

**MOAB CITY COUNCIL MINUTES  
REGULAR MEETING  
MAY 12, 2020**

The Moab City Council held its Special City Council Meeting on the above date. Per Executive Order 2020-5 issued by Governor Gary R. Herbert on March 18, 2020, this meeting was conducted electronically. An anchor location was not provided. An audio recording of the meeting is archived at <http://www.utah.gov/pmnl/index.html>. A video recording is archived at <https://www.youtube.com/channel/UCI00z0Zgdmz4y1FoI0l7CJA>.

***Pre-Council Workshop – Water Rate Discussion***

Mayor Niehaus started the workshop at 6:02 pm. Participating remotely were Mayor Emily Niehaus, City Councilmembers Mike Duncan, Rani Derasary, Kalen Jones, Karen Guzman-Newton, and Tawny Knuteson-Boyd. Staff participating remotely were City Manager Joel Linares, Assistant City Manager Carly Castle, City Attorney Laurie Simonson, City Engineer Chuck Williams, Finance Director Klint York, Water Superintendent Levi Jones, and City Recorder Sommar Johnson. Also participating remotely was Susie Becker with Zions Bank Public Finance.

City Engineer Williams said that based on discussions from the last meeting, it was clear that the five options presented did not meet the goals and objectives of City Council. He explained that his presentation was shorter with updated scenarios but included information about the water system needs and why there is consideration for increasing water rates. He explained that the master plan is complete, and the rate study is almost complete. He said rates have not been adjusted in 10 years; this year, the City is operating in a deficit in the water enterprise fund. He explained that 60% of the water system is over 50 years old. He said the active water sources consist of four springs and three wells, but only two wells are used for the culinary water system. He said it is not a robust source system for the size of Moab. He explained that we have inadequate fire suppression because we do not have the flow rate or pressures needed for firefighting. He said there are failing pipes due to age and highly corrosive soils and the edges of the system have low water circulation. He said the system needs an additional 1,500 gallons per minute for source capacity and a new 2.2-million-gallon storage tank. He said capital improvement projects identified in the master plan total \$15,047,200 but staff developed a reduced projects list valued at \$7,575,188 with major maintenance needs of \$163,800. He said with the reduced amount they can address source capacity by installing one new well, storage by installing one new storage tank, and fire flow by replacing pipes and hydrants. He discussed additional culinary water projects and their associated costs and benefits. He explained that the reduced project list was created based on the discussions regarding rates and that increases were not likely to cover 100% of the project list. He showed the area median income for fifteen similar cities used in the rate comparison and said three different options were created based on previous discussions. He then showed a table summarizing rate increases based on three different options.

Finance Director York explained the water rate impact comparison table for residential and commercial users.

Councilmember Knuteson-Boyd asked about higher-tiered commercial users. City Engineer Williams explained that most were hotels.

Councilmember Derasary asked about the higher bond figures outlined for debt coverage and days cash on hand. Susie Becker with Zions Bank Public Finance said it is important to have a

minimum of 1.25 coverage ratio and 180 days cash on hand to not impact the bond rating. She said it is important to look at the information over the trend of ten years because the capital spending will change from year to year.

Councilmember Derasary asked why the gallons included in the base rate increased from 2,000 to 3,000. City Engineer Williams explained that 3,000 gallons per month typically covers one or two people living simply with a water conscious small yard. They are rewarded in their rates by having the additional 1,000 gallons included in the base rate. He said his understanding from the water board recommendation was to reward people at the lower end of the economic system who support water conservation.

Councilmember Derasary asked about the change in water rate for the golf course. Finance Director York said he believes the lower water rate was charged because it was more of a public use property, but it has changed to a commercial rate in the new lease agreement.

Councilmember Duncan noted that, although the golf course water rate was increased to the commercial rate, they receive virtually all water from Ken's Lake and pay a low irrigation rate. He said the rate change may not make a difference regarding what they are charged.

Councilmember Duncan asked about modifying the 50% increase in the next fiscal year to a split of 25% increase next fiscal year and another 25% increase the following year to help ease the financial pressures on businesses and residents due to COVID-19. Susie Becker said there are significant capital needs anticipated in 2021 and 2022; unless those needs change, the rate increase is necessary to cover the bonding debt coverage ratio.

