

PAYSON CITY
CITY COUNCIL MEETING
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, August 4, 2021

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Brett Christensen, Linda Carter, Taresa Hiatt (via Zoom), Brian Hulet,
Bob Provstgaard, William R. Wright

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Kim E. Holindrake, City Recorder
Jason Sant, City Attorney
Brad Bishop, Police Chief
Travis Jockumsen, Public Works Director/City Engineer
Scott Spencer, Fire Chief
Jill Spencer, City Planner
Chris Van Aken, Planner II

A. CALL TO ORDER

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 6:00 p.m. The meeting was properly noticed.

B. ACTION ITEMS

1. Public Hearing/Resolution – Truth in Taxation and Certified Tax Rate

Staff Presentation:

Dave Tuckett stated the Council previously discussed the need for another engineer, planner, and repairing the pool stairs, which gave the need to raise the certified tax rate. The notice to residents identified a cap at 20%. Further discussion concluded not raising the certified tax rate, holding the same rate as last year, and using some of the fund balance. The proposed rate from the County was 0.001128. If the City hold the same rate as last year, it would be 0.001193, which would increase the tax \$10.80 per year for a residence valued at \$302,000. A 20% increase would equate to \$37.54 per year. This is only the city portion of the tax rate. Holding the same rate as last year creates \$85,000 to \$90,000 in additional revenues. The Council has discussed new-growth infrastructure needs, aging infrastructure, bond debt, increased regulatory compliance, increased operational costs, and incremental increases in revenue.

Councilmember Christensen noted the state is requiring the City to update the sewer plant. Today, staff met with three contractors who stated there is no way to do the upgrade without a budget overrun. The cost is \$23 million. If the City tries to skimp on the upgrade, it will come back to bite us. The City is looking at many options and trying to get the best company for the job.

Dave Tuckett continued the tentative budget included utility rate increases per the consumer price index (CPI). This City has incorporated this increase every year except last year because of COVID.

The CPI increase is 1.7% with a water increase of 15%. This equates to an average, overall increase of \$9.16 on a residential bill per month.

Updates since the Tentative Budget adoption:

- Moved operational expenses to the engineering budget for ease of budget and accounting.
- Changed the Electric Power Budget for UAMPS related expenses of \$26,400 and improvements to be reimbursed by developers of \$435,600.
- Adjusted ballfield budget down due to faster completion.
- Added four scoreboards to be reimbursed by Pepsi for \$15,560.
- Carried over Economic Development Committee funds of \$1,200.
- Carried over funds for court carpeting of \$10,000.
- Petetneet donation of \$7,500 to be used for railing improvements.
- Additional revenue for Miss Payson from \$4,500 to \$7,200.
- Payson library award of \$500 put towards employee acknowledgment.
- Added air conditioner for City Center.
- Added funds of \$15,000 for branding.
- Grant received from state for Onion Days of \$7,500
- Utah League membership fee increase of \$400
- Square reader for concessions to aid balancing receipts and serving customers of \$3,200.
- Sale and replace three trucks with revenue expected to meet or exceed expense of \$135,000.
- Updated cemetery revenues with closing out the interfaith fund.

Added items to the Tentative Budget.

- Lobbyist \$25,000.
- Engineer to Development Services.
- Swimming pool stair repair.
- General Fund transfer of \$418,500 to Water Fund to cover the Forebay bond; allows rebuild of well pump 5.
- Revised water bond balances, additional drawdown to rebuild the Spring Lake pump
- Salem/Payson drinking water cross connectivity project \$50,000.
- Employee recognition funds in each department.

Budget Highlights:

- Added market adjustments to individual wages to keep wages competitive and increased part-time starting wages.
- Gave department head requests in operational budgets.
- Distributed capital projects and equipment amongst departments.
- Developed new philosophy for new vehicle turnover.

Funded Personnel:

- Planning and Zoning full-time administrative assistant additional 9 hours.
- Planning and Zoning full-time planner.
- Planning and Zoning part-time planning intern.
- Water full-time meter employee/daily maintenance.
- Senior Citizens part-time shop instructor.
- Engineering full-time development engineer.

