

City of La Verkin

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La Verkin City Council Work Meeting Minutes Wednesday, March 17, 2021, 5:00 p.m.

Council Chambers, 111 S. Main, La Verkin, Utah

Present: Mayor Richard Hirschi, Council Members: Kelly Wilson, Patricia Wise, and Ray Justice; Staff: Chief Ben Lee, Christy Ballard, Derek Imlay, Cathy Freitas, and Kyle Gubler; Public: John Valenti.

Councilman Gubler and Councilman Hardy were excused.

A. Called to Order –Mayor Hirschi called the work meeting to order at 5:06 pm.

1. FY 2021-2022 Budget

Kyle passed out a copy of the budget. It is a working document and is not public yet.

He has included a 2.75% cost of living increase and a 2.25% merit increase and an additional full-time public works employee and an additional full-time public safety employee, per Council request. This is not a balanced budget.

General Fund

The property tax line is an estimate. The City is guaranteed to receive \$385,909. The Council will approve the Mill Levy in June which will give us the exact amount. That will be adjusted in the January budget amendment.

The other item he wanted to point out is line 3225.2, Animal Control Contracts. Chief Lee thought he could get the County to double the money they are paying for animal control services, so this budget has included that amount. The current contract doesn't expire until December. If they do not increase the contract \$18,000 would need to be subtracted from this line.

The federal government has changed the grant and contract for Victim Services. Those changes are reflected in this budget. This year is a 10% decrease and next year will be an additional 15% decrease.

Chief Lee explained the partners met and made cuts where they could. The partners will have a minimal increase this year in the amount they pay and all understand the fee will increase again next year.

The partners are responsible for about \$27,000.

Kyle reported La Verkin's increase for its share of the cost has been included in this budget.

Tiffany is a full-time employee of La Verkin City but her wages, for example, are governed completely by the federal grant.

Councilman Justice arrived at 5:16 pm

Kyle continued, Community & Economic Development line 4626.610, has an additional \$20,000 for the purchase of secondary water shares.

The Administrative lease payment line has a balance of \$55,000. This will be a bond payment for the 100 South project. The payment is \$57,000 and will be paid from the General Fund and the Water Fund. The City may also approach the Division of Drinking Water for additional money to finish the project and add 500 West and a waterline by the water tank to the project. He included a total of \$90,000 in this budget for bond payments between the General Fund and the Water Fund. The Auditor recommended the General Fund pay a percentage of the bond and the Water Fund pay the remainder. The Water Fund is paying more of the salaries than it has in the past to "free up" the money for the bond payment. This budget is \$137,877 in the red and is not a balanced budget.

Councilwoman Wise asked what the 3–5-year goal for water shares was.

Kyle replied he would like the City to own as much of the water as possible.

Derek reported the City owns 120 shares and there are 481 contract deliveries.

Kyle explained the Council can estimate higher to cover the deficit, do truth in taxation, or find cuts in this budget.

Councilwoman Wise asked about line 3965, Adopt a Tree Program.

Kyle explained this is a requirement to be a Tree City USA community. Nothing is spent out of this line and that is already factored into the budget.

Water Fund

Kyle mentioned line 9110 is the \$40,000 bond payment discussed earlier.

He conservatively budgeted the water revenue at \$975,000. Add connection and penalty fees and the total revenue is \$1,002,000. The Water Fund is showing a deficit of \$51,750.

The percentage of employee wages can be “played with” to change the numbers. The additional public works employee is also included in this amount and can be spread out over additional funds. He is not too concerned with this fund.

Sewer Fund

This fund is balanced. It is a pass-through fund. The City keeps 5% to cover costs.

Irrigation Fund

The Drainage and Irrigation Funds are supposed to pay part of the bond payment. However, the Irrigation Fund has no money for a bond payment. The City spends a lot of money fixing the irrigation system.

This budget shows a deficit of \$5,250. It will not be difficult.

Garbage Fund

This is a pass-through fund also.

Drainage Fund

This fund has a deficit of \$3,750 and shouldn't be a problem to make up.

Kyle reported the budget needs to be approved by the second meeting in June.

Cemetery Fund

Is always a guess. The money is moved from this fund during a budget amendment to the General Fund to cover perpetual care.

Kyle passed out a chart showing the breakdown and total cost of the merit increase. It is a \$25,000 increase to the budget. He suggested waiting until October to award those merit increases to help with the budget. This is also one of the areas the Council could cut.

He also went over the scale of the cost-of-living increase and reported that will increase the budget by \$28,000.

Kyle asked for direction on the two full-time positions. He doesn't feel we will be able to hire two full-time positions in July.

John Postert, our building inspector is quitting La Verkin City to take a position with the Hurricane Valley Fire District.

The concern is that there are building inspector positions in larger cities throughout the state who are offering more money and can't get anyone to apply. Derek has suggested taking John's wage and train the current staff to cover the position. He would have different people cover different sections of building inspections. Derek is certified in all areas.

Nothing has been decided.

Councilwoman Wise thought that made good sense for the building inspections, but John is also over code enforcement and zoning, and Derek is already spread so thin.

Kyle said part of the training for the guys will cover all the areas John covers. John isn't leaving until June 30, 2021, so we have time to get them trained.

Randy Slack has also said he will be retiring in October 2021.

Chief Lee pointed out Animal Control has increased from \$64,400 to an anticipated \$86,800. If the contract price with the County is doubled, that would increase this line an additional \$18,000. He would only need to find \$4,000 for a full-time animal control position, which he is confident he could do. It all depends on what the County says about increasing the contract price.

Kyle said if the City feels they are not getting enough money from the County for services they are receiving then the cost needs to be increased. At the same time, he has never been in favor of making animal control a full-time position.

There are areas in the revenue that can be increased to offset the deficit. Kyle budgets very conservatively so in years past, during the January budget amendment, there has been extra money to purchase additional things such as equipment and vehicles. If that is changed, it will affect the January budget amendment and there may not be that surplus of revenue. On the other hand, if the revenue doesn't come in like anticipated they may need to cut their budgets.

Councilwoman Wise said she doesn't feel the City has a good enough reason to do truth in taxation. She feels the budget can be balanced by working through what we have.

Kyle asked the Council to let him know if they wanted to keep the cost of living and merit increases at the combined 5%. He would like the tentative budget ready in April.

The ended at 5:57 pm.

April 7, 2021
Date Approved

ATTEST: Christy Ballard
Christy Ballard
City Recorder

Richard M. Hirschi
Mayor Richard M. Hirschi

