

Minutes of the Centerville **City Council work session** held Tuesday, April 19, 2022 at 5:45 p.m., with participants present at City Hall, 250 North Main Street, and electronically via Zoom.

MEMBERS PRESENT

Mayor	Clark Wilkinson
Council Members	Gina Hirst William Ince George McEwan Robyn Mecham Spencer Summerhays

STAFF PRESENT

Brant Hanson, City Manager
Lisa Romney, City Attorney
Jennifer Hansen, City Recorder
Nate Plaizier, Finance Director
Mike Carlson, Public Works Director
Dave Walker, Deputy Public Works Director
Jacob Smith, Administrative Services Director
Bryce King, Recreation Coordinator
Bruce Cox, Parks and Recreation Director
Cory Snyder, Community Development Director
Kevin Campbell, City Engineer

WATER RATES

Public Works Director Mike Carlson explained that historically, the City budgeted approximately \$400,000 to \$500,000 per year for culinary water replacement projects. In order to keep up with replacement projects as outlined in the Culinary Water Capital Facilities Plan, the budgeted Capital Outlay amount for FY2023 would need to be \$1.5 million. Mr. Carlson updated the Council regarding grants the City had received and grants his team was working on for water projects.

Mr. Carlson presented the following proposed water rate increase:

- 35% - 40% increase in FY2022-2023
- CPI annual increase up to 5% per year
- CPI evaluation every five years

The current cost for an average residential connection per day was \$1.23. The proposed increase for an average residential connection would be \$0.38 per day, which would bring the average cost to \$1.61 per day or \$48.18 per month.

Finance Director Nate Plaizier stated the Utah Department of Environmental Quality recommended combined culinary/secondary water rates should be 1.4% of the median adjusted gross income (MAGI). The MAGI in Centerville (reported in 2020) was \$61,800, which would calculate to a combined culinary/secondary water rate of \$865.20 annually or \$72.10 monthly. Weber Basin reported an average cost throughout the district of just below \$17 per month for secondary water.

1 Councilmember Hirst said the recommendation from the Utah Department of
2 Environmental Quality was an affordability guideline. She said she recognized a water rate
3 increase was needed to keep up with the Culinary Water Capital Facilities Plan, and said it was
4 helpful to see that the recommended increase would not be over the affordability guideline. Mr.
5 Plaizier commented that with the proposed increase, Centerville would be able to continue
6 providing top tier water service while staying below the rate recommended by the State based on
7 the MAGI. Councilmember McEwan said he was fully in support of the proposed water rate
8 increase.
9

10 **DROUGHT RESPONSE**

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12 Mr. Carlson shared information from a recent water conference and showed images to
13 illustrate that aquifers were not getting recharged due to ongoing drought conditions. He spoke of
14 the need to conserve water. Mr. Carlson explained that cross-connecting a residential culinary
15 water system to the irrigation water system to water lawns would jeopardize the quality of the
16 culinary water system unless correct equipment were used. Councilmember McEwan said it was
17 his understanding that using culinary water to water residential lawns was prohibited by
18 ordinance. City Attorney Lisa Romney said the City Subdivision Ordinance required a residential
19 connection to a secondary water system where available, but did not specify that secondary water
20 must be used to water lawns. She said staff wanted to add language to the ordinance to clarify
21 that secondary water must be used where available.
22

23 Mr. Carlson said the Public Works Department was working on transitioning park strips on
24 City property to conserve water. He spoke of the importance of educating citizens so they
25 understood the situation and what could be done, and commented that the different water districts
26 had different restrictions for the Summer 2022 season.
27

28 Councilmember McEwan commented that a backflow preventer cost around \$200, and
29 said he was worried about the number of residents who might install a backflow preventer to use
30 culinary water to water their lawns at night when the City was trying to refill the culinary water
31 tanks. He suggested the City work quickly to put an ordinance in place to prevent the use of any
32 culinary water for irrigation where secondary water sources were available. Ms. Romney
33 responded that proposed ordinance language would be presented to the Council on May 3rd.
34