Councilmember Duncan then asked about the possibility of postponing the \$6 million bond for a year due to the pandemic. Councilmember Jones said he would like to see that scenario as an option. Councilmember Guzman-Newton asked if any of the projects could be deferred to another year. City Engineer Williams said it may be possible to put off the storage tank for another year, but the other projects are necessary.

Councilmember Jones asked if there were any advantages to bonding sooner with the current economic conditions as far as bond rates. Susie Becker said this is uncharted territory and no one knows what the rates will be going forward.

Councilmember Jones asked if the capacity to fill the tank was to provide redundancies for exception fire demand. City Engineer Williams said it would improve fire flows and provide for future growth.

Councilmember Derasary said she feels a lot of pressure to improve the system for higher water flow and redundancy for community safety, but it is difficult to increase rates under the current financial situation.

Councilmember Jones said he spoke with City Engineer Williams about the benefits of higher base rates and asked him to provide the same explanation to the Council. City Engineer Williams explained that the base rate is a more stable income source because usage rates can fluctuate. He said funders prefer to see base rates covering approximately 40% of the revenue source. Susie Becker added that there is more volatility in usage rates and said most cities she has worked with prefer that their base rates provide more than half of the revenue source because there is less risk during wet or dry years. City Engineer Williams said it was his understanding, based on input from the water board and City Council, to keep base rates low to

minimize the impact to users on the lower financial end.

Councilmember Jones said he would like to see a combination of a more gradual increase in base rates and targeting the reduced project list to adjust user rates accordingly. Susie Becker said a blended option could be produced but the timing of some capital projects would need to be changed. She said the timing of the proposed capital projects would require a jump in base rates.

Mayor Niehaus asked if the City Council was prepared to move forward with adjusting water rates.

Councilmember Guzman-Newton asked if an option were selected would it be possible to postpone the implementation until later in the year. Susie Becker said they could create a model to see how postponing implementation might impact revenues.

Mayor Niehaus stated it may not provide a lot of savings, but it shows a good faith effort toward the community during this difficult economic time. Susie Becker said Moab has an incredibly low base rate and anything that can be done when the time is right to increase the base rate is what needs to happen.

Mayor Niehaus reiterated that she serves on the water quality board and it is shocking that our rates have been so low for so long.

Councilmember Knuteson-Boyd echoed Councilmember Derasary's concern about redundancy for community safety and understanding of the current economic times but does not think pushing the rate adjustment off for three months will create much savings for users.

Councilmember Duncan said he appreciated Councilmember Guzman-Newton's sentiment but agreed that postponing a rate increase for three months will not make much of a difference. He believes it will confuse residents if the rates go up every month. He suggested collecting feedback from the public before deciding.

Councilmember Derasary asked if any community has found a way to look at food production for some kind of water rate break and asked if the public would be able to see the water rate study and the options assembled by the City Engineer and Zions Bank Public Finance.

City Manager Linares explained that staff prepares documents for City Council but also prepares work documents. He said they are public records for the Council to pass out and give to community members. He said many hours are spent creating documents and we do not always know where the work product ends and where public documents begin. He said if the provided documents would benefit the public then City Council is welcome to share the information.

Mayor Niehaus asked if there were any comments received regarding any of the three public hearings and City Recorder Johnson stated that no comments were received. Mayor Niehaus explained that the deadline for submitting public comments for any of the public hearings has passed, but water rates are on the agenda under old business for the City Council to continue discussions.

Mayor Niehaus ended the workshop at 6:57 p.m.

## **REGULAR CITY COUNCIL MEETING 7:00 P.M.**

**Regular Meeting Call to Order and Attendance:** Mayor Niehaus called the Regular City Council Meeting to order at 7:02 p.m. Participating remotely were Councilmembers Mike Duncan, Tawny Knuteson-Boyd, Rani Derasary, Kalen Jones, and Karen Guzman-Newton. City staff participating remotely were City Manager Joel Linares, Assistant City Manager Carly Castle, City Attorney Laurie Simonson, Finance Director Klint York, and City Recorder Sommar Johnson.

**Approval of Minutes:** Councilmember Guzman-Newton moved to approve the minutes for April 14, 2020, April 20, 2020, and April 28, 2020. Councilmember Knuteson-Boyd seconded the motion. There was no discussion. The motion passed 5-0 with Councilmembers Duncan, Jones, Guzman-Newton, Derasary, and Knuteson-Boyd voting aye in a roll call vote.

