



Council Meeting

08-23-22

6:00 p.m.



MORGAN CITY COUNCIL AGENDA
AUGUST 23, 2022 – 6:00 P.M.
MORGAN, UTAH

PUBLIC NOTICE is hereby given that the Morgan City Council will hold a public meeting in the Council Room in the City Office Building, 90 West Young Street, Morgan, Utah, commencing at 6:00 p.m. on August 23, 2022.

WORK MEETING – 6:00 P.M. **(Combined Meeting with Planning Commission and City Council)**

1. Mixed-Residential Overlay Zone and Accessory Dwelling Units – Jake Young, City Planner

GENERAL MEETING – 7:00 P.M.

2.
 - A. Welcome - Mayor Steve Gale
 - B. Pledge of Allegiance and Opening Ceremony
 - C. Approval of Meeting's Agenda
3. **CONSENT AGENDA:**
 - A. City Council Work Meeting Minutes – August 9, 2022;
 - B. City Council Meeting Minutes – Truth in Taxation – August 9, 2022;
 - C. City Council Meeting Minutes – August 9, 2022; and
 - D. Warrants (08/05/2022 to 08/19/2022)
4. **CITIZEN COMMENTS** (Time has been set aside for the public to express their ideas, concerns, and comments. Comments are limited to 3 minutes per person with a total of 30 minutes for this item. Open Comment Cards are available on the City's website, morgancityut.org, and are to be filled out and submitted to the City Recorder before 5:00 p.m. on the day of the meeting.)
5. **ACTIVE AGENDA**
 - A. Discussion/Action – Mixed-Residential Overlay Zone and Accessory Dwelling Units
6. **CITY REPORTS AND BUSINESS**
 - A. City Manager
 - Project Updates – Geothermal Study Project Agreement – UAMPS, Train Depot, Sidewalk Project, Sewer Lagoon, and Emergency Repair Sewer Line
 - B. Mayor and Council
7. **ADJOURN**

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- A Work Session will be held prior to the General Meeting at 6:00 p.m. to discuss miscellaneous matters.
 - This meeting will also be live streamed via morgancityu.org.
 - The Council at its discretion may rearrange the order of any item(s) on the agenda.
 - In compliance with the American with Disabilities Act, individuals needing special accommodation (including auxiliary communicative aids and service) during the meeting should notify Denise Woods, City Recorder, at (801) 829-3461 at least 48 hours prior to the meeting.
 - This meeting may involve the use of electronic communications for some of the members of this public body. The anchor location for the meeting shall be the Morgan Council Conference Room, 90 West Young Street, Morgan, Utah. Elected Officials at remote locations may be connected to the meeting electronically to participate.
 - Notice is hereby given that by motion of the Morgan City Council, pursuant to Title 52, Chapter 4 of the Utah Code, the City Council may vote to hold a closed session for any of the purposes identified in that Chapter.

- The undersigned, duly appointed City Recorder does hereby certify that the above notice and agenda was posted within the Morgan City limits on this 19th day of August, 2022 at Morgan City Hall, on the Utah State Public Notice Website, at morgancityut.org, and three public places within the City. The 2022 meeting schedule was posted on the City's Website and Public Notice Website on December 17, 2021.

/s/ Denise Woods, City Recorder

**MINUTES OF MORGAN CITY
COUNCIL WORK MEETING**

AUGUST 9, 2022; 6:03 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**Mayor Steve Gale, Tony London, Jeff Wardell, Eric
Turner, and Jeffery Richins**

**COUNCILMEMBERS PRESENT
ELECTRONICALLY:**

Dave Alexander

STAFF PRESENT:

**Ty Bailey, City Manager; Lance Prescott, Street
Department; and Denise Woods**

STAFF PRESENT ELECTRONICALLY:

**Steve Garside, City Attorney; and Chad Kramer,
Water Senior Operator**

EXCUSED:

Gary Crane, City Attorney

**OTHERS PRESENT
ELECTRONICALLY:**

Mason Kjar, Attorney

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor, Steve Gale.

