separate issue for another time. Jake suggested that staff could research the process further if the Council wanted to explore a future street rename, including input from the post office and affected businesses. Dave noted that the survey results carried significant weight with him, and Tony agreed that the public response favored Front Street Plaza. By the end of the discussion, the Council gave positive directions to move forward with a resolution at the next meeting naming the plaza **Front Street Plaza**, with the intention of announcing the name at the upcoming ribbon cutting and Front Street Festival.

Morgan High School Flag Fundraiser - Morgan High School Cheerleaders

Members of the Morgan High School cheerleading team addressed the Council regarding their annual flag fundraiser. They explained that the fundraiser would provide a service to the City by placing flags for several holidays, including Memorial Day, Flag Day, Independence Day, Pioneer Day, Labor Day, Veterans Day, and Election Day. They noted that the City had purchased 10 flags in the past and asked whether the City would like to participate again and, if so, how many flags it would like to purchase.

During discussion, Tony said he was comfortable continuing the same level of participation the City had used previously. Dave agreed and noted that the expense had already been budgeted. The Mayor also expressed support for continuing the program, adding that the only real question was whether the City wanted to increase the number of flags or locations. Dave commented that he liked the distribution of flags the cheerleaders had proposed.

DISCUSSION ITEMS

Budget Officer Intends to State the Tentative Budget Includes a Property Tax Increase – Ty Bailey
Ty explained that a new state requirement now requires the budget officer to give public notice on the agenda whenever a tentative budget includes a possible property tax increase. He said the tentative budget currently includes an additional $20,000 in property tax revenue, but he anticipates that amount may be covered by new growth once the certified tax rate is issued. If that happens, it would not actually result in a tax increase. Ty noted, however, that the challenge is timing, because the City does not receive the certified tax rate until June 6, while the deadline to begin the truth-in-taxation process is June 1. He said that makes it difficult to know in advance whether a truth-in-taxation hearing will actually be necessary.

Tony clarified that if the certified tax rate comes in high enough to cover the additional $20,000, then the City would not need to proceed with truth in taxation. Ty agreed and explained that if the certified rate comes in lower than expected, the City would either need to reduce the budget to match that rate or move forward with the truth-in-taxation process. He added that the $20,000 figure was intentionally kept low because he was estimating that new growth would likely absorb it and did not want to propose a larger increase in the tentative budget. Dave noted that $20,000 would be only a small contribution toward capital projects, and Ty acknowledged that while larger needs may exist, he was trying to take the most conservative approach possible at this stage.

The Council also discussed the additional notice requirements now imposed by the state. Ty explained that the City must not only identify the possible increase, but also show the projected percentage increase and the estimated effect on an individual property tax bill. He said this item was intended to satisfy that notice requirement and make the public aware early in the budget process. Ty also commented that although many proposed tax-related bills did not pass this legislative session, this particular requirement did.

Tony then asked about the history of the City's mill levy and why it has declined over time. Gary explained that the certified tax rate is driven largely by property values, while new growth is treated separately. He said the State Tax Commission uses a complicated formula based on prior year revenue and the adjusted current tax base, and that although cities can see parts of the formula, it is still difficult to fully explain. Ty agreed and said that even with access to the calculation details, there are still parts of the process that feel unclear. Dave noted that the system is designed to keep revenue generally neutral, so if property values rise, the mill levy falls, and if values fall, the mill levy can rise.

Laurann asked whether this was mostly an administrative requirement, and Ty said that it was. He explained that the City still has authority to adopt its own budget, but if it wants to collect more than the certified tax rate allows, it must go through truth in taxation. He also noted that some proposed legislation had gone even further and would have shifted more of that process away from the Council, but those proposals did not pass. Ty added that the City's share of a total property tax bill is relatively small, roughly 15 percent.

PUBLIC HEARING

ADOPTION OF A TENTATIVE BUDGET FOR MORGAN CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027

MOTION: Council Member Dave Alexander moved to open the public hearing to hear public comments regarding a Resolution to Adopt a Tentative Budget for Morgan City for the Fiscal Year Beginning July 1, 2026, and Ending June 30, 2027

SECOND: Council Member Jeff Wardell

Vote: Unanimous

Public Comments:

Scott Jensen commented that North Morgan will likely need a park as the area continues to grow. He noted that with many new families moving into townhomes with limited yard space, additional park space would be beneficial for children and families. He offered the suggestion for the Council's consideration.

MOTION: Council Member London moved to close the public hearing.

SECOND: Council Member Dave Alexander

Discussion on the Motion: None

Vote was unanimous

ACTIVE AGENDA

A RESOLUTION ADOPTING A SIGN MANAGEMENT, MAINTENANCE & INSPECTION PROGRAM (SMMIP-SIGNS) - RESOLUTION 26-20

This item was discussed thoroughly during the work session prior to this meeting.

