

City of La Verkin

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La Verkin City Council Work Meeting Minutes

Wednesday, April 7, 2021, 5:00 p.m.

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

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

Councilman Hardy was excused.

A. Called to Order –Mayor Hirschi called the work meeting to order at 5:05 pm.

1. FY 2021-2022 Budget

Kyle passed out a copy of the budget.

This is a balanced budget. He increased the revenue slightly and removed both new full-time employee requests. The cost of living and merit increases were both left in.

He spoke with Commissioner Gil Almquist regarding the increased fee for animal control services. It was a short discussion and Commissioner Almquist pointed out the current contract goes through the end of 2021.

Kyle explained Derek will not be hiring a building inspector to replace John Postert. John is currently working with La Verkin City and the Fire District while the City pays his complete wage. The time is tracked and once he is full-time with the Fire District, they will charge a fee to have John inspect for surrounding communities and that will come out of the hours banked during this time. Chief Kuhlmann is anticipating having a building inspection department as part of the Fire District's services and John will be the head of that department.

If the District ends up not doing building inspections, then Chief Kuhlmann will cut the City a check for the time John was working for them.

Kyle said Derek is planning on training the current employees to each do a specific type of building inspection.

Derek is a certified inspector for commercial and residential and can fill in when necessary. He just already has a lot to do. If we find there is enough money in the budget to hire additional employees that can be done with the fall budget amendment.

General Fund

Kyle has the CIB meeting tomorrow. He has included money for that project in this budget, both in the General Fund and the Water Fund.

Councilman Gubler arrived at 5:07 pm

Kyle continued, he will know the terms of the loan and the conditions after the meeting. He also went over the different options the CIB Board may give the City.

Councilman Wilson mentioned building materials are more than double what they were six months ago. Contractors are limited on what they can purchase, even the availability of material has been affected.

Kyle said if the bids come in over budget the first option would be to go back to the CIB Board and ask for a grant. The second option is to start cutting items from the project.

Kyle lowered the street project balance from \$100,000 to \$80,000. He hopes to pay the 300 West Street Project off and that payment amount could be put into street projects raising the amount back to \$100,000.

The other decreases were all minor.

Debt Service Fund

This fund pays the bond payments and is really not affected by the budget.

Water Fund

This is a balanced budget. He had to change salaries and wages. The \$40,000 listed under transfer to General Fund is for the CIB payment.

Sewer Fund

This fund is balanced. It is a pass-through fund. The City keeps 5% to cover costs and uses it for salaries and wages.

Irrigation Fund

This fund is balanced. This is the fund he worries the most about. The system is terrible and breaks a lot. Twelve years ago, the cost came in at 3 million dollars to fix the entire system so that cost has probably doubled. The other funds end up covering this fund.

Councilwoman Wise asked if the City has considered raising the irrigation rates.

Councilman Wilson said if the City does increase the irrigation water rates, they need to do it the same way the culinary water rate increased and set it up to increase a little each year.

Kyle said the day will come that the State requires the City to meter irrigation water. He thinks it would be wise to start collecting money now to put in a fund for that day. That will be an expensive project.

Councilman Wilson stated that is how all the rates need to be looked at.

Kyle reported the CIB Board will require the City to have enough money to make the last payment setting in an account from the beginning of the project.

Councilwoman Wise suggested starting a five-year savings plan for the irrigation system.

Kyle agreed but thinks the first thing that needs to happen is to increase the rates so the fund can cover itself and then start saving money for future replacement projects.

Councilwoman Wise would like to move forward with a rate increase to get the City on track in either 2021 or 2022.

Derek reported a rate increase must begin with having the engineers do a study. That is how a rate structure is determined. The cost of those studies is \$40,000-45,000.

The City's allotment of water is decreasing rapidly. At some point, the City will not have enough water shares to rent out. He discussed with the Water Board to possibly reduce the allotment designated to each property size. He can figure out the percentage of land, on average, that is actually being irrigated, for each zone. Right now, the entire parcel is used in the equation. This should help us not lose the ability to rent shares.

Kyle mentioned the first thing the entities that offer grants & loans to cities do is look to make sure the city is charging enough.

Councilman Gubler asked if the City has received bids from other engineering firms in the last several years.

Derek answered that 10 years ago when the City did a study for the drainage, culinary water, streets, and secondary water the City did have multiple firms bid and Sunrise Engineering was the best price.

Councilwoman Wise asked where this budget could come up with the money for a study.

Kyle mentioned some entities will give cities half of the cost for a study, especially where they're trying to improve the water system. Sunrise Engineering will look for grants for the City as well. We could also wait for a budget amendment.

Councilwoman Wise pointed out a study also helps justify the increase to the public.

Kyle will add the increase to the next Water Board agenda.

Christy pointed out the auditor tells us every year that the Irrigation Fund is not paying for itself and should be.

Councilwoman Wise mentioned if the City had a new system, it would decrease the amount of time our employees spend in potentially dangerous situations, like a muddy trench.

Councilman Justice asked which funds usually cover the irrigation.

Kyle replied the Water Fund and the General Fund.

Councilman Gubler mentioned using surplus funds in the year-end budget amendment to cover at least some of the study cost so if the Water Board decides to move forward with the increase, then the City has funds to do it. He also suggested placing a possible water restriction on an upcoming city council agenda.

Mayor Hirschi reported the Water Conservancy District is having a meeting with the mayors to discuss water.

Derek mentioned the Water Conservancy District is worried about running out of drinking water as well.

Garbage Fund

This is a pass-through fund. The Solid Waste District has increased its rates.

Drainage Fund

This fund pays a 2015 Bond.

Cemetery Fund

This fund is a guess every year.

Kyle would like to present this budget in the next city council meeting as the tentative budget and set the public hearing for the second meeting in May. This will give the City time to send out the information for the public hearing. He would like to get the budget finalized as soon as possible so he can move forward with the year-end budget amendment.

The street project will begin in two weeks.

The meeting ended at 5:50 pm.

May 5, 2021
Date Approved

ATTEST: Christy Ballard
Christy Ballard
City Recorder

Richard M. Hirschi
Mayor Richard M. Hirschi

