

1 PAYSON CITY
2 COUNCIL MEETING AND WORK SESSIONS
3 Payson UT 84651 – Held via remote conferencing through Zoom Video Communications
4 Wednesday, April 1, 2020
5

6 CONDUCTING William R. Wright, Mayor
7

8 ELECTED OFFICIALS Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton,
9 William R. Wright
10

11 STAFF PRESENT David Tuckett, City Manager
12 Mark Sorenson, City Attorney
13 Kim E. Holindrake, City Recorder
14 Cathy Jensen, Finance Director
15 Jill Spencer, City Planner
16 Travis Jockumsen, City Engineer/Public Works Director
17 Daniel Jensen, Planner II
18 Brad Bishop, Police Chief
19 Scott Spencer, Fire Chief
20

21 OTHERS Aaron Wade – Gilmore & Bell, Randy Larsen – Gilmore & Bell,
22

23 William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at
24 5:00 p.m. The meeting was properly noticed.
25

26 A. WORK SESSION

27 1. Discussion regarding Public Improvement Districts (PIDs)
28

29 Aaron Wade stated PIDs are a new tool that falls under the Local District Act. Senate Bill 228
30 passed in 2019. It gave counties and cities the ability to create PID's to be used as a finance tool for
31 new development or redevelopment. A PID is repayable through property taxes in the district or
32 assessments similar to SAA bonds. There needs to be a balance between the city and developer on
33 what is to be achieved. With any tool, there may be pitfalls and things to be aware of. Historically,
34 tax increment financing (TIF) and assessment areas/bonds have been the two key economic
35 development tools. A PID is a local district under Utah Code Title 17B, which is an independent
36 political subdivision with its own board, annual audit, etc. Any bonds or debt issued by the PID are
37 not considered debts of the city. Defaults by PID taxpayers are not enforced by the city. A PDI
38 creates a new tax revenue stream rather than reallocation of existing taxes. A PID is a discretionary
39 tool mutually agreed to by both sides. The city has no liability for denying a PID. The creation of a
40 PID requires the consent of 100% of the property owners and voters within the PID boundaries. The
41 costs of creating the PID, legal counsel, financial advisors, etc. is paid by the property owners. The
42 PID has broad powers to finance any type of public infrastructure including any improvements that
43 will be owned by the city. A governing document is created setting the rules and powers of the PID.
44 The PID board is comprised of members initially appointed by the creating entity such as property
45 owners or designated representatives. The board then transitions to an elected board as electors
46 reside in the PID, and the board's authority is constrained by the limitations established in the
47 governing document.
48

49 Randy Larsen stated the city’s radar should go up when creating a separate entity in the city. He
 50 clarified that a PID has no powers over the city such as planning, zoning, permitting, etc. Its sole
 51 purpose is a capital finance tool. The city owns the infrastructure in the normal course of time. Once
 52 the financing is complete, the PID goes away. The final way to mitigate this new entity in the city
 53 boundaries is having a governing document so the PID can’t act contrary to the city.

54
 55 Aaron Wade clarified there is a board and not just a treasurer because the board makes decisions on
 56 the bonds and the debt timing. A local district requires a board. The board has an odd number of 3
 57 to 9 members.

58
 59 Randy Larson stated potential uses of PIDs include incentivize commercial development, facilitate
 60 master planned communities, incentivize multi-family and/or low-income housing, and enhanced
 61 infrastructure such as increased capacity in roads and pipes. It’s a balancing act with impact fees.

62
 63 Aaron Wade stated PIDs can fund infrastructure offsite that accommodates the development. PIDs
 64 may issue special assessment bonds, general obligation bonds (not typically), and limited tax bonds
 65 as well as TIF revenues pledged to repay the bonds. Limited tax bonds are fixed rate bonds
 66 generally for a 30-year term, not subject to a fair market value ratio prior to issuance, and repaid
 67 from a limited ad valorem property tax. The tax payment is pegged to the taxable value of the
 68 property. Statutorily, this rate may not exceed 15 mills. A lower limit may be established by the
 69 creating entity in the governing document or in the bond documents. It’s a new revenue source so
 70 there is no need to negotiate with a school district, RDA, etc. In the event the proceeds of the
 71 limited tax are insufficient to meet annual debt service as it comes due, there is no an event of
 72 default, no statutory remedy to require additional taxes or fees of the PID, and no statutory recourse
 73 to the property or the property owner. Because of these unique features, the statute limits the sale of
 74 limited tax bonds to qualified institutional buyers or to be sold in denominations of \$500,000.

75
 76 Randy Larsen noted as the city considers a PID, the future home owners and property owners are
 77 not involved. The mill-rate limitation, which stays prorrata, is disclosed to future owners and never
 78 go up. Investors underwrite that risk on how much revenue will be delivered. There is no default if
 79 there is a shortfall. Documentation is recorded on the property, but additional disclosure is
 80 encouraged. There is a line item on the property tax notice, which is deductible. PIDs in comparison
 81 to special assessment bonds are not accelerated, foreclosed, or delinquent for five years.