MOTION: Council Member Tony London moved to adopt a Resolution adopting a Sign Management & Inspection Program (SMMIP-Signs) – Resolution 26-20

SECOND: Council Member Jeff Wardell

Discussion on the Motion: None

ROLL CALL VOTE: Dave Alexander – aye
Jeffery Richins – absent
Jeff Wardell – aye
Tony London – aye
Laurann McGuire – aye

Vote was 4 ayes; Motion passed unanimously to adopt a resolution adopting the sign management, maintenance & inspection Program (SMMIP-Signs). Resolution 26-20; Council member Jeffery Richins was absent.

A RESOLUTION ADOPTING A SIDEWALK REPLACEMENT POLICY FOR MORGAN CITY, UTAH – RESOLUTION 26-21

This item was discussed thoroughly during the work session prior to this meeting.

MOTION: Council Member Tony London moved to adopt a resolution adopting a Sidewalk Replacement Policy for Morgan City, Utah – Resolution 26-21

SECOND: Council Member Jeff Wardell

Discussion on the Motion: None

ROLL CALL VOTE: Dave Alexander – aye
Jeffery Richins – absent
Jeff Wardell – aye
Tony London – aye
Laurann McGuire – aye

Vote was 4 ayes; Motion passed unanimously to adopt a resolution adopting a sidewalk replacement policy for Morgan City, Utah – Resolution 26-21; Council member Jeffery Richins was absent.

A RESOLUTION ADOPTING A TENTATIVE BUDGET FOR MORGAN CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30 2027 AND SETTING A DATE FOR A PUBLIC HEARING TO ADOPT FINAL BUDGET – RESOLUTION 26-19

Tony asked several questions about items in the tentative budget, beginning with the Municipal Energy Tax. Ty explained that the MET revenue estimate had been reduced because the City now has actual collection data showing it will generate only about half of what was originally anticipated. He noted that the City chose not to pursue a property tax increase last year because the MET was expected to offset that need, but the revenue has not come in at the level first projected.

Ty also explained several other budget line items. He said the increase in miscellaneous revenue reflects an anticipated storm drain reimbursement related to additional capacity installed as part of the plaza project. He clarified that the increase in park improvement and engineering costs is tied to the fishpond park project, including design work and project construction. Ty noted that the City was awarded $717,000 from the Outdoor Recreation Grant rather than the full $1 million requested, which means the City will need to cover a larger share of the project cost or seek additional funding through another grant application in the fall. He said he was inclined to accept the grant award rather than delay the project and risk losing future funding opportunities.

The Council also discussed other capital items in the budget. Ty explained that the cemetery capital outlay includes a proposed building at the South Cemetery for equipment storage, office space, and related uses, although that project may or may not move forward. He said road-related LOST and county option sales tax funds are being budgeted for future street projects, including possible work on Commercial Street, and noted that some of those projects would depend on outside grant funding. Ty also reviewed major items in the electric fund, including reduced projected revenue due to a small rate adjustment, the expected reimbursement from the State Street project, and equipment purchases such as a digger derrick truck, a recloser for the Mahogany Ridge substation, and a wire puller for subdivision work.

Throughout the discussion, Ty emphasized that several of the larger project amounts are included in the budget so the City is prepared if funding is awarded or projects move forward, but that not all of those expenditures will necessarily occur if the related grants or plans do not materialize.

MOTION: Council Member David Alexander moved to adopt a resolution adopting a tentative budget for Morgan City for the Fiscal year beginning July 1, 2026 and ending June 30, 2027 and setting a date for a public hearing to adopt final budget – Resolution 26-19

SECOND: Council Member Jeffery Wardell

Discussion on the Motion: None

ROLL CALL VOTE: Dave Alexander – aye
Jeffery Richins – absent
Jeff Wardell – aye
Tony London – aye
Laurann McGuire – aye

Vote was 4 ayes; Motion passed unanimously to adopt Resolution 26-19 – A resolution adopting a tentative budget for Morgan City for the fiscal year beginning July 1, 2026 and ending June 30, 2027, and setting a date for a public hearing to adopt final budget – 26-19; Council member Jeffery Richins was absent.

AN ORDINANCE AMENDING TITLE 3, CHAPTER 06 SOLICITATION LICENSE, OF THE MORGAN CITY CODE EXTENDING APPLICABILITY OF THE CHAPTER TO EMPLOYERS AND CONTRACTORS- ORDINANCE 26-07

Ty explained that the ordinance amendment was prompted by a recent incident involving a solicitor who misrepresented himself as being from Morgan City Power while promoting a solar project. Ty said the individual was later located, cited for soliciting without a license, and escorted out, but the City had no clear way to hold the company itself responsible for the solicitor's actions. He said the proposed code change was intended to address that issue by making the employer or company accountable when a solicitor is acting on its behalf.