ITEMS FOR DISCUSSION

**WATER CONVEYANCE AND DEVELOPMENT AGREEMENT BETWEEN MORGAN CITY,
COMO SPRINGS RESORT LLC AND GRANDA REAL ESTATE – RESOLUTION 22-34**

Ty Bailey, City Manager, informed the Council the City had sent a Will Serve Letter stating the City would be willing to serve Como Springs with water, sewer, and power. He stated the development of Como Springs was in the County and they were currently working through the Conditional Use Permit process. The City's Engineer stated the improvements would be required to be done to City standards, the City would monitor the installation to ensure that occurred, and they would be required to transfer water rights to the City. The City engaged the services of Mason Kjar, Attorney, to study the water rights and to make sure they were conveyed properly, and the City was protected. He explained they were required to give adequate water rights to the City for their development and if their development expanded and their water usage surpassed the amount agreed to, they have already agreed to commit two additional shares. He explained that after the City received the shares, they would apply to the State for the Change Application but, if during the exchange the City was shorted because it went from an ag use to a culinary use, or the water use was more than the shares transferred, the agreement protected the City. He stated entering into this agreement would be beneficial because it would loop the City's water system and allow for the water to be rerouted if necessary and would help equalize water pressure on both sides of the City. At this time, the City couldn't allow Como Springs to be annexed into the City boundary because the City currently didn't have a zone in place to allow the use. He stated with the new General Plan there would be a zone so in the future, if requested, Como Springs could be annexed into the City.

Mason Kjar, Attorney, explained since this was an extraterritorial service so the agreement took into consideration both party's goals. He said Como wanted to have a business they could run with reliable

water and sewer and the City wanted to ensure that if the City provided service to the area, they were paying fair rates, protected the City's water source, and the water used by the resort matched the water given to the City through the water rights dedication.

Councilmember London asked if after the State had converted the 9.9 acre-feet into culinary water, the City was shorted could the City ask for more shares to equal the 9.9 acre-feet.

Mason clarified the calculation was done by the engineer and the 9.9 acre-feet was the amount the City needed to provide water for the proposed land use. If the City found the use was higher than the 9.9 acre-feet, the City could ask for additional shares. If the State Engineer shaved the amount because the use of the share changed due to the type of use to municipal water the City could go back and ask for an additional conveyance from their water right. He explained this was partitioning a water right not a share of an irrigation company.

Councilmember Alexander asked Mason why the City would limit it to an additional 2 acre-feet if there was a possibility it could require more than that to reach the required amount.

Mason explained it was done in 2 acre-feet tranches, but the City wasn't limited to only an additional 2 acre-feet. This was negotiated in the agreement because the developer didn't want to give an unlimited amount, but to have a cap/limit so it was handled in a procedural fashion. He explained the process of the City requesting additional water if it was more than the 2 acre-feet was mentioned in paragraph 4 of the agreement. Paragraph 8 stated if the City needed more than the 2 acre-feet the process would continue in perpetuity and may be repeatedly required to reach the amount negotiated upon. The City would work with the developer, so the final outcome was a total of 9.9 acre-feet of metered water which went into the City wells. He stated he felt this process protected the City. He stated he didn't anticipate the State Engineer shaving a lot off because it was in essence a well right to a well right and the risk was the well on Como Spring's property was a shallow water well whereas the City wells were deeper water and was for municipal use, although this water right was not strictly ag it's also culinary so we could argue to the State Engineer that the shave should be minimal if not zero.

Councilmember London asked if the 9.9 acre-feet was determined by the proposed use on the property.

Mason said the State Engineer calculated the amount necessary from a detailed list provided by the developer outlining the uses, the types of uses, the spaces which were going to be used for cabins or hook-ups, etc. There was also a provision in the agreement that if Como Springs used over the 9.9 acre-feet, they were either overcharged or they had to bring in more water.