82
 83 Aaron Wade reviewed a sample property tax mill levy and stated generally property taxes are
 84 deductible from federal income taxes.

| Mill Rate | Market Value | Taxable Value with primary home exemption | Mill Rate | Annual Taxes (including base tax) |
|------------------------|--------------|---|-----------|-----------------------------------|
| Base Overlapping Mills | \$400,000 | \$220,000 | 12.5 | \$2,750 |
| + 7 PID Mills | \$400,000 | \$220,000 | 19.5 | \$4,290 |
| + 10 PID Mills | \$400,000 | \$220,000 | 22.5 | \$4,950 |
| + 15 PID mills | \$400,000 | \$220,000 | 27.5 | \$6,050 |

86
 87 PID limitations to consider are included in the governing document. The city should engage bond
 88 counsel to ensure proper legal and tax analysis over negotiations to ensure eligibility for tax-exempt
 89 financing and that the PID will constitute a separate political subdivision for tax purposes. The city
 90 will want to adopt standard policies and procedures to evaluate all PID requests in light of its

91 objectives. Several cities in Utah are in the process of drafting these policies. Gilbert & Bell has
92 created model policies. The city should consider what types of infrastructure it wants to allow the
93 PID to finance; establish a mill rate limit appropriate to accomplish financing of approved
94 improvements; and establish standards for any general obligation bonding, procurement, transition
95 to elected board, PID lifespan and dissolution, and notice to future property owners.

96
97 Randy Larsen stated when the city considers using a PID tool with a developer in mind, the city
98 shouldn't make obligations to its master development agreement to be a burden on the PID. The
99 master development agreement should be the same as it would have been without the PID. Again,
100 the PID is simply a financing tool. The developer has the responsibility to perform and deliver
101 infrastructure before entitlement, building permits, etc. If the PID falls short based on underwriting
102 principles, etc. and can't finance all the improvements, it shouldn't change the arrangement the city
103 has with the developer. The developer would have to come up with the difference. A PID is a
104 financing tool for the developer.

105
106 Aaron Wade stated the PID boundaries don't have to be contiguous. If infrastructure upsizing is
107 needed, future developments could be placed in a PID as well to contribute to the upsizing. Impact
108 fees can be used for upsizing as well.

109
110 Randy Larsen stated special improvement districts have a different structure to provide services and
111 own infrastructure. The chance for conflict is much greater. A PID is simply a finance tool. The
112 infrastructure is owned by the city in the normal course and doesn't have the right to expand
113 without city approval.

114
115 B. PRAYER & PLEDGE OF ALLEGIANCE (6:00 p.m.)

116
117 Prayer offered by Dave Tuckett.

118
119 Pledge of Allegiance led by Brian Hulet.

120
121 C. CONSENT AGENDA

- 122 1. Approval of the February 28 & 29, 2020 City Council Retreat Minutes
123 2. Approval of the March 16, 2020 City Council Special Meeting Minutes
124 3. Approval of the March 18, 2020 City Council Minutes
125 4. Proclamation – Arbor Day
126 5. Local Consent for Single Event Permit – Tour of Utah (Resolution)

127
128 **MOTION: Councilmember Hulet – To approve the consent agenda.** Motion seconded by
129 Councilmember Carter. A roll call vote was taken as follows and the motion carried.

130
131 Yes - Linda Carter
132 Yes - Brett Christensen
133 Yes - Taresa Hiatt
134 Yes - Brian Hulet
135 Yes - Doug Welton
136

137 D. PETITIONS, REMONSTRANCES & COMMUNICATIONS

- 138 1. Public Forum (6:05 p.m.)

139
140 No public comments.

141
142 2. Staff and Council Reports

143
144 Staff Reports

145
146 PUBLIC WORKS – Travis Jockumsen reported the pressurized irrigation ponds are being filled
147 with canyon water in preparation of turning on the system. The High Line Canal has not given an
148 exact date but should be between April 15 and 30.

149
150 POLICE – Chief Brad Bishop reported the March stats included 114 arrests, 178 offenses, 181
151 citations, 278 violations, 1,073 calls for service, 3 DUI's, 337 traffic stops, and 24 traffic accidents.
152 Things have been pretty steady. There was a home invasion and robbery last weekend, and the
153 suspect arrested. It's difficult to compare numbers with other cities because of population
154 differences, but the numbers are pretty close. He hasn't noticed a rise in domestic violence cases,
155 but thefts were up the last few weeks.

156
157 ADMINISTRATION – Dave Tuckett stated currently coronavirus statistics are by county only. He
158 asked Utah County to provide locations of those infected because it would help to know where the
159 virus is located. Gyms in Payson are still open. The Utah County Health Department stated there is
160 no requirement for them to close. The city is encouraging no group play at basketball courts in the
161 city and signs may be put up. Staff continues to work under the guidelines set by the governor.