Gary clarified that the purpose of the ordinance was to make the employer responsible to the same extent as the solicitor. He also noted a drafting correction in the ordinance, explaining that the word "employer" needed to be removed from one section so the language would read properly. In response to a question from the Mayor, Gary said the City would still need to verify that the solicitor was actually representing or contracted with the company before holding the company liable.

Dave noted that part of that verification would come through the solicitor application process, since applicants are required to provide employer information. Ty added that solicitors are supposed to obtain a permit from the City and display identification while soliciting. Dave recalled that the ordinance requires visible identification, and Ty confirmed that solicitors are expected to show that permit when going door to door.

MOTION: Council Member Jeff Wardell moved to adopt an ordinance amending title 3, chapter 06 solicitation license, or the Morgan City code extending applicability of the chapter to employers and contractors – Ordinance 26-07; And with the added section 3.06.035, scratching the word "employer."

SECOND: Council Member Tony London

Discussion on the Motion: None

ROLL CALL VOTE: Dave Alexander – aye
Jeffery Richins – absent
Jeff Wardell – aye
Tony London – aye
Laurann McGuire – aye

Vote was 4 ayes; Motion passed unanimously to adopt an ordinance amending title 3, chapter 06 solicitation license, or the Morgan City code extending applicability of the chapter to employers and contractors – Ordinance 26-07; And with the added section 3.06.035, scratching the word "employer."
Council member Jeffery Richins was absent.

A RESOLUTION APPROVING A SUBDIVISION BOND AGREEMENT FOR IMPROVEMENT AND A WARRANTY BETWEEN MORGAN CITY AND ADAMS CONSTRUCTION SERVICES INC. – RESOLUTION 26-22

Ty explained that the item involved a minor subdivision and the required bonding for storm drain improvements. He said the bond amount was based on the engineer's estimate for installing the storm drain and would allow the City to complete the work if the developer failed to do so. Ty noted that once the storm drain is installed and accepted, the bond would be released back to the developer.

During discussion, Dave asked whether the City ever holds cash directly instead of using an outside bank or title company. Gary said that while the City can do that, it is more difficult to track and manage internally, especially over multiple years and projects. He also explained that cities rely on these bonds because, unlike private parties, they do not have the same ability to file liens for unpaid improvement work. Gary said the bond process helps protect the City both during construction and afterward, since the City also retains a warranty portion for a period of time in case improvements fail.

The Mayor asked whether the cost estimate for the bond comes from the City's engineer or the developer's engineer. Gary explained that the developer's engineer prepares the estimate, and the City's engineer reviews and approves it before it is attached to the bond. Tony confirmed that understanding, and Gary noted that this is standard practice. Dave also commented that the escrow form in the packet appeared to be a poor copy and asked staff to check whether a cleaner version was available.

MOTION: Council Member David Alexander moved to approve a resolution approving a subdivision bond agreement for improvement and warranty between Morgan City and Adams Construction Services Inc. – Resolution 26-22

SECOND: Council Member Jeff Wardell

Discussion on the Motion: None

ROLL CALL VOTE: Dave Alexander – aye
Jeffery Richins – absent
Jeff Wardell – aye
Tony London – aye
Laurann McGuire – aye

Vote was 4 ayes; Motion passed unanimously to approve a resolution approving a subdivision bond agreement for improvement and warranty between Morgan City and Adams Construction Services Inc. – Resolution 26-22; Council member Jeffery Richins was absent.

<u>City Manager Updates</u>

Interviews for Treasurer

Ty explained that the item had been placed on the agenda primarily to update the Council on the treasurer interviews. He noted that a candidate had already been selected and that the Council had been notified. Ty also followed up on a question from Dave regarding a refund listed on the warrants, explaining that it involved a building permit and impact fees for a home that was never constructed, so the fees were refunded after the permit was withdrawn.

Ty also reminded the Council about Laurie's upcoming retirement and the luncheon planned in her honor. He said the new treasurer has city finance experience, having worked for Ogden City and currently for North Ogden City, and that her background in municipal finance stood out during the interview process. Ty explained that because the treasurer is appointed by the Mayor with the advice and consent of the Council, the new treasurer would be presented to the Council at the next meeting for formal appointment. He added that she is scheduled to begin work on June 2, with Laurie's final day set for June 16.

This meeting was adjourned at 8:30 p.m.

Janet Pace
Janet Pace, City Recorder

S Gale
Steve Gale, Mayor

These minutes were approved June 9th, 2026 meeting.