

MINUTES
ENOCH CITY COUNCIL
April 16, 2014 at 6:00pm
City Council Chambers
City Offices, 900 E. Midvalley Road

Members present:

Mayor Robert Rasmussen
Council Member Destry Griffiths-absent
Council Member Steve Johnson
Council Member Kirk Lovell
Council Member Mike Olenslager
Council Member Gary Wilcken

Staff present:

Julie Watson, Recorder
Dan Jessen, Treasurer
Nick Turner, City Attorney
Robert Dotson, City Manager
Earl Gibson, Dir. Public Works
Jackson Ames, Police Chief

Public present: Donna & Michelle Pritchard, Jim Watson, Chris Johnson, Joy Meyer, Worth & Glenda Grimshaw, Michael Bahr, Anne Zufelt, Tim Watson, Bruce & Jolene Lee, Debra Ley, John Frisby, Brian Jones, Bob Tingey, Mike & Nina O'Rourke, Wesley Graham, Christine Spencer, Taiga & Carol Rohrer, Marie and Lauri Fisher, Valerie Mecham, Brian Johnson and Dennis Ayers

1. CALL TO ORDER OF REGULAR COUNCIL MEETING-By Mayor Rasmussen at 6:00pm. He welcomed the audience and excused Council Member Griffiths who had to work.

- a. **Pledge of Allegiance-**Led by Dan Jessen
- b. **Invocation-**Audience invited to participate-Given by Glenda Grimshaw
- c. **Approval of Agenda for April 16, 2014-**Motion to approve agenda by Council Member Olenslager. Motion seconded by Council Member Wilcken and all voted in favor.
- d. **Approval of Minutes for April 2, 2014-** Motion to approve minutes by Council Member Wilcken. Motion seconded by Council Member Lovell and all voted in favor.
- e. **Conflict of Interest Declaration for this agenda-**none stated

2. PRESENTATION OF TREE CITY USA FOR THE 10TH YEAR

Jim Watson, Chairman of the Tree Committee presented Mayor Rasmussen with the Tree City USA designation for the tenth year. He, Mayor Rasmussen and Shelly attended the presentation banquet to receive the award. Jim said we will hold the Arbor Day celebration on Saturday April 26th at the Rec Complex beginning at 9:00am. Three larger trees will be planted with a planting demonstration given by Shelly Boebert. Because the committee had no budget some of the members donated money to buy trees to be given away to those attending Arbor Day.

3. RECOGNITION OF SUSAN LEWIS

Susan was not able to attend but Mayor Rasmussen praised her for her excellent work on behalf of Enoch City for many years. Council Member Wilcken said Susan was one he could go to for good information and he appreciated her.

4. RESCHEDULE PUBLIC HEARING FOR 2013-2014 BUDGET

Mayor Rasmussen said reason we need to reschedule the public hearing for a later date is because we want to leave the 2013-2014 budget open until the year end when all of the invoices are in so Dan can move line item funds within departments. Dan said we would like the public hearing for June 18th. **Council Member Lovell made a motion to reschedule the public hearing on the 2013-2014 budget for June 18, 2014. The motion was seconded by Council Member Olenslager and all voted in favor.**

5. DISCUSS LAND USE APPEAL AUTHORITY REVISIONS

Mayor Rasmussen said we postponed this action until the 2014 Legislative session was over in case there were any other changes made and there were none. Council Member Wilcken said the public may want to know this is to bring us into compliance with the terms being used by the State. The Board of Adjustments is now known as the Land Use Appeal Authority and has five members.