162
163 FIRE AND AMBULANCE – Chief Spencer stated the springtime open burn began Monday and
164 goes through the end of May. The Great Shakeout is schedule for April 16. A drill was set to
165 practice communication. Instead information will go out to residents to follow, practice, and be safe
166 this year. Staff is keeping up with all the changes with the coronavirus to keep employees and
167 patients safe. The fire and police only know of cases if they are sent to the home. Dispatch even has
168 limited information.

169
170 LIBRARY – Dona Gay reported that about 70 people picked up items from the library via curbside.

171
172 Council Reports

173
174 Councilmember Carter thanked the Police Department for all the work they do. The Parks
175 Department has been removing trees in the park and getting things all ready. The pickleball courts
176 are very busy and utilized.

177
178 Councilmember Christensen stated the Parks Department is out making things look good. The
179 Water Department has been doing an excellent job and cleaned out the Old Field Ditch. The
180 ambulance crew helped a citizen who had fallen near his home. They were very professional and
181 did a great job. The Fire Department checked on fire permit in his neighborhood this morning; he
182 appreciates them. He would like the city to work towards a more full-time ambulance crew.

183
184 Councilmember Hiatt stated everyone keep up the good work.

185

186 Councilmember Hulet appreciates all the staff working through the corona pandemic issues. ACE
187 Hardware donated a bunch of n95 masks. Residents are stepping up and helping; he appreciates all
188 the residents. Things out there for businesses from the state and SPA loans. The chamber did a great
189 job putting this information out.

190
191 Councilmember Welton thanked city employees for continuing to work and keeping themselves and
192 the city safe. He's been outside and hiked up the canyon. He encouraged the city staff and council
193 to recognize those businesses and residents who donate to emphasize the positive. There is a lot of
194 good going on. Spanish Fork is giving out \$25 gift certificates through drawings to residents who
195 responded to their favorite places to eat in town. He encouraged residents to safely eat out and
196 support the local businesses.

197
198 Mayor Wright stated city crews are replacing the tree that was removed in Memorial Park. The
199 Scottish Festival people would like to plant a tree in the city park in remembrance of Helen Scott.
200 He appreciates the city council and employees. He has watched people supporting local restaurants;
201 some have modified for curbside pickup. The chamber is helping businesses whether a member of
202 the chamber or not.

203
204 E. ACTION ITEMS

- 205 1. PUBLIC HEARING/Resolution – Amendments to the Fiscal Year 2019-2020 Budget (6:23
206 p.m.)

207
208 Staff Presentation:

209 Cathy Jensen reviewed the mid-year budget adjustments.

- 210 • \$87,332 - Two new F-150's for the Water Department and Golf Department
211 • \$150,000 - Recognize the Transit Tax to the B&C Road Fund to be used for slurry seal
212 maintenance.
213 • \$27,900 – Library reimbursement grant for RID tagging and automatic book checkout.
214 • \$217,000 – Purchase of properties in the RDA Business Park.

215
216 **MOTION: Councilmember Hulet – To open the public hearing.** Motion seconded by
217 Councilmember Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian
218 Hulet, Doug Welton. The motion carried.

219
220 Public Comments:
221 No public comments.

222
223 **MOTION: Councilmember Carter – To close the public hearing.** Motion seconded by
224 Councilmember Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian
225 Hulet, Doug Welton. The motion carried.

226
227 Dave Tuckett stated that the offer for the RDA property was accepted and should close shortly.

228
229 **MOTION: Councilmember Hulet – To approve the (resolution) amendments to the Fiscal**
230 **Year 2019-2020 Budget less the RDA item.** Motion seconded by Councilmember Christensen. A
231 roll call vote was taken as follows and the motion carried.

232
233 Yes - Linda Carter

234 Yes - Brett Christensen
235 Yes - Taresa Hiatt
236 Yes - Brian Hulet
237 Yes - Doug Welton
238

239 2. Resolution - Appointment of Planning Commission Members (6:35 p.m.)
240

241 Mayor Wright stated he, Dave Tuckett, and Nestor Gallo interviewed five candidates for the
242 planning commission. He spoke with the planning commission chair and vice chair for input. They
243 suggested keeping those already in place. He nominated Cathy Marzan (4-year term), Kit Morgan
244 (4-year term), and Blair Warner (complete term, 1 year) to fill those positions.
245

246 **MOTION: Councilmember Hulet – To reappoint (resolution) Cathy Marzan, Kit Morgan,**
247 **and Blair Warner.** Motion seconded by Councilmember Hiatt. A roll call vote was taken as
248 follows and the motion carried.
249

250 Yes - Linda Carter
251 Yes - Brett Christensen
252 Yes - Taresa Hiatt
253 Yes - Brian Hulet
254 Yes - Doug Welton
255