- Library part-time to full-time children’s librarian.

Water – Revenues/Expenses \$,226,241

- New meter/daily maintenance employee.
- Priority projects for fire hydrant repair; broken/additional valves.
- Proposed project to upsize 4,300 feet of pipe on 100 South to 12 inch to provide transmission capacity of the Upper Pressure Zone. A portion from impact fees.
- Rebuild well 5 pump motor with General Fund transfer to cover Forebay bond.
- Forebay bond amount transferred from the General Fund to allow additional projects.
- Water bonds pressurized irrigation filter project; additional draw down of bond funds for Spring Lake pumphouse.
- Payment for CUP infrastructure improvements.
- Salem/Payson culinary water cross-connection.

Solid Waste – Revenues/Expenses \$2,991,790

- Fencing for landfill.
- No gravel royalties recognized; these were prepaid for \$2 million ballfield offset.
- Upgrade scales.
- Two refuse collection trucks leased mid-year FYE 2021.
- Possible budget revenue adjustment after gauging the full effects of the Santaquin contract.

Electric Power – Revenues/Expenses \$15,754,108

- Assistant power manager already allocated through previous manager’s budget position.
- Bucket truck carryover from 2021 budget.
- \$600,000 requested for reserve funding for Strawberry line SESD buyout.
- Property for substation.
- UAMPS expenses line item added.

Sewer – Revenues/Expenses \$7,057,676

- Reserve funding \$300,000 for bond retirement (Sewer Plant upgrade).
- CUP Spanish Fork to Santaquin line \$15,000.
- Main Street Project \$547,000.
- Engineering for new sewer plant carryover \$2,000,000.

Ambulance – Revenues/Expenses \$927,972

- New billing processer; predicted to collect more revenue.
- Major source of expenditures is operational expenses.

Golf Course – Revenues/Expenses \$1,375,136

- RV park second year.
- Redo driving range \$8,000.
- Golf cart concrete wash area \$8,000.
- Golf cart program through Revolving Loan Fund.
- Paths, pavilion and fencing \$20,000.
- Utility sprayer to spray entire city properties, safety issue \$45,493.

Storm Drain – Revenues/Expenses \$1,524,392

- Rates study \$15,000.
- Beer Creek study with other cities \$48,000.
- Engineering design projects \$21,000.
- CDBG project \$200,000.
- Main Street project \$271,000.
- CUP project Spanish Fork to Payson \$41,800.
- First payment for vactor truck \$100,000.

Impact Fees

- Parks \$703,300. Currently updating parks and recreation impact fees.
- Power \$777,300. Power impact fee study needs to be updated.
- Public Safety \$211,200
- Water \$614,000
- Sewer \$704,000

Internal Service Funds - Vehicle Maintenance \$400,609 and IT \$568,452.

Revolving Loan Fund - Revenues/Expenses \$1,356,528.

PARC Tax Fund – Revenues/Expenses \$493,590.

General Fund – Revenues/Expenses \$22,538,165

- New legislation allows 35% of revenue fund balance.
- City-wide issue getting part-time employees for cemetery, parks, golf, and library. Budget wages up to \$12.
- Truth in Taxation Certified Tax Rate adjustment, keep same rate as last year at 0.001193.

Transfers and Indirect Funds

- Water Fund to General Fund \$395,235
- Solid Waste Fund to General Fund \$233,825
- Electric Fund to General Fund \$1,196,640
- Ambulance Fund to General Fund \$83,048
- Storm Drain Fund to General Fund \$74,700
- Sewer Fund to General Fund \$376,020
- General Fund to Water Fund \$418,500
- General Fund to PCT Fund \$7,000
- General Fund to Golf Fund \$163,733

Indirect Costs are charged to funds for services that would otherwise have to be outsourced such as payroll, accounting, legal services, etc.