### **Mayor and Council Reports**

Mayor Niehaus reported attending the ULCT Board meeting which discussed negotiating our share of the CARES money. She said larger communities are receiving money based on their population, but no decision was made on distribution of the remainder of the money. She said the League is putting forward a proposal that it should be population driven in the way it is distributed. She said it will be a great resource because it is essentially a City stimulus check through the CARES act. She reported serving on the Governor's Office of Economic Development State and Local Resource Committee, which launched a new program for commercial rental assistance. She said it opened Monday at 9 am, and most businesses she spoke with were able to get in to apply for rental assistance. She hopes more local businesses will qualify for money. She reported attending the Moab and Spanish Valley Regional Transportation Plan kickoff meeting where the discussions covered big picture ideas. She reported inviting the hospital and health department for COVID-19 updates, but they did not have any new information to share. She said the health department submitted an order to the Governor and are waiting for a response. The hospital reported no new cases and nothing new to report. She said the health department and hospital are happy to join the next meeting. She reported working with staff on fun projects such as supporting the Grand County School District in their efforts to celebrate and honor the senior class, working on an idea for a market on Center Street to revive the farmers market, and working with Communications and Engagement Manager Church to create COVID-19 videos. She said if the Council wants to participate or has topics for videos to let her know.

Councilmember Derasary reported attending budget meetings and a special meeting extending the emergency declaration. She reported the next EMS meeting was scheduled for May 18. She said the EMS staff is working on budget reductions and reported the call volume is going up with increased visitation. She also reported receiving an email canceling the May UMTRA meeting.

Councilmember Duncan reported attending a GWSSA meeting where they are required to fill out a form showing that enough money is being setting aside to replace the sewer system. He said the sewer system is worth \$15 million and they have not been putting enough aside to replace capital infrastructure. He reported serving on the Moab Irrigation Company Board and said they will have a meeting with the City to talk about instream flow. He said the idea is to keep water in Mill Creek during the summertime, but some board members are leery about the idea. Mayor Niehaus asked if the group was discussing water banking and Councilmember Duncan said the water banking laws are what prompted the discussion because it declares

instream use as beneficial use. He reported attending an Arches Hotspot meeting where they narrowed the project list from eight to four and wrote a three-page polemic on the idea of traffic congestion.

Councilmember Knuteson-Boyd reported that the museum did not hold a meeting, but she received an update that staff is working to get physical exhibits put together and a map installed in the building. She said the museum staff is working in the building to make sure the exhibits are well done, professional, and convey the correct message. She said the Finance Committee for the museum met to discuss finances and how they plan to revamp the budget. She said the museum is still looking at July for a soft opening with limited capacity in the building and the hope is to recapture old members. Mayor Niehaus asked if the membership still included the Blanding and Price museums. Councilmember Knuteson-Boyd said she would have to check. Councilmember Knuteson-Boyd reported the Housing Authority has produced a flyer indicating they are taking applications for the new senior living facility which is scheduled to open in the Summer. She reported the Care Center has a meeting on Thursday night. She also reported attending her one-on-one budget meeting and thanked staff for the efforts behind the budget.