256 3. Resolution - Appointment of Board of Adjustment Members
257

258 Mayor Wright spoke with Bob Provstgaard, who is very willing to continue in this position. He
259 nominated him to the board of adjustments.
260

261 **MOTION: Councilmember Welton – To approve the (resolution) Board of Adjustment**
262 **appointment of Bob Provstgaard.** Motion seconded by Councilmember Hiatt. A roll call vote was
263 taken as follows and the motion carried.
264

265 Yes - Linda Carter
266 Yes - Brett Christensen
267 Yes - Taresa Hiatt
268 Yes - Brian Hulet
269 Yes - Doug Welton
270

271 4. Resolution – Deferral agreement with Paul Genho for property located at 410 South 2400
272 West (6:40 p.m.)
273

274 Staff Presentation:

275 Daniel Jensen stated the applicant would like to build an accessory structure, which is of sufficient
276 size to trigger improvements. Once utilities are brought within 300 feet of the property, the
277 applicant is required to complete the improvements. The property is located west of the railroad
278 tracks.
279

280 **MOTION: Councilmember Hiatt – To approve the (resolution) deferral agreement for public**
281 **improvements for Paul Genho in West Mountain at 410 south 2400 West.** Motion seconded by
282 Councilmember Carter. A roll call vote was taken as follows and the motion carried.

283
284 Yes - Linda Carter
285 Yes - Brett Christensen
286 Yes - Taresa Hiatt
287 Yes - Brian Hulet
288 Yes - Doug Welton
289

290 5. Ordinance - Amendments to the Payson City Code Title 19, Zoning and Title 20,
291 Subdivision

292
293 Staff Presentation:

294 Daniel Jensen reviewed the following sections of Title 19.

295
296 19.6.11, CC-1 Central Commercial Zone – The proposed amendments to 19.6.11.6, Setbacks and
297 Build-To Line Requirements include reducing the side setback for accessory structures to 10 feet. If
298 all necessary public utility easements, landscaping, and line of sight can be accommodated, the side
299 setback can be zero. The rear setback would be reduced to five feet or zero if certain criteria is met.

300
301 19.5, Signs and Outdoor Advertising – The proposed amendment only allows one project sign in the
302 PO-1 Zone (Medical Offices) on a project of 5 or more acres so the site doesn't get cluttered with
303 signs. The project sign shall not be larger than 20 feet in height or have a sign face larger than 200
304 square feet with a base of masonry material. An electronic reader board (lumens) on a project sign
305 is not currently allowed. Additional updates are needed regarding reader boards. Monument signs
306 are allowed for projects smaller than five acres.

307
308 19.2.12, Termination of Application – The proposed amendment includes criteria for project
309 termination and expiration including resubmittal, public meetings, and approval of other
310 government agencies as well as other comparable affirmative steps deemed satisfactory by the
311 planning commission. Currently, the code requires the city to proactively expire an application
312 through a notice and meeting with the planning commission, which puts the city in a position that
313 years down the road an application can resurface. The challenge is a project application invests at
314 the time of application. If an ordinance changes, the application still falls under the previous
315 ordinance when vested. This could run counter to the land use goals of the city. The amendments
316 include a firm time table and outlines steps to continue of an application so there is no dispute of
317 someone working on their application.

318
319 Lot Coverage in the PO-1 Zone (19.6.10.10), S-1 Zone (19.6.14.10 & .17), GC-1 Zone (19.6.13.10
320 & .13), I-1 Zone (19.6.16.10 added), and I-2 Zone (19.6.17.10 added) – The proposed amendments
321 include consistent verbiage in each zone, an increase in lot coverage in several zones, and
322 affirmative language on landscaping. A cap was included for parking lot landscaping in large
323 projects so it can't be considered the main landscaping. Industrial zones increased lot coverage to
324 90% with landscaping at 10%. The other zones increased to 75% and 80% lot coverage.

325
326 Jill Spencer reviewed the following sections of Title 19 and Title 20.
327

328 Title 19, Zoning

329 19.3.9, Utility Systems within Municipal Boundaries – This proposed new section outlines the
330 requirements for non-municipal utility systems within the city boundaries. The city has received
331 requests in the past but hasn't had clear requirements to address the requests. This section outlines
332 the requirements as well as requires a franchise agreement with Payson City. Many entities have a
333 franchise agreement with the city while others do not. Staff wants to make sure there is
334 communication with the city including drawings, etc. prior to the installation of any infrastructure
335 and that the infrastructure is installed in an existing right of way or public utility easement. If not,
336 the entity would be allowed to work with property owners to secure easements for the
337 infrastructure. All the infrastructure is required to be installed underground with the exception of
338 high voltage electric transmission lines. There were some legal modifications to the text since it was
339 sent out in the packet, but the intent was not changed.

340
341 Councilmember Hulet stated the language in #4 needs to be better clarified, *With the exception of*
342 *high-voltage electrical transmission lines, electrical and telecommunication lines shall be located*
343 *underground.*

344
345 Jill Spencer stated she will make the language flow better to clarify any other utility lines are
346 underground.