Special Revenue, Capital and Revolving Loan Funds

- RDA Town \$1,400
- RDA Business Park \$26,600
- PARC Tax \$493,590

- Capital \$3,426,900
- Revolving Loan \$1,356,528

CDBG Project

- Revenue - \$153,600 (grant)
- Expenses – CDBG \$153,600 (funded), Water \$275,000 (not funded), B&C \$383,000 (not funded), Storm Drain \$200,000 (funded).

Council Discussion:

Councilmember Hulet noted just because property values have gone up a lot this year, what the County does is reduces the mill levy to keep the property tax the same. If the property value goes up \$100,000, it doesn't mean the property tax went up. It can be confusing.

MOTION: Councilmember Christensen – To open the public hearing. Motion seconded by Councilmember Provstgaard. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Public Comment:

No public comments.

MOTION: Councilmember Hulet – To close the public hearing. Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

MOTION: Councilmember Hulet – To (resolution) keep the Certified Tax Rate the same as last year, which would be 0.001193. Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Bob Provstgaard

2. Public Hearing – Enterprise Fund Transfers (6:55 p.m.)

MOTION: Councilmember Christensen – To open the public hearing. Motion seconded by Councilmember Provstgaard. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Public Comment:

No public comments.

MOTION: Councilmember Hulet – To close the public hearing. Motion seconded by Councilmember Christensen. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

MOTION: Councilmember Hulet – To approve the Enterprise Fund transfers as presented tonight. Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

3. Public Hearing/Ordinance – Fiscal Year 2021-2022 Budget

MOTION: Councilmember Christensen – To open the public hearing. Motion seconded by Councilmember Provstgaard. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Public Comment:
No public comments.

MOTION: Councilmember Carter – To close the public hearing. Motion seconded by Councilmember Christensen. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Council Discussion:
Councilmember Provstgaard questioned if the funds to remodel the council chambers could be put towards air conditioning for the building since the council chambers won't be remodeled.

Dave Tuckett stated those were COVID funds that go back into that fund and can be redistributed.

Cathy Jensen stated the COVID funds are in the General Fund until allocated. The Council discussed a billboard as well.

Dave Tuckett stated staff will present uses for the COVID funds at a future meeting. A federal audit has to be done on those funds. He is working with the State Sign Division on the billboard as well as resolving the SESD issue.

MOTION: Councilmember Provstgaard – To approve the Fiscal Year 2021-2022 budget ordinance as presented this evening. Motion seconded by Councilmember Hulet. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Bob Provstgaard

4. Resolution – Amendments to the Payson City Fee Schedule (7:03 p.m.)

Staff Presentation:
Dave Tuckett this resolution adopts the fees increased by the consumer price index in the budget.

MOTION: Councilmember Hulet – To approve the (resolution) utility rate increases as presented. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter
Yes - Brett Christensen
Yes - Taresa Hiatt
Yes - Brian Hulet
Yes - Bob Provstgaard

C. ADJOURN TO REDEVELOPMENT AGENCY

MOTION: Councilmember Carter – To adjourn to Redevelopment Agency. Motion seconded by Councilmember Christensen. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

1. Public Hearing/Ordinance – Fiscal Year 2021-2022 Budget

MOTION: Director Christensen – To open the public hearing. Motion seconded by Director Hulet. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Public Comment:
No public comments.

MOTION: Director Christensen – To close the public hearing. Motion seconded by Director Hulet. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

MOTION: Director Hulet – To approve (ordinance) the Fiscal Year 2021-2022 budget for the RDA. Motion seconded by Director Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter
Yes - Brett Christensen
Yes - Taresa Hiatt
Yes - Brian Hulet
Yes - Bob Provstgaard

D. ADJOURN FROM REDEVELOPMENT AGENCY

MOTION: Director Provstgaard – To adjourn from Redevelopment Agency. Motion seconded by Director Christensen. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

Mayor Wright and the Council noted the upcoming day of Service on September 11. The City is working on projects for the event that will include approximately 10,000 volunteers. The City wants to make sure there are enough projects for all the volunteers.

E. ADJOURNMENT

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

The meeting adjourned at 7:10 p.m.

/s/ Kim E. Holindrake
Kim E. Holindrake, City Recorder