Councilmember Guzman-Newton reported attending an Arches Hotspot Coordinating Committee meeting where they discussed project preferences and creating the foundation for shuttle transit compatibility for the future. She said there is a comprehensive presentation of the shared bike path on Spanish Valley from Grand County Community and Economic Development Director Levine but most of the support from the committee came to the Main Street and downtown side street parking improvements. She said there appeared to be a tie between the South recreation parking and shared use path. Mayor Niehaus asked how the Hotspot Committee was receiving comments and Councilmember Guzman-Newton said it is like the City Council meeting process. Councilmember Guzman-Newton reported attending an Airport Board meeting and said they were granted another \$1 million for runway improvements. She reported listening to the ULCT weekly Town Hall with Lt. Governor Cox and Dr. Dunn where it was reported that Utah has a hospitalization rate of 9% and the rest of the nation is at 20%. She said the goal is to maintain hospital capacity; if there is a surge of hospitalization, there will be tighter restrictions locally. She said Lt. Governor Cox encourages wearing a mask when social distancing cannot happen. Councilmember Guzman-Newton thanked Mayor Niehaus for making the mask video. She reported on the Economic Task Force Town Hall meeting where the PPP (Paycheck Protection Program) and next steps for local businesses was discussed. She said for it to be forgiven, local businesses must use 75% of the funding on employee wages for the next eight weeks. She said the challenge is that businesses not at pre-COVID-19 levels are not fully staffed. She reported that some businesses must use the money as a loan instead of PPP to get through the summer which can cause problems later. She said many employers are grappling with employees coming back to work because the employees are making more money on unemployment. She reported that there was a ULCT Town Hall with Public Safety Commissioner Jess Anderson who is working closely with Lt. Governor Cox and Governor Herbert because this Friday marks the end of Utah Leads Together 4.1 and they are looking at moving to the yellow risk level for COVID-19. She said Lt. Governor Cox is adamant that there needs to be close collaboration with the health department and strong data validating the possibility to move to yellow. Councilmember Guzman-Newton stated that Councilmember Knuteson-Boyd provided her with great information about the PPE push packs and there have been 3000 requests. She said businesses under 50 employees can get protective equipment for their business to restart and it can include gloves, gowns, masks, and disinfectants. Councilmember Knuteson-Boyd said if businesses applied for those, they are available for pick up at Old Spanish Trail Arena between 9 am and 1 pm on Thursday. Mayor Niehaus stated she was told that Moab had 50 businesses receive packs. Councilmember Guzman-Newton reported

that Utah was the second to last state to enlist the help of the National Guard for the pandemic hotspot areas in Utah. She said the virus is looming in long-term health care centers and manufacturing workplaces, so the National Guard is being sent out as a task force to figure out what is needed to keep people safe.

Councilmember Jones reported attending a Hotspot Committee meeting and the Regional Transportation Plan Stakeholder Group meeting. He said it is a diverse group with about 30 people. He stated that the group shared the words they used to describe their ideal community: clean, quiet, safe, and multimodal. He reported attending a meeting of the Sustainable Destination Committee which interviewed a gentleman who has been involved in certification of communities with multiple organizations. He said he attended a Housing Task Force meeting where they discussed strategies for increasing financial literacy. He reported doing an interview on This Week in Moab with the Mayor and a couple Grand County Council members. He said he attended a Travel Council meeting and there is a perception amongst businesses that visitors are relatively risk tolerant and there have been challenges communicating the importance of physical distancing and mask use. He said there appears to be a lack of clarity on what the health department requires of businesses. Mayor Niehaus said any employees of businesses that interface with the public are required to wear masks; The only exceptions are businesses where social distancing is possible. Councilmember Jones reported that lodging is better than last week but still short of maximum capacity. He said Memorial Day bookings are looking good, but groups are cancelling reservations into the summer. He said the downtown bathroom at the MIC was discussed because some restaurants are takeout-only and there is a shortage of facilities.

Mayor Niehaus added to her report that she wrote a letter to colleagues and friends in the professional network asking for PPE (personal protection equipment) for service workers and visitors. She said it was premature to report on the outcome, but she is working with the Office of Tourism to see if she can get masks, gloves, and hand sanitizer for recreation businesses. She said there is a need for a pro-mask campaign because a lot of employees are concerned about visitors not wearing masks. Councilmember Guzman-Newton said her business requires customers to wear masks and she said 99.9% have been awesome about wearing face coverings. She said it has not been an issue for her business and it is more reassuring for her employees. Councilmember Knuteson-Boyd said employees and business owners are not anti-visitor or anti-customer by requiring masks. She said they are genuinely concerned about health and safety and it should not be viewed as a punishment but rather a showing of respect. Mayor Niehaus said she will keep working to bring PPE to Moab.

### ***Administrative Reports***

#### ***COVID-19-19 Updates:***

City Manager Linares said COVID-19 remains the status quo. He said it is day 10 or 11 of reopening and everyone is waiting to see where Moab stands after the weekend. He said there was a meeting with the new architectural firm for Walnut Lane and there is a plan to start potholing and locating utilities. He said another meeting is scheduled for tomorrow to review financing options. He said another meeting has been set up to discuss a property acquisition issue in the area. He said discussions were taking place prior to COVID-19 but the property owner is a member of the vulnerable population, so discussions have been limited. He said the court denied cert for Lionsback Development; The City's position is to uphold our legal obligations. He said the Highway 191 widening project is progressing faster than expected. He said the City is working with the Grand County School District regarding a graduation service and are prepared to assist once a decision is made.