347
348 19.6.4.14, Other Requirements – The proposed amendments regarding landscaping requirements in
349 the A-5-H, Annexation Holding Zone, and the Subdivision Ordinance, provides flexibility in
350 agricultural areas. These lots are larger and applicants are not wanting to do traditional landscaping
351 even adjacent to their house because they want to maximize the agricultural crops.

352
353 Councilmember Hiatt stated the agricultural residents only have a quarter acre for their home and
354 the remaining acreage has to be in crops to maintain the greenbelt status.

355
356 Jill Spencer clarified that much of it depends on the lot size; five acres is required for greenbelt. The
357 intent is not to impose a requirement that would remove them from greenbelt status. The current
358 ordinance requires traditional landscaping around the home; these amendments are less stringent. It
359 requires the submittal of a landscaping plan, which is kept on file.

360
361 19.6.7, RMF Multi-Family Residential Zone – The proposed amendments change how the open
362 space requirement is calculated because applicants are using any open area to reach the required
363 30% open space, which was not the intention. It clarifies how the open space requirement is
364 calculated, the design of storm water basins, and the amount of brick and stone required on
365 buildings. Storm water basins would have to be centrally located within the project and reasonably
366 connected to the other project amenities, the slope can't be greater than 5 to 1, and can only be used
367 as a storm water basin. The basin and adjacent landscaped areas must be at least 10% of the
368 required open space, and the landscaping treatments must be suitable for the use of the residents of
369 the project. These amendments allow staff to better guide the applicant in the process in order to
370 ensure the requirements are met. The brick and stone requirements address the construction quality
371 of a project with an increase from 25% to 40% on the front elevation and viewable side from a
372 street.

373

374 Councilmember Hiatt feels the 30% needs to be like a park for these residents. There needs to be a
375 larger area to congregate instead of little patches throughout the subdivision. These rentals need to
376 be kept as nice as possible with products that last. She likes the 40%.

377
378 Councilmember Hulet really likes the Depot project and the contract of colors on the buildings. It's
379 not so much the brick and stone but the architecture. The 40% may be more than needed if the
380 architecture is right.

381
382 Councilmember Welton stated the Depot looks really nice and wouldn't qualify under this change.
383 Maybe there are some other considerations. He questioned if the council could be given leeway like
384 that given in the detention ponds. He is okay with the 40%.

385
386 Councilmember Carter stated the council previously compromised with an applicant building the
387 duplex on 300 East and 300 North, and the building looks good. She would hate to tell anyone that
388 they can't use siding as long as there are the other compliments.

389
390 Jill Spencer stated a mixture of textures are also required, which was done in the Depot. Additional
391 language could be added to address the architecture and all sides. Architecture is difficult and would
392 require several modifications to the ordinance. There needs to be very clear criteria to be met.
393 It's very arbitrary unless the ordinance includes criteria. Staff can explore these options. Currently,
394 projects are only doing the 25%.

395
396 Dave Tuckett mentioned that the developers in the legislature continually try to take away any
397 ability of cities to enforce these requirements. They feel cities are micro-managing development.

398
399 19.6.8, RMO-1 Overlay; 19.6.21, HD-O Overlay; 19.6.22, HR-O Overlay; 19.6.24, AGP-O
400 Overlay; 19.6.25, I-O Overlay; 19.6.26, AD-O Overlay; and 19.6.27, TS-O Overlay – The proposed
401 amendments remove the term "zone" from all overlay sections.

402
403 19.6.23, FP-O Overlay – The proposed amendment is to repeal this section because of the recent
404 adoption of Title 24, Flood Damage Prevention.

405
406 Title 20, Subdivision

407 20.17.13.3, Landscaping in Agriculture Zones – The proposed amendment adds this section, which
408 is similar language addressed in Title 19.

409
410 20.34.2, Warranty after Acceptance and Dedication – The proposed amendment addresses an error
411 to the workmanship warranty for the installation of improvements so it is consistent with state code.

412
413 **MOTION: Councilmember Hiatt – To accept the (ordinance) Title 19 Zoning and Title 20**
414 **Subdivision changes with changes on item #4 in the staff report for section 19.3.9 adding a**
415 **semicolon after transmission lines.** Motion seconded by Councilmember Christensen. A roll call
416 vote was taken as follows and the motion carried.

417
418 Yes - Brett Christensen
419 Yes - Taresa Hiatt
420 Yes - Doug Welton
421 No - Linda Carter

424 6. Status regarding deferral agreements (7:40 p.m.)

