

PAYSON CITY
CITY COUNCIL BUDGET RETREAT
Zermatt Resort, 784 W. Resort Drive, Midway UT 84049
Saturday, February 25, 2023

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Kirk Beecher, Brett Christensen, Linda Carter, Taresa Hiatt, Bob Provstgaard, William R. Wright

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Jason Sant, City Attorney
Brad Bishop, Police Chief
Robert Mills, Development Services Director
Travis Jockumsen, Public Works Director/City Engineer
Scott Spencer, Fire Chief
Tracy Zobell, Parks & Golf Director
Melanie Marsh, Human Resources Director

EXCUSED Karl Teemant, Community Services Director

A. Call to Order

This meeting of the City Council of Payson City, Utah, began at 8:00 a.m. The meeting was properly noticed.

B. Budget

1. Fiscal Year 2023 – 2024 Budget and Goals

Dave Tuckett noted the City is required to adopt a tentative budget at the first meeting in May and a final budget in June. If the Council decides to conduct a Truth in Taxation Hearing, it will occur in August with the adoption of the final budget.

Completed Projects: (Many of these projects were completed with the PARC Tax funds, ARPA funds, and grants.)

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| 1. Hillman Recreation Complex | 26. Utah Avenue Mill & Overlay – American |
| 2. Painted Pool Slide Tower | Way to City Limits |
| 3. Forebay Parking Lot | 27. 800 South I-15 to 1700 West Mill & |
| 4. Hillman Fields Batting Cages | Overlay |
| 5. Center Complex New Scoreboards | 28. 900 North Reconstruction by Parris RV |
| 6. Peteetneet Auditorium Remodel | 29. 930 West Signalization |
| 7. Golf Course Parking Lot | 30. Remodel Salt Storage Shed |
| 8. Golf Course Clubhouse Deck | 31. Annexation Policy Plan Amended |
| 9. R.V. Park | 32. Payson Canyon Trail Feasibility & Funding |
| | 33. South Meadows Plan Amendments |

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| 10. 100 South Pressurized Irrigation Line
(1,631 feet of 12-inch line) | 34. Red Bridge Plans |
| 11. 800 South Sewer Line – New High School | 35. MTEC Plans |
| 12. Spring Lake Pump Project | 36. Transportation Master Plan |
| 13. Quality Library Award – State of Utah | 37. Payson Downtown Gateway Technical
Assistance for Government Grant |
| 14. 25 Big Trees at Golf Course (moved &
transplanted) | 38. General Plan Update – Moderate Income
Housing Plan |
| 15. Renovated Multiple Tee Boxes | 39. North Main – BYU Student Project |
| 16. Outdoor Recreation Program | 40. South Haven Development – Several
Phases |
| 17. Hole #8 Changed to Project Houses | 41. Villages at Arrowhead Park – Almost all
phases complete |
| 18. Hidden Cove Park and Hancock Trail | 42. Popeye's |
| 19. Payson View Estates Trail Head & Trail | 43. Big O Tire |
| 20. Cemetery Corners Beautification | 44. Freedom Vapors |
| 21. Memorial Band Stand Renovation | 45. Parris RV |
| 22. Pond Drainage Pipe | 46. Intermountain Nutrition Addition |
| 23. 400 North Reconstruct at Olson's Garden | 47. 800 South Corridor Preservation |
| 24. Utah Avenue Mill & Shoulder
Rehabilitation | |
| 25. 930 West Mill & Rehabilitation | |

Discussion:

- Additional land needed for cemetery and possible park.
- Red Bridge Plans (#34) - City property purchased, and 13 acres donated to MTEC. Phase 1 is close to starting. The well has been drilled but not completed. Development cannot begin until the well is completed. A water tank will be installed by the Patterson Subdivision within the next five years.
- Possibly three new water tanks will be needed for buildout (golf course, west mountain, Highline Canal/Patterson Subdivision).
- Payson Downtown Gateway TAG Grant (#37) – Application with Mountainland Association of Governments for funding to plan connection between the Station Area and Historic Downtown as well as new interchange. Total cost \$275,000 with Payson contributing \$35,000 and the remainder funded with this grant. The project will go out to RFP.
- General Plan – Moderate Income Housing (#38) – Requirements changing again. Area median income is calculated by a county; Utah County's median income is about \$96,000.
- Discussion where parks are needed.
- Discussion regarding the Golf Course RV Park, costs, fees, length of stay, etc.
- Forebay Area - Discussion for a covered pavilion at the parking lot verses a small mini-X for trail clearing, etc.
- PARC Tax – 20% goes to non-profit organizations. The bulk of the funding goes to city projects.