Councilmember Derasary requested clarification on the City's position about masks. Mayor Niehaus said the City is leading through solidarity with Grand County, the health department, and the hospital. She said the Governor's order laid out the requirements with respect to masks; Right now, masks remain optional for visitors.

### ***Citizens to Be Heard***

Mayor Niehaus summarized the process for submitting Citizens to be Heard comments and said that four comments were received for this meeting.

Kirstin Peterson said, "I would request that the City of Moab seriously consider implementing a mandatory wearing of masks in all indoor essential business spaces including grocery stores, hardware stores, etc. I support the partial reopening of town to visitors, but we need to protect our local residents, front line workers and our visitors and set a standard for good behavior and what we will tolerate and what we won't. I am seeing more articles of other towns that are taking this measure so there are precedents. I understand that certain businesses can be exempted for this by the health department but in general, my observation of the behavior in town this past weekend was that visitors are not being respectful of our space and health. Thank you. Kirstin Peterson"

Carla Gregory said, "although I don't reside within the City limits, the decisions the City Council makes affect my family, my business, my employees and myself. Please take into consideration our financial health, not just our physical health, when you make a decision to tighten or loosen restrictions in the next phases of reopening. Based on your previous decisions and comments, I understand you don't like tourism and would like to minimize it as much as possible. I hope you understand that our city cannot survive without tourism and we need to bring it back. Safely, obviously, but we need it!! Thank you!"

Duran Atkins said, "I am concerned that Moab is opening up too quickly in light of the fact that most tourists and even a lot of locals are not taking precautions seriously. I am in the high-risk category and it's really terrifying to go into the stores and have people not maintaining their 6 feet space, coughing with no masks Etc"

Denny Hayes said, "Amid all the shut down and people out of work and even still with people working but working less hours, what I would like to know is how far in debt is Moab based on the loss of tax dollars? Also, since the loss of revenue due to travel restrictions and closed businesses where is the money to pay our city/county officials coming from? How did you all still receive a paycheck when the majority of the people weren't working?"

### ***Presentations:***

#### ***Budget Update***

Finance Director York provided a PowerPoint presentation of the budget. He said the sales-based tax is being impacted by COVID-19. He said the Utah League of Cities and Towns conducted their own study and they are projecting decreases in revenue for Moab from 28% to 36%. He said the pre-COVID-19 tentative budget estimated sales tax revenue at \$9.5 million. He took the pre-COVID-19 tentative budget and created two scenarios for financial recovery. He said the first scenario was a gradual recovery to 80% of the budget by January 2021 with an increase to 85% beginning in April and the second scenario was a 50% recovery throughout the entire budget year. He said with the gradual recovery scenario there is an approximate \$3.1 million loss of sales tax revenue in the next budget year and with a 50% recovery scenario there is an approximate \$5 million loss. He said based on budget projections we must move to Tier 4 of the financial recovery plan because staff has cut out everything else already.

Mayor Niehaus asked if Tier 4 would have the cumulative savings as a result. Finance Director York confirmed that was correct and said everything that was looked at internally and externally shows the projected loss. City Manager Linares said staff worked hard to cut \$1.2 million from the budget prior to COVID-19 which is represented by the blue line in the graph. He said many of those cuts included staff benefits, over time, and salary reductions to achieve that mark. He said the reality is that, by July 1, additional cuts will need to be made to operations, maintenance, reserves, interlocal agreements, and capital projects. He said the City will have to settle into providing only the statutory essential services that are mandated for cities to provide. He said the situation cannot be avoided because the City must be responsible with taxpayer money and take action to maintain its financial wellbeing.

Finance Director York said every idea he proposed to reduce expenses was already done. He displayed a personnel update from March 12 showing 85 full-time employees, six employees currently furloughed, and 67 total active part-time employees laid off or furloughed. He said that, if the financial situation gets worse, there may be other avenues to explore to save money or generate additional revenue.