6. ORDINANCE NO. 2014-04-16 AN ORDINANCE TO APPROVE AND ADOPT CHANGES TO THE ENOCH CODE OF REVISED ORDINANCES, PART 12-120 THRU 12-129, LAND USE APPEAL AUTHORITY

Mayor Rasmussen asked for a motion. **Council Member Olenslager made a motion to approve Ordinance No. 2014-04-16, an ordinance to approve and adopt changes to the Enoch Code of Revised Ordinances, Part 12-120 thru 12-129, Land Use Appeal Authority. The motion was seconded by Council Member Wilcken and a roll call vote was held as follows:**

Council Member Griffiths-absent	Council Member Olenslager-yes
Council Member Johnson-yes	Council Member Wilcken-yes
Council Member Lovell-yes	Motion passed unanimously

7. DISCUSSION OF CIB FUNDING FOR NEW WELL AND IMPACT FEE ANALYSIS

Mayor Rasmussen asked City Manager Dotson to explain. He said in order to be able to apply for this funding we are required to hold a public hearing. The most important items are the new well and a new impact fee analysis. Because State law changed we need to update our impact fee study and he gave more details adding that our fees are not in compliance at this time and we have to do a new analysis to comply with State law. CIB funding allows grants for planning and the impact fee analysis is a planning tool. Mayor Rasmussen asked about the source of CIB funds and City Manager Dotson said the funds come from mineral rights leases for which fees are paid and also from actual payments for minerals extracted in Utah. As leases may be limited in the future this funding source could start to dwindle but they do have funds available now. There was a brief discussion of the cost of the study which could be \$30 to \$80 thousand. If we are able to use the engineering firm that did the CFP (Capital Facilities Plan) the cost could be reduced because they have the data on file already. The new well funding will be \$250,000 or more. We are at 117% of water pumping capacity. When we have 17% growth we will be at capacity for fire flows and home usage. We have a few options for funding available to us.

- Option 1-Use funds from water impact fees noting that we need to reserve funds for our bond payment too as that comes out of impact fees.
- Option 2-Use the general savings account which has funds from all departments for “one time” purchases and we could transfer \$250,000 to the water company. That would mean we have no payments but then the savings are depleted for a while.
- Option 3-The water company could borrow from the sewer company as they turn a profit and have money in savings. We paid off a small sewer bond and have been accruing funds since then. We do have to reserve funds for the Wastewater Treatment Plant expansion however that would keep the lending “in house” and we would pay ourselves back.
- Option 4-Apply to CIB for funding with a loan rate of 1½ %. As a city we do not qualify for a grant because we don’t charge enough for our water and we don’t have enough debt. It is ironic that if you are in trouble then they give you the grant money. We have a good credit rating and they have money to lend but that means we have to fit another payment into an already tight budget. We may need to increase water rates sooner rather than later. One other option on the table is a local well driller would like to do the work for us in trade for an old irrigation well we do not use. We would structure the transactions separately, i.e. pay him for the work and he would pay us for the well.

We have been talking about this for two years now. Council Member Wilcken asked if we need to decide anything tonight. City Manager Dotson said we only have to meet the requirement to hold the public hearing. We can’t even apply for the funds unless we have held the public hearing and we want to keep that option open. We have discussed several options for the public to comment on.

8. CIB (COMMUNITY IMPACT BOARD) PUBLIC HEARING

Mayor Rasmussen asked for a motion to enter the public hearing. **Council Member Olenslager made a motion to enter the public hearing regarding CIB funding. The motion was seconded by Council Member Johnson and all voted in favor.**

Mayor Rasmussen invited the public to comment on CIB or any method of funding as we just discussed. **There were no comments.**

Mayor Rasmussen asked for a motion to end the public hearing. **Council Member Johnson made a motion to end the public hearing. Motion was seconded by Council Member Lovell and all voted in favor.**

9. BUDGET DISCUSSION FOR 2014-2015 BUDGET

Mayor Rasmussen said he would like to get a feel from the Council what direction they want to go for next year's budget. This is not a binding vote. Assistant City Attorney Nick Turner said he talked with City Attorney Kuhlmann about this and a straw poll is probably not the best way to do it. He said it would be better to just ask each Council member what they think and get an answer out loud.