Councilmember London asked if the developer decided to add an additional amenity in the future which used more water, they would be required to provide more water to cover the added use pursuant to the agreement.

Mason said yes. There was a provision in the agreement that if the developer ever changed the land use, i.e., built a hotel, this agreement no longer applied, and the developer would need to renegotiate with the City about extraterritorial service and the kind of water use that was associated with that use. But he said if the resort put in more hookups than were previously anticipated there was a different provision which stated they could keep using the water under this agreement but if they started using more water, they would need to pay the overage rate up to a certain limit and then if this consistently happened over a number of years then the developer would need to bring in more water.

Mayor asked if the overage rate was the normal City overage rate.

Mason explained because this was extraterritorial service, they would be paying a premium coverage rate as outlined in paragraph 7 of the agreement. The rate was 150% and if they went over consistently three or more times within 10 years then they needed to bring in more water.

Councilmember Alexander stated that earlier this year the Council passed an ordinance which stated no new construction would receive City service until it was annexed into the City boundary. He asked why this development wasn't being required to annex into the City.

Ty explained the City had provided a Will Serve Letter before the Council adopted the mentioned ordinance requiring annexation. The City wasn't opposed to annexation, but currently the City didn't have a zone which allowed this use. He stated the new General Plan would have some river-oriented options for zoning and that area had been considered for annexation at a future date if applied for by the landowner.

Councilmember Alexander mentioned paragraph 14 of the agreement which discussed improper management of privately owned utilities and the cleaning of the system and possible contamination.

Mason stated paragraph 14 was drafted knowing their system was in a flood zone and knowing they currently had a privately owned sanitary system or culinary system that they had to disconnect from their sources. The City would have a meter that would be dropping culinary water onto their property and then they would have to manage it from there, but they better not be cross-contaminating by drawing upon their own sources and injecting it into that culinary system.

Ty stated Chad Kramer, Water Senior Operator, and his crew would monitor every connection, which was what they currently did throughout the City. They would be responsible to maintain the system from the master meter forward, but they couldn't cross-contaminate, and they couldn't mismanage the operation.

Chad explained he took core samples every month from areas which could contaminate. He stated with an HOA there was a double check valve with the master meter so nothing could come back into our system. He stated they were inspected yearly, and the double check valves could be required to this development to make sure no contamination happened.

Mason mentioned paragraph 11 outlined the obligation of the developer regarding the construction of the improvements and that they would be done to City and State codes and standards. He stated the double-check valve wasn't specifically mentioned but if it was required by the City's existing codes and standards then the developer had to do it without a reference in the agreement.

Chad explained they would get their water after the main master meter and the City would have their backflow preventer there so nothing would get past the City meter into the loop.

Councilmember London clarified if the City had to shut the meter off because of the looping and the redundancy the only people who would be without water would be those behind that meter.

Ty explained the City's waterline went down Commercial Street and dead ends and it went down 100 South and dead ends so this would loop both those lines together so water flowed and there would be a valve on both sides so issues could be isolated.

**BID AWARD – DEER HOLLOW RETENTION BASIN RECONSTRUCTION PROJECT –
RATIFYING THE EXECUTION OF THE NOTICE OF AWARD BY TY BAILEY, CITY
MANAGER – RESOLUTION 22-35**

Ty explained the detention pond was in the back of the Deer Hollow Subdivision and it was located in the yard behind a home. The design didn't meet current City standards for slope. There had been negotiations with the property owner to get the retention basin fixed. The pond was not designed to function as a backyard, so the City Engineer had redesigned it properly so it would function as a backyard and a detention pond. Once the project was finished it would be the homeowner's responsibility to landscape and maintain the retention pond going forward. This project had already been awarded and this resolution also ratified the execution of the Notice of Award by Ty.

Chad Kramer left the meeting at 6:37 p.m.