426 Staff Presentation:

427 Jill Spencer stated city ordinance currently allows deferral agreements based on certain
428 circumstances with a recommendation by the city engineer and approval by the city council. The
429 city needs to evaluate the current regulations and possibly consider amendments. The 47 deferral
430 agreements range between 1979 to present day with many over the last five years. Seven have been
431 completed. Eleven have been approved by the city council but not recorded. The applicants have
432 chosen not to move forward on their project. Staff recommends repealing these agreements. Eleven
433 agreements deal commercial or industrial phasing, which is another mechanism to require
434 improvements. As each site plan is approved, the development requirements are completed. Ten
435 agreements have been recorded but have no clear mechanism to require improvements. Many of
436 these are located in the core are of the city with a home on site. The city could require the
437 improvements with a detached structure or some other form of building permit. Some of these are
438 the ones from 1979. The final eight agreements are located in the agricultural areas, mainly the A-5-
439 H Zone, on the perimeter of the city with no access to infrastructure and utilities. intent to work
440 with property owner to give time for improvements. Not intent to avoid not putting in the
441 improvements. 2-3 that DRC felt should be called on. The agreement gives triggers when those
442 improvements need to be put in provide specific notification from the city. The council has
443 questioned how these agreements are being tracked and how the city will ensure the improvements
444 are completed. The intent was to work with the applicant or property owner to give them time to get
445 the improvements done but not to avoid the improvements altogether. The DRC staff felt two or
446 three of these should be called on to complete the improvements. The agreements do give triggers
447 of when the improvements need to be done. Staff would like to bring these agreements back to the
448 council for discussion and action.

450 Council Discussion:

451 Councilmember Hiatt stated the ones with access to the infrastructure need to be completed. There
452 needs to be a time frame. Some of them have had 40 years to get it done. If a property has a house,
453 they need to have their improvements done unless it's out in the agricultural areas. Others need the
454 notice to get it completed. There needs to be something to back up the deferrals when the city
455 determines its time to complete the improvements.

457 Councilmember Carter stated some of them have bonded and still haven't completed the
458 improvements. The city needs to be on top of it. One resident couldn't afford to improve a street
459 that isn't even a street yet and another in the same area was deferred. She agreed with
460 Councilmember Hiatt.

462 Kent Fowden stated the two areas referred to include the 600 South improvements that are on the
463 five-year plan and a culvert is being designed for the Sanford area, which will go out to bid. The
464 Sanford area is more than just the channel. It takes time to pull things together to do a project of this
465 size.

467 Councilmember Christensen stated he would like to just purge the old 1979 agreements from the
468 system.

470 Councilmember Welton stated he would like to follow up on the 1979 agreements if it's the same
471 homeowner. If the ownership has changed, then write it off.

472
473 Councilmember Hulet nice to have a column as to why deferred. When buy property, they have the
474 information if recorded so they are obligated. He would like a column in the spreadsheet stating
475 why the deferral was approved. A new property owner has the information because the agreement
476 was recorded on the property.

477
478 Jill Spencer stated the properties in the agricultural areas will need to wait until the infrastructure is
479 closer. The ones that have been approved need to be evaluated and brought back to the council. If
480 ownership has changed or the project is not moving forward, those can be brought back and
481 possibly repealed. Those under phasing may need to wait until the areas start to fill in. Staff will
482 bring back the ones that don't have a clear way of getting in the improvements for the council to
483 discuss. The completed ones need a record notice of compliance. Staff will bring this back for
484 action.

485
486 ADJOURN TO REDEVELOPMENT AGENCY

487
488 **MOTION: Councilmember Welton – To adjourn to Redevelopment Agency.** Motion seconded
489 by Councilmember Hiatt. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian
490 Hulet, Doug Welton. The motion carried.

491
492 1. Resolution – Amendments to the Fiscal Year 2019-2020 RDA Budget

493
494 **MOTION: Director Hulet – To open the public hearing.** Motion seconded by Director Carter.
495 Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The
496 motion carried.

497
498 Public Comments:
499 No public comments.

500
501 **MOTION: Director Hulet – To close the public hearing.** Motion seconded by Director Carter.
502 Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The
503 motion carried.

504
505 **MOTION: Director Hulet - To approve (resolution) the RDA amendment to the budget for**
506 **2019-2020.** Motion seconded by Director Hiatt. A roll call vote was taken as follows and the motion
507 carried.

508
509 Yes - Linda Carter
510 Yes - Brett Christensen
511 Yes - Taresa Hiatt
512 Yes - Brian Hulet
513 Yes - Doug Welton

514
515 ADJOURNMENT OF REDEVELOPMENT AGENCY

516

517 **MOTION: Director Hulet – To adjourn from Redevelopment Agency.** Motion seconded by
518 Director Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet,
519 Doug Welton. The motion carried.

520

521 F. WORK SESSION

522 1. Fiscal Year 2020-2021 Budget (8:08 p.m.)