City Manager Dotson asked Dan to explain the time line we got from the State Tax Commission regarding when a tax increase would take effect should the referendum vote pass. Dan said this process is very complex and they spent hours looking at State Code and on the phone with the State Tax Commission. In some ways Enoch was the "guinea pig" that caused the State Legislature to fix a lot of problems with the law regarding referendums. Dan said we created a timeline to illustrate this graphically and he explained as City Manager Dotson drew it on the whiteboard. (See timeline attached to the minutes) Dan explained about the legal certified tax rate saying when voted on in 2014 if the tax increase is passed the funds would not come to the City until 2016. The 2014-2015 proposed budget calls for an approximate tax increase of 55%. If passed by the Council that becomes the new certified tax rate and will be the rate billed to the property owners regardless of the outcome of the referendum. If the voters decide in favor of the referendum tax increase, that becomes the certified rate for the following budget in 2015-2016 and property owners will pay that rate in November of 2015. If the referendum does not pass then it goes away. If we pass the proposed tax increase in the 2014-2015 budget and then the referendum tax increase passes, it takes effect in 2015 for the 2015-2016 budget year. Dan said he verified this information very specifically with the State Tax Commission. On May 13th the changes to referendum law will be signed by the Governor and will be in effect.

City Manager Dotson said Council Member Griffiths wanted to be in on the discussion so he will try to get him on the phone as he is working tonight.

Council Member Olenslager said he thinks we should move ahead with the proposed budget and he is in favor of going thru Truth in Taxation again to propose the smaller tax increase and abandon the bigger one. He said he would also be in favor of balancing the budget out of savings until the referendum vote is decided.

Council Member Johnson said he has friends in this room on both sides of the issue and he is troubled. Throughout the campaign he cited the proper role of government and there are some things government should not be involved in. He has been receiving emails telling him to change his opinion and he believes the former City Council voted the way they truly believed was right even though the public was not always in favor. He still believes there is a proper role of government and has studied it more since being elected. He is not against changing his mind if it is based on good principles and information. As he looks at history things were based on sound reasoning and principles and not just the whim of the people. He said sometimes we should stand alone for what is right and not be swayed by public opinion. He said he still sees items in the proposed budget that are not within his idea of the role of government and that is where he stands.

Council Member Lovell said he tends to disagree with Council Member Johnson but does not want to debate him on this as they come from the same point of view. Towns are run thru the consent of the governed and everyone has to decide what is conferred on government to oversee and manage with the public's money. We have been entrusted to spend wisely. Also residents have expectations of what services they get from the City and costs for everything have gone up. In almost every meeting some members of the public are opposed and the City Council has to decide. When we were elected the public conferred it on us to pay for things with City funds and to have an understanding of the principals involved in running the City. Do we live where government does nothing for the people but the basics only or do we live where we have the opportunity to build parks and maintain comforts and services while building a community? We have a disagreement on the size and scope of those things. He feels we are in a position where we have invested in our community and we should keep it up. Keep the parks, the library and the street lights on. These things cost more than we have in our current revenue stream due to inflation. We should not cut staff or the City's ability to maintain the City and pay our bills. He has no problem with the tax rate going up to balance the budget or would be fine to use savings to maintain the status quo for another year until we know the outcome of the vote.

Council Member Wilcken said he doesn't think anyone takes this lightly. He has wrestled with it and said he is against a tax increase.

Mayor Rasmussen said he is hearing two are for it and two are against any tax increase. He said in talking to Council Member Griffiths earlier that he said he thought there was more to be cut but he was not totally against a tax increase. The discussion tonight is not binding. In order for us to put together a budget we need to know the specific cuts you would make to the budget. We have to have a proposed budget by the next meeting. Council Member Wilcken said he is not prepared tonight to give specific cuts and would like to hear from Council Member Griffiths. Mayor Rasmussen asked the Council Members if they are able to come into the office one at a time to go over cuts they want to suggest. The time frame is tight and this has to happen quickly so there is time to prepare the budget, notice the public hearing and meet the State deadline.