35 Parks and Recreation Director Bruce Cox explained Summer 2022 irrigation water
36 restrictions from Weber Basin and Deuel Creek Irrigation, and explained measures to reduce
37 water use on City properties. He said a big focus would be keeping trees alive. Mr. Cox reminded
38 the Council that Community Park was irrigated with subsurface ground water collected by the tank
39 installed several years ago, and did not use water from Weber Basin. Mr. Cox suggested signs
40 requesting residents not walk on the grass at City parks in areas where the grass was dormant
41 due to drought conditions. Councilmember Mechem said she was told grass would not remain
42 dormant in high summer heat – it would just die. Mr. Cox suggested areas on City property that
43 could be xeriscaped in the future, and emphasized the changes would take time and money.
44

45 Responding to a question from Councilmember McEwan, Mr. Cox explained the fill station
46 on Frontage Road just north of Community Park provided subsurface ground water. A code
47 provided by the Public Works Department was needed to access the water, and the City did not
48 currently charge a fee for access. Ms. Romney said City ordinance included provisions regarding
49 regulation of the bulk water station.

1 Mr. Cox said he would speak with a Deuel Creek Irrigation representative about irrigation
2 restrictions for the community garden. He said he believed it would be possible for participants to
3 use drip irrigation or other methods to water their garden areas and stay within the 60% water use
4 restriction. Councilmember Mecham said she fully supported continuing with the community
5 garden.

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7 **TEMPORARY ADJOURNMENT**
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9 At 7:08 p.m., Councilmember Summerhays **moved** to adjourn the work session and
10 reconvene following the regular City Council meeting. Councilmember Ince seconded the motion,
11 which passed by unanimous vote (5-0).
12

13 The work session was reconvened at 8:16 p.m.
14

15 **FY2023 BUDGET RETREAT RECAP**
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17 Finance Director Nate Plaizier said staff wanted to make sure everyone was on the same
18 page regarding directions to move forward with the FY2023 Tentative Budget. He summarized
19 the following directions given by the Council during previous budget discussions:
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- 21 • Change property tax revenue to reflect a 30% increase
- 22 • Add revenue to reflect sale of fixed assets (vehicles)
- 23 • Additional 4% salary increase for Public Works employees on top of increase proposed
24 for all employees
- 25 • Adjust salary ranges for positions under the 60th compensation percentile
26

27 Mr. Plaizier asked if the Council wanted to leave the recommended 40% property tax
28 increase in the FY2023 Tentative Budget for discussion purposes on May 3rd, considering the
29 requested additions to the budget. City Manager Brant Hanson explained the additions to the
30 budget requested by the Council totaled approximately \$120,000, or a 7%-8% property tax
31 increase. Mr. Hanson said staff would do an analysis of positions below the 60th percentile.
32

33 Councilmember Hirst said she would like to see the FY2023 Tentative Budget presented
34 to the public on May 3rd with a 40% property tax increase. Mr. Hanson said he recommended
35 presenting a 40% property tax increase on May 3rd, recognizing that it could be reduced to 30%
36 in the Final Budget if decided. He said staff were still working on finding potential savings in the
37 budget. Councilmember Mecham said she was leaning closer to 30%. Councilmember
38 Summerhays said he believed the FY2023 Tentative Budget presented to the Council was a
39 modest budget, and he expressed support for a 40% property tax increase to be proactive as a
40 Council rather than reactive.
41

42 Councilmember McEwan said he wanted to be able to tell citizens the Council did their
43 best and had skin in the game, and stated he was in favor of using fund balance to bridge the gap
44 in FY2023. Councilmember Summerhays suggested that drawing down fund balance might put
45 the City in a worse position if a recession occurred. Councilmember Hirst said she agreed.
46 Councilmember Summerhays said he did not like the City versus residents, skin-in-the-game
47 analogy. He said he believed the Council and residents were all in it together.
48

49 Mr. Hanson suggested including a 35% property tax increase, and a 35% water rate
50 increase in the Tentative Budget. Councilmember Hirst said she was willing to compromise, but

1 said she wanted to initially present the FY2023 Tentative Budget to the public with a 40% property
2 tax increase. Mayor Wilkinson said he would love to make the budget work with a 30% property
3 tax increase rather than 40%. Councilmember Ince stated there was not much difference in the
4 actual numbers, and expressed the opinion that none of the suggestions were unreasonable. He
5 said he suspected presenting 30% with acknowledgement that an element of risk was involved
6 would be easiest to sell to the public. Councilmember Hirst suggested starting at 35%. Mr. Plaizier
7 explained that the property tax percent increase approved in June would be the maximum
8 possible at the time of final approval in August. The truth-in-taxation hearing would be in August.
9 Councilmember Summerhays said he would be willing to compromise at 35% for presentation to
10 the public, taking the difference from fund balance in FY2023.