Councilmember Jones asked what the interlocal services are in Tier 3. City Manager Linares clarified that those interlocal agreements were being reviewed to determine if some of the financial obligations can be deferred. He said those discussions are still in the works, but it is the same as what is being done in Tier 2 with deferred CIB debt. Finance Director York said the deferred CIB request was submitted but the results are not known yet. Councilmember Jones said the outcome should be shared with Council and the recipients, who have their own budgeting concerns. City Manager Linares explained that some groups who have interlocal agreements with the City have requested to defer their debt with us. He said deferring payments may not help the situation.

Councilmember Knuteson-Boyd said she received quite a few requests and comments about when the MRAC will open. City Manager Linares said there is a lot of misinformation about opening the MRAC and that no plan has been approved to open the facility. He said the MRAC has a heavy financial bearing on the City with operating costs of \$22,000-\$30,000 per month. He said the costs decrease when the facility is closed, and the City does not have the money to operate many of our facilities. He said the City is looking at staff reductions. He said it is hard to justify funding a facility for \$30,000 per month that will generate no revenue while, at the same time, the City is laying off individuals because we cannot afford to pay them.

Mayor Niehaus asked if the \$30,000 was staffing costs or if it included operation of the facility. City Manager Linares clarified that the amount is the staffing cost only. He said the costs to run the HVAC and pool systems occur regardless of whether the MRAC is open, but the City is looking for cheaper ways to run the facility while staying compliant with state law. Mayor Niehaus asked Councilmembers Guzman-Newton and Knuteson-Boyd if they recalled the utility costs for the MRAC. Councilmember Jones said he could not remember a specific number but said the gas bill was particularly high in May to heat the pool. He asked City Manager Linares if there was a policy regarding existing memberships and the possibility of extending them for the period that the facility is closed. City Manager Linares said there is not a policy in place, but staff and administration have discussed either issuing refunds for the time lost or extending memberships. Councilmember Knuteson-Boyd said the MRAC gas bill for May was \$3,333.16. Mayor Niehaus said the pool was expensive to run before the salaries were included. City Manager Linares said some operational costs will remain the same whether it is open or closed. Mayor Niehaus said it is a facility that does not recover the costs with user fees. She said it is



exceptionally difficult right now because we do not have sales tax revenue to cover the additional costs.

Mayor Niehaus thanked Finance Director York for the presentation and highlighting the options in red for the RAP tax, property tax, nonessential services, and reductions because it is reflective of the current financial situation. She said the loss of the pool as a physical asset to the community is difficult but providing essential services is our job and legal obligation.

Councilmember Duncan asked about the 67 active employees that would be laid off or furloughed and City Manager Linares clarified that those employees have already been laid off or furloughed from various departments. Mayor Niehaus said the City is trying to stop the hemorrhaging and there will be tough decisions in finalizing the budget. She said the two revenue reduction scenarios presented by Finance Director York will influence how City Council will handle expenses going forward. Finance Director York said it will be more of a forecast year than a budget year.

Councilmember Guzman-Newton asked if there was an option to keep our tax revenue for ourselves and not send it up north. City Manager Linares said tax revenue is collected by the state and disbursed by them to the City. Mayor Niehaus said there is not a stable revenue because property tax is not collected by the City. Councilmember Derasary said there are communities that collect property taxes who are also suffering.

### ***RAP Tax***

City Manager Linares said RAP tax is a recreation, arts, and parks tax which is essentially the only tourist sales-based tax not collected by the City. He said the City currently collects the 1% local sales tax, 1% transient room tax, 1.1% resort community tax, and an extra 0.5% resort community tax as a super resort community. He said those taxes have funded the City for the last two decades. He said the last one that has not been collected currently is a RAP tax which is one tenth of 1% on sales of goods and services excluding unprepared food. City Manager Linares displayed updates to the City's website showing the new Arches Hotspot Committee link as well as the RAP tax link on the home page. He said the RAP tax page includes background information, a RAP tax calculator, and information about how the funding can be used. He said most of the tax will be paid by tourists because 61% of all sales in the City are made by non-residents. He explained the process for implementing the RAP tax including public hearings, public forums, and eventually placed on a ballot for a vote. He said once the RAP tax is passed it is in place for 10 years with the possibility of following the same process to extend it an additional 10 years. He said prior to COVID-19, the City anticipated the RAP tax could generate \$300,000-\$400,000 in revenue. He said the RAP tax can be used for parks, recreation programs, the MRAC, the MARC, or any other type of art or recreation program. He said, even though the revenue generated by the RAP tax is earmarked for those uses, it could free up general fund monies for use elsewhere. He said the recreation, arts, and parks are important to our community and the City needs to find funding/financing to continue those programs. Mayor Niehaus thanked City Manager Linares for the presentation and said there would be more discussion about it. City Manager Linares thanked Communications and Engagement Manager Church and Assistant City Manager Castle for their work on the website link. He expressed that this is a tourist-based tax and welcomes dialogue from the community.