Council Member Wilcken said we talked about the \$60,000 for drainage coming off. Council Member Lovell said that reneges on previous agreements we made to the public to improve storm drainage. Council Member Wilcken said we are doing the NRCS project to improve drainage so we can save that line item for smaller drainage projects this year and not be going back on promises. Council Member Johnson said he has a few things to cut the \$150,000 shortfall adding he wants to make long lasting cuts. He said the fireworks were put back in the proposed budget at \$7,000 and that can be cut again. He questioned the Economic Development budget saying freedom will attract business so we can cut \$2,000 there. \$500 a year for the Christmas party can go. \$300 for the 4th of July race can go. The library is \$41,200 and we work with the County and State on that but maybe we could cut it. Council Member Wilcken confirmed we own the building but contract with the State on staff and materials and can terminate the contract with 30 day notice. The Friends of Library exists and perhaps they could open the library on a volunteer basis. City Manager Dotson said he met with the State Director and if the \$41,200 goes they will pull out and they own all of the library materials. The State funds the bulk of the costs and if we or the county were to pull out they would have to pull out taking the contents of the library with them.

Council Member Griffiths was contacted by phone. He said he would like to see how we can cut before we implement any tax increase. Mayor Rasmussen asked if he had any specifics tonight and he did not other than wondering if the library is expendable or could be run by volunteers

Council Member Johnson went on with ideas for cuts. His point was it is not appropriate for government to provide entertainment for people. He said liquor enforcement is \$3500 and is grants for school presentations like DARE. He said he thinks that only tends to increase the use of drugs and alcohol and that education is the role of parents so cut that. The Easter Egg hunt is \$300 so cut that. People can do that on their own if they want it. We could turn off half of the street lights. Cut out the crossing guards and have parents and volunteers do that. Building inspections could be cut by half. It was noted many items like building inspections have income associated with them so that has to be considered. Dan said the income is in charges for services. \$33,300 is revenue from permits and inspections and we also contract with others to do that service for them. We would lose the revenue but still have costs because we would have to contract it out. Council Member Johnson said he would consider that. He went on to say the recreation amount is \$5650 adding again that it is not good for government to provide recreation. We could cut \$5650 there adding Garden Park people will mow their own park to save money. We could save money by getting a local attorney who does not have to charge to come here. Council Member Olenslager said that position was selected from proposals and our current attorney had the best price. Council Member Johnson said he has been studying national statistics and it is his understanding that one police officer per 1000 residents is in question nationwide so maybe we could let one officer go to balance things out and that might be enough cuts to balance. He said according to the internet we are in the top few of safe cities and we talk about the need for more patrolling at night but we are a safe city. We could cut the \$4000 to increase PD coverage at night. Chief Ames said we are covered 24/7 but they are only there until 3am or 6am depending on the weekday. Council Member Johnson added we should cut out business and dog licensing. Mayor Rasmussen suggested he get a list of his proposed cuts to Dan.

Council Member Wilcken said nothing about this is easy and he understands that. He would like to cut one officer and reduce services. He would also like to cut animal control adding he may be called an animal hater but they take care of animals people are not taking care of and we are paying \$100K for that service. We could also consider contracting out the building inspections.

Mayor Rasmussen recapped saying we will have Dan put together a budget with some of the proposed items talked about tonight. Dan asked if what they want is a counter budget to what the Mayor has proposed.

They have each proposed a set of ideas and he questioned how they want him to go about it. Mayor Rasmussen said use his budget as a template showing the cuts. Dan added Council Member Johnson talked about some very in depth items affecting revenues and that has inherent issues in preparing a counter budget. Council Member Wilcken said one challenge is to get correct information. If we wanted to contract out the Building Department how do we get a bid? Dan said he needs a good plan. A few ideas were discussed including holding an extra work meeting but that was not scheduled. Mayor Rasmussen said Dan needs to have more than what they are saying tonight. May 7th is when we need a tentative budget. We could try to create something with this input and then the Council will decide which budget to move forward. The Council was good with that idea. Mayor Rasmussen said if the citizens vote to raise taxes we won't get that revenue until 2016 and we have to pass this 2014-2015 budget by mid-June.