523

524 Cathy Jensen reviewed aspects of the proposed Fiscal Year 2020-2021 Budget.

- 525 • Growth drivers in the General Fund are sales tax, property tax, and building fees. Given the
526 current economic events, a conservative General Fund budget is being presented until we see
527 where the economy is going.
- 528 • Strategic Planning: Staff will evaluate the economy during June and July. If revenues appear
529 to be coming in slow, departments may be asked to hold off on major purchases until mid-
530 year. Current sales tax reports are not showing a decrease, which is not an indication of the
531 economy today. Sales tax generally lags behind a couple of months. Staff will explore the
532 option of market wage adjustments for sensitive positions for fairness/competitiveness.
- 533 • Revenues:
 - 534 ○ Sales tax may hold steady to the end of this fiscal year. Sales tax projections have been
535 taken down by 16% for the new fiscal year.
 - 536 ○ Property tax is a guaranteed same amount of the previous year plus growth. Staff has gone
537 conservative and it can be adjusted.
 - 538 ○ Net revenues will probably be down.
 - 539 ○ Fund Revenue – All Funds: The General Fund, Golf Course Fund, and Salmon Supper
540 revenues will be re-evaluated. The Capital Budget is primarily three donations and is
541 expected to use two million from fund balance and rest for the ball parks.
 - 542 ○ General Items:
 - 543 ▪ Reduced projected sales tax by 16% as well as reduced projections on interest and
544 certain event revenue.
 - 545 ▪ Recognizing utility franchise fees in the General Fund.
 - 546 ▪ Recognizing Onion Days in the General Fund.
 - 547 ▪ SB 136 transportation taxes moved from the General Fund to the B&C Road Fund.
 - 548 ▪ Charges for services in the General Fund include recreation & pool admissions, snack
549 shack revenue, parks rentals, communities that care, plan check fees, and cemetery
550 fees.
 - 551 ▪ Miscellaneous revenues in the General Fund includes Miss Payson, Onion Days,
552 donations, senior citizen fees, and interest revenues.
 - 553 ▪ Payroll includes a 4% market increase, 4.2% health insurance increase, 2.1% dental
554 insurance increase, and an increased accrual for year-end carryover of 7/10ths of one
555 pay period.
 - 556 ▪ The administration budget includes general liability insurance and may look inflated.
 - 557 ▪ Staffing-budget decreases are from restructuring including no assistant engineer and no
558 consolidated management position for parks and cemetery.
 - 559 ▪ New positions are growth related and include a storm drain/landfill position and a
560 power/water/sewer utilities inspector.
 - 561 ▪ Mapleton prosecution is not continuing their contract, which is about a \$36,000
562 decrease.
 - 563 ▪ Payson Community Theater has raised their ticket prices to help offset some of their
564 costs.

- 565 ▪ The current CPI is 2.5% as of January.
- 566 ▪ The General Fund Budget is balanced at \$14, 777,112. If all goes as planned, the
- 567 projected ending General Fund balance would be \$3,791,614. General Fund use of
- 568 fund reserve is \$1,216,950 to balance.
- 569 • General Fund Requested/Funded Items:
- 570 ○ Facilities – City Center roof (partial) \$80,000, HVAC coil \$11,400, Banquet Hall tables
- 571 \$500
- 572 ○ Fire – Utility truck lease 3rd party lease \$11,600 annual, self-contained breathing-revolving
- 573 loan (5-year plan) \$8,859 annual
- 574 ○ Parks – Main Street beautification PARC tax request \$5,400, Dog Park PARC tax request
- 575 \$63,000, over seeding and trees (5-year plan) \$8,000, Springside Meadows Park impact
- 576 fee improvements \$350,000 (5-year plan)
- 577 ○ Recreation – Woodbury ballfield replacements – capital fund \$5,800,000 (5-year plan)
- 578 ○ Cemetery – Grasshopper \$21,000, 120 sprinkler heads/year (5-year plan) \$3,600
- 579 ○ B&C – Utah Avenue milling \$190,000, slurry maintenance and miscellaneous overlay-
- 580 transportation tax \$250,000
- 581 • Expenditures by Department:
- 582 ○ Water Fund – Debt service increase \$472,316. New public works inspector split between
- 583 water, sewer and power. New vehicle funded in current budget. Unexpected expense for a
- 584 25% match for the flood relief program for \$238,000. Funded items include 300 S 100-800
- 585 W deficiency \$450,000, replace ERTS-old meters \$200,000, development upsizing
- 586 \$145,300, new meters \$125,900, PI meters \$3,000,000. Two unfunded items include
- 587 upsizing 4,300 lineal feet to a 12-inch pipe in 100 South for \$250,000 for the project by
- 588 the hospital, which is in conjunction with a sewer and streets project. PI won't be available
- 589 without this upsizing. The second is fixing the dam at McClellon for \$250,000, which is a
- 590 request by the state because the outflow doesn't work and could cause flooding. Changes
- 591 and adjustments may need to be made in this fund. Water fee comparison with other cities
- 592 shows the average at \$639.41 and Payson currently at \$635.15. A 2.5% CPI increase puts
- 593 Payson at \$651.04. Water use of fund reserves is \$1,354,075.
- 594 ○ Landfill/Solid Waste – Additional position split with storm drain (growth related), new
- 595 garbage truck, and no gravel royalties recognized because of prepayments by Kenny Seng
- 596 for the new ball fields. Funded items include fencing for landfill \$60,000, collection truck
- 597 \$250,000, compactor current lease (5-year plan) \$120,700, compactor current lease (5-year
- 598 plan) \$47,000, and grader current lease (5-year plan) \$17,300. Garbage fee comparison
- 599 with other cities (first can only) shows the average at \$12.80 and Payson currently at
- 600 \$11.77. A 2.5% CPI increase puts Payson at \$12.06. Use of fund reserves is \$637,966.
- 601 ○ Electric/Power – Consolidated sub-departments decreased from 4 to 2 general categories
- 602 i.e. general/warehouse and powerplant dispatch/substation. Funded items include 800
- 603 South transmission line-impact fees \$404,000, east side transmission line-impact fees
- 604 \$300,000, bucket truck \$250,000, rebuild engine #2 \$50,000, substation-impact fees
- 605 \$330,000, and substation south side of town-impact fees \$400,000. Electric fee
- 606 comparison with other cities shows the average at 46.16 and Payson currently at \$48.20. A
- 607 2.5% CPI increase puts Payson at \$50.36. Use of fund reserve is \$934,554.
- 608 ○ Sewer – Reserve funding \$300,000 for bond retirement (sewer plant upgrade). Funded
- 609 items include sewer plant upgrade-reserve funds \$300,000, 300 S 600-700 W sewer line
- 610 replacement \$200,000, cost of construction \$950,000, and cost of construction \$200,000.
- 611 Annual sewer fee comparison with other cities shows the average at 542.33 and Payson