FIRST AMENDMENT TO THE INTERLOCAL COOPERATION AGREEMENT BETWEEN MORGAN CITY REDEVELOPMENT AGENCY AND MORGAN CITY CORPORATION DATED NOVEMBER 13, 2018 – RESOLUTION 22-36

This item was handled by the RDA Board in an earlier meeting. The City would be approving this item in the next meeting so this was the opportunity for the Council to discuss any additional questions they may have on the agreement.

LUMEN – BILLING ACKNOWLEDGEMENT – LETTER OF INTENT; COMMERCIAL STREET REALIGNMENT – RELOCATION OF UTILITIES

Ty said the Commercial Street Realignment Project was completed and now the City was moving the utilities underground. The City's Power Department did an amazing job by digging the trench and putting the conduit in the ground. This payment to CenturyLink was the costs for design, engineering, and to move the overhead line and put it into the ground and this would get rid of all the overhead lines except for right next to the bus garage. He said there was a secondary feed that went across the river to the Jenkins home, and they were currently a customer on the line, but it didn't interfere with the bridge project so it would stay. The City currently didn't have a franchise agreement with CenturyLink/Lumen, but we were still working on getting the franchise agreement in place.

INFORMATION ONLY – CONTRACT FOR SOLID WASTE COLLECTION FOR MORGAN CITY AND MORGAN COUNTY – TERM 2022 - 2027

Mayor said the contract had been signed by the City, County, and Robinson Waste.

Ty said for the record, this was put out to bid and the City received proposals and it was discussed at a prior City Council meeting and Council authorized the negotiation of the new contract.

TRAINING – GARY CRANE, CITY ATTORNEY

No training was given.

This meeting was adjourned at 6:51 p.m.

Denise Woods, City Recorder

Steve Gale, Mayor

These minutes were approved at the August 23, 2022 meeting.

**MINUTES OF MORGAN CITY
COUNCIL MEETING - TRUTH IN
TAXATION PUBLIC HEARING**

AUGUST 9, 2022; 7:00 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT:**

**Mayor Steve Gale, Tony London, Jeff Wardell, Eric
Turner, and Jeffery Richins**

**COUNCILMEMBERS PRESENT
ELECTRONICALLY:**

Dave Alexander

STAFF PRESENT IN-PERSON:

Ty Bailey, City Manager; and Denise Woods

STAFF PRESENT ELECTRONICALLY:

**Gary Crane, City Attorney; Steve Garside, City
Attorney**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor Steve Gale.

APPROVAL OF MEETING'S AGENDA

MOTION: Councilmember Richins moved to approve the meeting's agenda.

SECOND: Councilmember London

The motion passed to approve the meeting's agenda.

PUBLIC HEARINGS

- A. ADOPTION OF THE 2022 PROPOSED TAX RATE AND PROPERTY TAX
REVENUE BUDGET AMOUNTS – RESOLUTION 22-32**
- B. ADOPTION OF THE 2022 – 2023 FISCAL YEAR BUDGETS BEGINNING JULY
1, 2022 AND ENDING JUNE 30, 2023 FOR MORGAN CITY – RESOLUTION 22-
33**
- C. ADOPTION OF THE SCHEDULE OF COMPENSATION FOR ELECTED,
STATUTORY, AND APPOINTED OFFICERS OF MORGAN CITY –
ORDINANCE 22-09**

Councilmember London asked Steve Garside, City Attorney, if all three items could be opened with one motion to open the public hearing.

Steve said since the items required one public hearing all three could be done in the same public hearing.

MOTION: Councilmember London moved to open the public hearing to discuss the following:

- Adoption of the 2022 Proposed Tax Rate and Property Tax Revenue Budget Amounts – Resolution 22-32;
- Adoption of the 2022 – 2023 Fiscal Year Budgets Beginning July 1, 2022 and Ending June 30, 2023 for Morgan City – Resolution 22-33; and
- Adoption of the Schedule of Compensation for Elected, Statutory, and Appointed Officers of Morgan City – Ordinance 22-09.