Council Member Olenslager said why make drastic cuts now since we don't know how the vote will go. It would be a mistake to gut things as some will never be able to be reconstituted like the library services. Council Member Johnson said he thinks we should cut it all. We have been conservative on this City Council and we shouldn't offer services that are frills. Council Member Olenslager said we started Truth in Taxation last year so we could stop the bleeding. We still have savings to cover us and we can use that money to pay for services until the vote. Dan concurred we could hold the line for two years. He gave the analogy we are like an old retired couple on a fixed income that owns their home and has no debt. Costs are going up with inflation and we are we sound but we can hear the wind blowing and we have to do something about it. Do we cut the cable bill? We have already done that and then some. We have no general obligation debts; just enterprise fund loans. The budget is not balanced and is bleeding every year and that is the "state of the City". There are two solutions; raise taxes or cut spending. Those who want to cut believe many services are frills and that is what it comes down to. It is a no win situation when you pit ideology against what residents have enjoyed and expect in services. Mayor Rasmussen asked the Council Members if they will commit to meet with Dan this week and they said they would. There was no other action taken tonight.

- 10. PUBLIC COMMENTS-**Mayor Rasmussen invited the public to comment asking them not to be argumentative and reminding them there will be public hearing on the budget at a later date so use this time to comment on other things. Christine Spencer said she was confused about when she was supposed to comment in the CIB public hearing. She asked about the four choices for funding the new well adding she liked the option to trade an old well for the drilling work. City Manager Dotson said he would print the options for her if she would contact him later. She said she heard someone talking about animal control being combined with another agency and she thinks we should consider that option. Worth Grimshaw said he would like to read a prepared statement and would give a copy of it to the recorder for the minutes. He read his statement which is attached to these minutes. Brian Johnson asked City Manager Dotson about volunteer help wondering if we ever got anyone to clean up the community orchard. He brings that up because people say they will volunteer and no one ever really does. When Council Member Johnson says "volunteers will do the job of mowing in the parks" what does that mean. They will not do it unless you pay them. Be careful with the concept of volunteers because it does not happen. Taiga Rohrer said the budget got laid out tonight and those that supported the referendum and are against the 113% tax increase are now left with a choice of 55% tax increase. Two Council Members look at balancing the budget by cutting. One Council Member displays that he has no respect for anyone and he is angry about that. It is deceitful moving up the vote on the referendum and that was a bad thing to do. There were mistakes on the City's part on the referendum and now we are stuck with the ballot language and it should not happen like that. If people won't volunteer to do some work why should residents pay the City to do the work? Michael Bahr said he has lived here 15 years and loves it. He is grateful for all the work and time given by City staff and elected officials. Like everyone he is busy and has elected our representatives to do the dirty work and make the hard decisions to take care of the City. He, unlike the last person commenting, thinks it is an honor to pay taxes for the services we receive and he is glad some Council Members are standing up for his interests. We want to get the services and quality of life that bring us together as a community and we pay for with our taxes. He would not like to see the crossing guards be a volunteer position because volunteers are unreliable. Garden Park will not be mowed if volunteers are expected to do it. The tax increase is not exorbitant and it is the proper role of government to provide the services we have. We elected them to use leadership to create a budget and decide what is appropriate. He does not think it is the public's job but staff and elected official's job to do that and he is really grateful for the job they do. He is an angry moderate and this show of

bad feeling by the public is frustrating to him. He needs to know all of the Council Members are listening to all of the voices. Not everyone signed the petition and we need to be heard as well.