Projects In Process:

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| 1. Well #2 Rehabilitation - Awarded with
September construction start. | 20. America First Credit Union – Summer
2023 |
| 2. Well #5 - Close to completion. Supply
issue with new motor and pipe for the
pump. Completion date was January. | 21. Black Hawk Subdivision |
| | 22. Mountain View Hospital Surgical
Expansion |

3. 600 East and Canyon Road 20-Inch Waterline Upsizing - Began yesterday and will be completed in next two months.
4. Red Bridge Well – Awarded and preparing for construction once materials arrive.
5. Cart Path from RV Park
6. Cart Storage Building
7. Kiwanis Park Bathrooms
8. 400 West CGS between 400 North – 900 North
9. Landfill Scale House
10. IT Redundancy & Second Firewall at City Center
11. Spring Creek Area Plan – Spring 2023 Completion
12. Payson Station Area Plan – Fall 2023
13. Code Amendments and Rewrite – Spring 2024
14. CDBG Façade Grant – Application submitted
15. Salem Canal Connector Trail – Ongoing, Spanish Fork Canyon to Payson
16. Downtown Payson Vision Plan – Spring 2024
17. Forebay Committee and Master Plan
18. Motocross Track and Trails
19. Larsen Warehouse
23. Arrowhead Ranch Plat B
24. Evolve Twin Home Subdivision
25. Red Bridge Business Center
26. Outlook Park Office Flex Building
27. Vision LED
28. Quail Mountain Subdivision
29. Just Rite Office Flex Building
30. Walmart Fuel Center
31. Walmart Expansion
32. Henline Subdivision
33. Iron Horse Subdivision Plat C
34. Mount Loafer Flats 55+ Subdivision
35. Maples Subdivision
36. Pacen Hollow Subdivision
37. Whatcott Subdivision
38. Lewis Subdivision
39. Ashlee Ridge Subdivision Plat E
40. Beck's Place (old Dalton building)
41. East Bay Fertility Clinic Expansion
42. Elm Hollow Subdivision
43. Jones Paint & Glass Warehouse
44. Magalei Subdivision
45. Payson Tech Park
46. Wasatch Behavioral Health Expansion
47. WICP Payson Tech Office Warehouse
48. Spring Side Meadows

Discussion:

- Forebay Committee and Master Plan (#17) – Elk Ridge Planning & Zoning attended the Forebay Committee meeting last week. They tried to strong arm the Committee into getting a trail from Elk Ridge to their facilities through or around the edge of the golf course. The answer was no. They would need to get permission from property owners for a trail access.
- Building permits have slowed down, but there are a lot of projects in the works.
- Subdivision bonding. If a project isn't started within 90 days, the bond amount is revisited.
- Discussion regarding development, construction, and bonding.

Bond Indebtedness:

Currently, the City doesn't have a lot of debt, but this will change as soon as the Sewer Plant bond is issued. The Sewer Revenue Bond (sewer collapse) for \$1,900,000 and the 2022 Trust Deed Note for \$390,000 will be paid off in 2024. The Pool/Sewer Refunding Bond will be paid off in 2026. The UTOPIA Bond will be paid off in 2027.

Discussion regarding the Sewer Plant Upgrades and the need to get educational information out to the citizens. Construction costs have gone up as well as bond rates.

Significant Price Increases:

- Utilities – natural gas, power, etc.

- Gasoline
- Part-Time Wages
- Maintenance/Building Supplies
- Cement
- Election (\$2.70 per ballot). Discussion regarding Ranked Choice Voting.
- Downtown project, infrastructure estimate \$9,034,325 (exceeds current available resources)
- Purchased Power for Power Plant projected to exceed budget by \$2,122,212. Power rates need to be raised to balance Power fund.
- Sewer – Need to work on the budget once there is a better handle on utility rates and bond costs.

Pro Forma Budget:

- The departments are still preparing budgets.
- Operating cost projections increases the budget about \$1.3 million.
- Staff is trying to keep the same level of service.

New Employees Requested:

- Recreation – Full-Time Ballpark Worker
- Public Works – Seasonal GIS Helper
- Police – New Officer
- Water – Laborer
- Administration – Assistant City Manager
- Storm Drain – Two Operators
- Development Services – Planning Intern (already in the budget)
- Fire – Three additional 24/7 part-time employees. Discussion regarding fire/ambulance calls and need for employees because of ambulance transports.