### ***Public Hearings:***

#### ***Public Hearing for the City of Moab's Fiscal Year 2020-2021 Budget***

#### ***Proposed ordinance 2020-09: An Ordinance Adopting the City of Moab Pay Plan Schedule and Adopting the exempt and Elected Officials Salaries for Fiscal Year***

**2020-2021**

**Public Hearing for the City of Moab's Master Fee Schedule for Fiscal Year 2020-2021**

Mayor Niehaus read the titles of the public hearings for the record and said no comments were submitted for any of the public hearings. Councilmember Knuteson-Boyd asked if the comment period would remain open for a few days to allow people to comment. Mayor Niehaus said, if community members would like to make comments regarding any of the public hearings, to send emails directly to the City Council.

**Old Business:**

**Proposed resolution 30-2020: A Resolution Adjusting Culinary Water Rates**

**Discussion:** Mayor Niehaus noted that City Council had a culinary water rates presentation from City Engineer Williams and Finance Director York during the workshop. She also said Council was presented with five options at a prior meeting and narrowed them down to three options with the possibility of modifying two of those options. She said Council needs to select a preferred option or provide further direction to staff.

Councilmember Jones suggested a hybrid with the base rate increases in option one but doing more on the commercial rate and then filling in usage rates to meet the other financial criteria.

Councilmember Derasary said she is willing to consider any of the three options. She said she would like to see the option proposed by Councilmember Jones. She requested that the public get to see the options in a packet, so they are aware of what is being considered before Council votes.

Councilmember Duncan said the final option chart presented by City Engineer Williams and Finance Director York should be presented at a public hearing that shows typical increases in bills for commercial and residential users prior to the vote by City Council.

Councilmember Derasary stated there is critical information for the public in the water rate study that could provide clarity to understand the debt coverage ratios, the importance of 180 days cash on hand, and the urgency of the situation. Councilmember Duncan respectfully disagreed stating that most citizens care about the check they must write every month. He said if people complain about the rates then the documents could be enlisted to explain the increases.

Councilmember Knuteson-Boyd said either option is acceptable, and she is willing to consider Councilmember Jones' idea. She felt it would be appreciated by the public if they had the ability to see City Engineer Williams' presentation explaining the necessary projects and how funding that is required.

Councilmember Guzman-Newton expressed concern about doubling commercial rates. She said there are many small businesses in the City, and she would like the businesses to see the numbers before voting; However, she is on board with options B or C.

Mayor Niehaus conducted a straw poll to determine if the City Council was willing to move forward with a rate increase this year and Councilmembers were in favor. She asked if there was consensus from the Council regarding presenting options A, B, C, and K, at a public hearing and Councilmembers were in favor.

**Motion and vote:** Councilmember Knuteson-Boyd moved to table consideration of new water rates until such time that the City Council can hold a public hearing. Councilmember Guzman-

Newton seconded the motion. The motion passed 5-0 with Councilmembers Knuteson-Boyd, Duncan, Derasary, Jones, and Guzman-Newton voting aye in a roll call vote.

***Approval of Bills Against the City of Moab***

Councilmember Knuteson-Boyd moved to approve the bills in the amount of \$231,715.00. Councilmember Jones seconded the motion. The motion passed 5-0 with Councilmembers Duncan, Jones, Knuteson-Boyd, Derasary, and Guzman-Newton voting aye in a roll call vote.

***Adjournment:*** Councilmember Guzman-Newton moved to adjourn the meeting. Councilmember Jones seconded the motion. The motion passed unanimously. Mayor Niehaus adjourned the meeting at 8:46 PM.

APPROVED: \_\_\_\_\_  
Emily S. Niehaus, Mayor

ATTEST: \_\_\_\_\_  
Sommar Johnson, City Recorder