Valerie Mecham said she is a neighbor to Michael and has a different opinion from him. Everybody's little comments are causing rifts and it is painful to see what has happened to our community. Friends are divided. It does not matter whether we choose A, B or C we are divided and we have lost our community. Be respectful and stop this. We have different experiences and backgrounds. The old couple scenario is a true scenario. We need to think of the community as a whole. Many are stressed out financially and have already given up all of the extras. She added Dan found a way to save money by pumping water at different times and kudos to Dan for that. Find more areas to save like that.

Joy Meyer said her ancestors lived here and now she has moved here and loves this town and wants to live here. She asked if the City had looked into a recycling program. She cited a town in southern Utah that paid for a youth center with recycling money. ***Mayor Rasmussen said we have looked in to it. Many recycling companies want residents to pay a fee because they can't make money at it in this area far removed from big recycling centers so it is not feasible.***

11. CORRESPONDENCE-none

12. COUNCIL/STAFF REPORTS

Council Member Wilcken said Arbor Day will be held at the Rec Complex on Saturday April 26th at 9:00am with tree planting demonstrations and they will be giving away some trees. He complimented The Tree Committee saying some of the members donated cash to buy trees because they wanted to do that for the community.

Mayor Rasmussen reminded everyone that Friday the 25th and Saturday the 26th will be clean up days with the dumpsters being open for extended hours. He encouraged everyone to clean up their yards and help their neighbors if possible.

Council Member Lovell said he needs volunteers to help with the 4th Freedom Run adding this event is self-supporting.

Council Member Johnson reported on the Water Board meeting saying Larry Gardner was elected to serve a chairman for another year. There was a discussion about the concern over the aquifer and fissures forming. Also Cedar City is considering drilling a well in the Rush Lake area and we may be involved in the future. There are issues such as proximity to the Wastewater Treatment Plant and possible water contamination. Also there would be added pumping costs and possible water treatment costs if we partnered in that well and talks may be ongoing. That would be the third well on our side of the valley and that is a concern. At a future time the Water Board may be asked to make a recommendation to the City Council regarding this. Also regarding water from the Wah Wah Valley which the Conservancy District filed on in 2006, a large mining company has also filed and is trying to get that water. Paul Cozzens, a Cedar City Council Member, put together a letter for their Council and ours to sign saying they should stop interfering with the law that says "first to file is first in right". ***City Manager Dotson added he was at a meeting last week and the State Engineer has to follow the law and it is pretty secure that the first filed rights will get the water. Having this letter go to the State Engineer may help solidify it however he can't go against the law to appease a big company. There is no timeline on when we can get that water as pipelines still need to be constructed. We need to acquire a reserve water source not out of this aquifer.***

Council Member Olenslager congratulated the PD on the good turnout at the Easter Egg Hunt adding it is a good community event each year with about 700 attending. In the past two weeks the PD had 103 calls, 43 reports, 43 stops and issued 15 warning. They had two SWAT call outs and a suicide threat. He thanked them for a job well done.

City Manager Dotson said because April 26th is already event filled we changed the business fair to May 17th tentatively.

Dan Jessen said he wanted to clarify the budget process. A budget is a living thing. The "certified tax rate" is a huge factor and we usually don't find out what that figure will be until July so we have to make an educated guess. The property tax changes because of growth and you need to understand that the 55.4% tax increase being referred to in the Mayor's budget is not an actual hard figure and will most likely change when we know the actual certified tax rate.

Chief Ames said he is available if the Council Members or public has questions.

There were no other comments.

13. ADJOURN-Mayor Rasmussen thanked the audience for attending saying he hopes we can be friends and maintain Enoch as a good place to live. **Council Member Olenslager made a motion to adjourn. Council Member Lovell seconded the motion and all voted in favor. The meeting ended at 8:05pm.**

Julie Watson, Recorder **Date**

Enoch City Council Meeting
April 16, 2014