Wage Discussion:

- Most cities are looking at anywhere from 5-20% wage increases. Many do COLA, Merit, combination, or step and grade.
- It is difficult to get anyone with experience to come and work. They want more money than supervisors are being paid.
- Sales Tax is up approximately 6%.
- CPI is up 6.4%.
- Power costs.
- Building permits are down substantially.
- Part-time employees, rates keep going up. Incredible turnover in Parks and Grounds. The average is about \$18 per hour for part-time staff.
- There are intangible things that keep staff with the City other than the salary. Incentivize the employees so they will stay with the City. Economic development is a huge need for the City to bring in the funding to staff departments. Merit verses cost of living raises.
- Time to do another rate study.

City Fund Balances:

- Expenses are at mid-year (i.e., recreation, pool, streets projects etc.).
- Most of the income from property tax is received over the period November - January so that is not evenly distributed.

- Sewer unrestricted fund balance includes unspent bond proceeds (\$13.5M). An independent utility rate study will be done to bring forward to cover bond indebtedness. A \$1.9 million bond will be retired in the 2024 Fiscal Year.
- General fund, fund balance limit is 35% of general fund revenue.

Capital Projects:

- Potential City Facilities (City Center, Fire Station, Recreation Center, Library)
- New Power Plant – 4 to 6 Generators
- Power Transmission Line & Substation
- Sewer Treatment Plant

Discussion:

- All the facilities can't be done at one time.
- Power is expensive and the cost to purchase power has almost doubled. The solar power project has been scrapped. Staff looked into Caterpillar for six generators at a cost of about \$20 million, which would need to be bonded. Six generators are about 14 or 15 megawatts. It was projected that this summer would be short about 4 megawatts on the market. Lehi City is currently building some of these Caterpillar generators. The UAMPS nuclear plant won't be running until about 2030.
- Discussion regarding solar power on residential homes.
- Discussion regarding other power alternatives.
- Discussion to purchase Wilson Elementary for a library/recreation center and repurpose the library on Main Street to something that is revenue producing. Wilson Elementary won't be available for 3 to 10 years.
- Discussion to remodel the current fire station before building a new fire station, which is preferred by the Fire Chief. Since the elementary isn't currently available, this becomes the priority. A new fire station would be built on 1900 South, which gives a quicker response to the west. Discussion regarding response times.
- The library as well as the recreation center go on hold until Wilson Elementary is available. A city center is the last priority. Discussion that a new city center should house the library.
- Discussion to purchase property now for any needed facilities for the future because property prices will keep going up.

Final Discussion:

- Take care of the employees, budget for operations, and then distribute what's remaining.
- Review utility rates.
- Address funding for a power plant and fire station. GEO bond or sales taxes.
- The City has a great staff that works hard. Discussion for an employee of the month and/or department recognition.
- Staff will continue meeting to finalize department budgets.
- City Council:
 - Councilmember Carter – The City definitely needs a new library and a fire station. Money is always a concern. She is concerned about the older citizens who are on fixed incomes. Her personal budget went from two social security checks to one, and there isn't much left to do anything. Many citizens are in that position, but the funds need to be there.

- Councilmember Hiatt – She has talked to the smaller businesses. People are shopping north. The City needs to get the citizens to shop locally. The City needs to get the word out (QR code, social media) regarding the businesses located in Payson.
- Councilmember Christensen – The key to curb, gutter, and sidewalks is filling in the gaps. New interchange is needed.
- Councilmember Provstgaard – His first priority is curb, gutter, and sidewalks, which was the priority last year budgeting \$300,000. Employee wellbeing is his next priority and keeping employees here. Lastly, the City needs to create a tax base.
- Councilmember Beecher – The City needs to be water conservation minded by converting park strips. The city ordinances need to incentivize residents to conserve water. It may not amount to a lot of water, but it's the perception. The City needs to make sure the employees are happy and compensated accordingly.
- Mayor Wright – He echoed everything that's been said. These things must be done. He and staff have been working on the new interchange, which may be done in phases. This will open the door for more retail. This work session has been great and was money well spent. It builds relationships. He proposed having these work sessions twice a year.
- Department Heads:
 - Robert Mills – Last year, the City budgeted to do an area specific plan for Spring Lake. He would like to use those funds to do an area specific plan for the new interchange area.
 - Travis Jockumsen – Most of the public work's projects are just to keep up with growth.

C. Adjournment

The meeting adjourned at approximately 12:00 p.m.

Kim E. Holindrake, City Recorder