SECOND: Councilmember Turner

Discussion on the Motion: None

The vote was 5 ayes; The motion passed unanimously to open the public hearing; Councilmember Alexander voted aye electronically.

A. ADOPTION OF THE 2022 PROPOSED TAX RATE AND PROPERTY TAX REVENUE BUDGET AMOUNTS – RESOLUTION 22-32

Ty Bailey, City Manager, explained as the values of homes in Morgan increased the State proposed a reduction in our property tax rate to stay rate neutral. He said any increase to the State's proposed amount was classified as a tax increase. The proposal was to keep the same property tax rate which the City had last year.

Mayor clarified the City would remain rate neutral and would generate approximately \$100,000.00 in new revenue for the 2022 – 2023 fiscal year budget.

Ty said the City was currently working off the tentative budget since the final budget wouldn't be adopted until after the public hearing.

Councilmember London stated if the City adopted the certified tax rate the revenue collected would have been the projected amount of \$417,521.00, which would be an increase of approximately \$20,000.00. By adopting the rate as proposed the revenue collected would be approximately \$541,122.00, which would be an increase in revenue of approximately \$120,000.00.

Mayor asked for any public comments.

Freddie Jacobsen, 725 West Island Road, Morgan, Utah: He stated he wasn't here to question the City's budget, but he wanted to question the tax notice the auditor sent out. He gave a brief explanation of his history as a real estate broker and mortgage lender. He stated the amount the auditor had assessed his home at was ridiculous. He mentioned the decrease in the values of homes in Morgan this year, yet we were still paying taxes on the increased value from a couple of years ago. He stated the appraisals on the homes needed to be halfway decent. He gave several scenarios of selling homes and the adverse effects to property owners in this over inflated housing market.

Larry Johansen, 191 East 100 South, Morgan, Utah: He referenced his tax notice he had received from the County and listed several different columns and amounts which showed an increase of approximately 30% to the City taxes. He said that increase seemed like a large sum when assessing property tax. He asked who made the determination of what properties were valued at in Morgan and how they arrived at the those amounts.

Mayor said he also had questions regarding the percentages listed and would be visiting with the County to get answers.

Larry mentioned the senior citizens in town who were on fixed incomes, and he stated it would be helpful to them if their property taxes leveled off when they reached 65 and it would remain that amount until the home or property was sold and purchased by someone other than family. He asked if that was possible.

Mayor mentioned he had spoken with the County Assessor and there was a program, which was similar to what Larry mentioned, which was available, but it wouldn't be mailed out to individuals. They would need to contact the County Assessor to find out about the program offered by the State.

Councilmember London stated the elderly could receive assistance with their property taxes if they were under a certain age and income level. The program was already in effect throughout the State, and they needed to contact the County Assessor to find out more about the program and if they would qualify.

Ty explained the assessed value of the homes was one of the things you could talk to the County Assessor's office about, and you could challenge the assessed value if you felt the property wasn't appropriately assessed. The tax rates were set, but the assessed value could be challenged.

Larry asked if the assessed value of homes decreased would the tax revenue stay the same or would it also decrease.

Mayor explained the City's tax rate was figured from a formula off of the assessed values.

Councilmember London explained the certified tax rate was a balancing act where if home values decreased and new growth went down the certified tax rate would increase and if home values increased, then the certified tax rate decreased, because they tried to keep it revenue neutral. The State provided the City the certified tax rate each year and then the City could either adopt it or propose a different tax rate, which was what happened this year. He told Larry the program outlined in Senate Bill 25 – Deferred Property Tax.

Mayor expressed appreciation to Freddie and Larry for their comments.

Councilmember Alexander asked that an email from Jim and Cindy Nash, which was sent to the Mayor and Council, be put on the record. A copy of the email will be attached to the minutes.

Mayor stated he had responded back to them through email and addressed their concerns.

Councilmember Turner stated a gentleman from the County Assessor's office had come to his home to verify what they had on file was correct and his home was appropriately taxed, and he continued on through the neighborhood.