11
12 Mr. Hanson said he would have preferred to present a budget to the Council with a 45%
13 property tax increase considering administrative sustainability, but said he also understood the
14 political acceptability aspect. He said he believed the City had skin in the game with a 40%
15 property tax increase and taking the difference from fund balance in FY2023.

16
17 Councilmembers Ince and Mecham said they could agree with presenting a 35% property
18 tax increase on May 3rd. Councilmember Mecham said she wanted the public to be aware, and
19 suggested using social media. Councilmember McEwan said the communication to the public
20 needed to include what the proposed water rate increase would mean for the average household
21 as well. Councilmember Summerhays suggested including the cemetery bond in the public
22 communications. Councilmember Mecham said she did not feel like the cemetery bond was
23 related to the proposed property tax or water rate increases. She said she believed citizens knew
24 property tax and water rates would go up sometimes when they voted for the cemetery bond.
25 Councilmember Summerhays said he did not think most citizens would have assumed a property
26 tax or water rate increase would be proposed. Councilmember Mecham stated the citizens
27 already voted on the cemetery bond issue, and said she did not want to confuse citizens.
28 Councilmember McEwan said he considered the ballot process to be sacred, and would not want
29 to signal in any way that the Council considered going back on the result of the vote.
30 Councilmember Ince suggested the objective would be to simply remind citizens that the cemetery
31 bond was approved and would impact them, along with the proposed increases. Councilmember
32 Mecham said the public hearing would be about a property tax increase, not about the cemetery
33 bond.

34
35 Mr. Hanson explained the budget and truth-in-taxation public hearing processes. He
36 commented that the Councilmembers had to consider all the interests brought to them by
37 residents and come to a consensus as a group. Mr. Hanson said it was important for the Council
38 to understand that the cemetery bond issue was there, but said he did not know if the Council
39 wanted to confuse the community with it. He commented that additional information was available
40 since the cemetery bond was on the ballot, and suggested it might be valuable to hold a separate
41 public hearing with the updated information to verify that the community still had the same interest.

42
43 A majority of the Council indicated support for presenting a FY2023 Tentative Budget with
44 a 35% property tax increase. Mr. Hanson spoke of deadlines for the cemetery bond. He
45 commented that the certified tax rate for Centerville had decreased by 23% since 2003, and said
46 some cities went through truth-in-taxation and maintained their certified tax rate every year.

47 **RE-EVALUATE RAP TAX**

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49 Administrative Services Director Jacob Smith explained current RAP Tax Revenue
50 allocation. Staff explained that the allocation to CenterPoint Legacy Theatre was intended to help
51

1 pay for HVAC maintenance for the facility. Mr. Smith said he knew maintenance issues were a
2 continual problem, and the 5% RAP Tax Revenue allocation did not fully cover the annual
3 expense. He explained that the 5% allocation to the Whitaker Museum was originally intended to
4 help with restoration of the Whitaker home that was ongoing at the time of approval.
5 Councilmember Ince said he knew there was significant interest in the community for the Whitaker
6 Museum. Mr. Plaizier shared a breakdown of the 85% RAP Tax Revenue allocation for City parks.

7
8 Parks and Recreation Director Bruce Cox commented that the Community Park Master
9 Plan was over 30 years old, and spoke of needs at other City parks. He spoke of expected
10 development and related park impact fees, and the importance of improving City parks and
11 amenities. Councilmember Ince suggested a future work session discussion to more fully
12 understand park needs and possibilities. Mr. Cox said he believed improved lighting at Community
13 Park, especially in the parking lots, was more important than it ever had been. He said he knew
14 the Ferguson Group was looking for grants that would help pay for park lighting. The Council and
15 staff discussed fees for use of City fields by outside groups.

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17 **ADJOURNMENT**

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19 At 9:51 p.m., Councilmember Ince **moved** to adjourn the work session. Councilmember
20 Summerhays seconded the motion, which passed by unanimous vote (5-0).

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23 Jennifer Hansen
24 Jennifer Hansen, City Recorder
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5-3-2022
Date Approved