612 currently at \$580.08. A 2.5% CPI increase puts Payson at \$594.38. Use of fund reserve is
613 \$943,603.

- 614 ○ Ambulance – Use of fund balance is \$93,284.
- 615 ○ Golf Fund – First year of RV park, re-do driving range for \$8,000, and requested vehicle
616 funded in current budget. Use of fund reserve is \$298 and contribution to fund balance
617 \$24,056.
- 618 ○ Storm Drain – VAC truck and additional position. The storm drain fund is running on
619 margins and should be the first fund to raise fees. Funded items include update rate study
620 \$15,000, bulking addition \$20,000, 1120 South 1100 West-bridge \$30,000, Ridge Lane to
621 contain storm runoff \$50,000, and VAC truck \$100,000 (lease). Use of fund reserve is
622 \$43,724.
- 623 ○ Internal Service Funds (Vehicle Maintenance and IT) – This fund is based on overhead
624 allocations from other departments.
- 625 ● Impact Fees – These are projections and may need to be cut back.
- 626 ● Revolving Loan Fund – This fund is where departments pay back loans over a period of
627 time at 3.5%.
- 628 ● Employee Positions Requested but Not Funded – Fire Marshall, Development Engineer,
629 Children’s Librarian, PT Water Seasonal, FT Irrigation Employee (Cemetery), and PT
630 Senior Citizens. Staff has also discussed holding off on some of the funded positions to see
631 how things go.
- 632 ● The next steps include waiting for the PARC Tax Committee to meet and make
633 recommendations on those PARC Tax applications, budget refining, evaluating economic
634 conditions, and future meetings.

635
636 Council Discussion:

637 Cathy Jensen clarified that the General Fund cannot exceed 25% of fund balance. If above, funds
638 are transferred to a capital project fund. The Enterprise Funds don’t have a restriction.
639

640 Dave Tuckett stated the budget is balanced without raising any utility rates or doing a Truth in
641 Taxation. This can be a future discussion. A letter was sent to the County for save a date for Truth
642 in Taxation if needed. Bond rates are so good right now so the city may need to look at bonding,
643 which may require raising utility rates. Utility rates have been raised with the CPI over the last five
644 years with the exception of the electrical rate for residential. There are some wage issues that need
645 to be discussed.
646

647 Councilmember Welton stated if there is an economic downturn, the city shouldn’t look at a Truth
648 in Taxation. In general, it’s smart to maintain the mill levy rate because it’s the cost of doing
649 business. Utah County didn’t do a Truth in Taxation for 23 years and are behind the gun now. He is
650 all for the CPI increase. The council needs to look at it and see where the budget lies.
651

652 Councilmember Christensen agreed; but at the same time, there may need to be some adjustments
653 because of the economic down turn. He doesn’t want to burden residents with additional taxes.
654

655 Mayor Wright stated part of the Truth in Taxation helps with bond interest rates, which is a good
656 benefit.
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658 Councilmember Hulet agrees with Councilmember Welton on the CPI and maybe take a one-year
659 hiatus on the mill levy.

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G. ADJOURNMENT

MOTION: Councilmember Welton – To adjourn. Motion seconded by Councilmember Hiatt. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

The meeting adjourned at 8:55 p.m.

Kim E. Holindrake, City Recorder

DRAFT