Councilmember Alexander stated he had taken appraisals into the County Assessor's office and actually had taxes lowered.

B. ADOPTION OF THE 2022 – 2023 FISCAL YEAR BUDGETS BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023 FOR MORGAN CITY – RESOLUTION 22-33

Ty stated the budget documents in the packet showed both the tentative budget and the final budget. He pointed out the property tax revenue listed recognized the amount of \$540,000.00 and it was a balanced budget. Also, the City cancelled their contract with the uniform company and each department would be responsible for their clothing/uniforms and tracking the costs. The budget amount was the same, but an additional line-item were added for uniforms, but the funds were moved from office supplies to cover those costs.

C. ADOPTION OF THE SCHEDULE OF COMPENSATION FOR ELECTED, STATUTORY, AND APPOINTED OFFICERS OF MORGAN CITY – ORDINANCE 22-09

Ty complimented the Mayor and Council on their time and effort to their positions. They were part-time positions which required them to spend time away from their families and they were responsible for making difficult decision on behalf of the entire community. He stated the amounts/ranges listed for the elected, statutory, and appointed officers were appropriate and made it so Morgan could keep employees and also recruit new employees when needed. He said the City kept a small staff and hadn't added new employees.

Mayor complimented the staff on how well they worked together to get issues resolved.

MOTION: Councilmember Richins moved to close the public hearing.

SECOND: Councilmember London.

Discussion on Motion: None

The vote was 5 ayes; Motion passed unanimously to close the public hearing; Councilmember Alexander voted aye electronically.

ADOPTION OF THE 2022 PROPOSED TAX RATE AND PROPERTY TAX REVENUE BUDGET AMOUNTS – RESOLUTION 22-32

MOTION: Councilmember London moved to adopt Resolution 22-32 – A resolution adopting the 2022 proposed tax rate and property tax revenue amounts.

SECOND: Councilmember Wardell

Discussion on the Motion: Councilmember Alexander stated he would like to move forward with the program as outlined by the State and utilize the certified tax rate without an increase. He also mentioned if in the future there was an increase that it be earmarked for a specific project and not just used for general operation. He said we needed a structured program so inflation was covered, and he would be looking into that possibility in the coming year.

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander– nay (electronically)

The vote was 4 ayes – 1 nay; Motion passed to adopt Resolution 22-32 – A resolution adopting 2022 proposed tax rate and property tax revenue budget amounts.

ADOPTION OF THE 2022 – 2023 FISCAL YEAR BUDGETS BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023 FOR MORGAN CITY – RESOLUTION 22-33

MOTION: Councilmember Wardell moved to adopt Resolution 22-33 – A resolution adopting the 2022 – 2023 fiscal year budgets beginning July 1, 2022 and ending June 30, 2023 for Morgan City.

SECOND: Councilmember Richins

Discussion on the Motion: Councilmember Alexander stated since the proposed tax rate was approved, he would be in favor of the budget.

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander– aye (electronically)

The vote was 5 ayes; Motion passed unanimously to adopt Resolution 22-33 – A resolution adopting the 2022 – 2023 fiscal year budgets beginning July 1, 2022 and ending June 30, 2023 for Morgan City.

ADOPTION OF THE SCHEDULE OF COMPENSATION FOR ELECTED, STATUTORY, AND APPOINTED OFFICERS OF MORGAN CITY – ORDINANCE 22-09

MOTION: Councilmember Alexander moved to adopt Ordinance 22-09 – An ordinance adopting the schedule of compensation for elected, statutory, and appointed officers of Morgan City.

SECOND: Councilmember London

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander– aye (electronically)

The vote was 5 ayes; Motion passed unanimously to adopt Ordinance 22-09 – An ordinance adopting the schedule of compensation for elected, statutory, and appointed officers of Morgan City.

This meeting was adjourned at 7:38 p.m.

Denise Woods, City Recorder

Steve Gale, Mayor

These minutes were approved at the August 23, 2022 meeting.

