

Kanab City Council Meeting
June 9, 2020 6:30 PM
City Council Chambers
26 North 100 East Kanab, UT

In Attendance: Mayor Robert D Houston, Council Members Arlon Chamberlain, Celeste Meyeres, Michael East, Jeff Yates and Byard Kershaw, Recorder Joe Decker, Attorney Jeff Stott and Treasurer Katherine Ohlwiler.

Work Meeting: Mayor Houston explained in the work meeting was a discussion to vacate a portion of 100 South around Russell and Connie Keller's residence. The City has been working on this for at least eight years. Joe Decker explained Mr. Keller lives in a home on 100 South by the K-Hill, he has the last property on the South side. His house is built into the City right-of-way. Mr. Keller has worked with his neighbors to get that road and right-of-way cleaned up as he is trying to refinance his house and he can't until this is taken care of. Staff has decided the easiest way to take care of this is to carve out the piece that his house is on two feet off of it and give that to him to be part of his parcel. Then the City can deal with the street in the future if development ever happens to the East of Mr. Keller's residence. The problem is the north part of the street is on private property and the people are not willing to sign it off yet. This was a simple fix for Mr. Keller. If everyone is good with this, Joe will publish the Public Hearing and it takes 14 days to do that. Once that is done the City Council can vote to vacate it or not and then once the paper work is signed it is done.

Jeff Yates offered the prayer and the pledge was led by Celeste Meyeres. Mayor Houston called the meeting to order and roll call was taken.

Approval of Agenda: A motion was made by Jeff Yates and 2nd by Michael East to approve the June 9, 2020 meeting agenda. Motion passed.

Approval of Minutes: A motion was made by Celeste Meyeres and 2nd by Michael East to approve the May 12, 2020 minutes. Motion passed.

Approval of Accounts Payable Vouchers and Check Registers: A motion was made by Byard Kershaw and 2nd by Celeste Meyeres to approve the accounts payable vouchers and check registers dated May 19, 2020 in the amount of \$270,117.02, May 26, 2020 in the amount of \$22,499.80, June 2, 2020 in the amount of \$144,808.68 and June 9, 2020 in the amount of \$160,049.70. Motion passed.

Public Comment: Kelly Stowell expressed he wanted to thank Kanab City for all the good things the City does. He explained the connector trail is almost finished and thanks for the City's support of the Utah State University Environmental Planning and Landscape Architecture Program. They made their final presentation to the City and a lot of good ideas were exchanged and hopefully they can do something with those ideas.

Discuss – Vote on First Amended and Restated Interlocal Agreement of the Utah Risk Management Agency: Joe Decker explained that Kanab is apart of the Utah Risk Management Mutual Association, URMMA and with the new CEO he has discovered that

URMMA can't be an Association so they turned it into an Agency. This is the creation document of the Agency and the biggest change is changing it to Utah Risk Management Agency and the only other change is in section 30.2 which states, "The Board of Directors may amend this First Amended Agreement without following the procedures of Section 30.1 if the proposed amendment is minor, insignificant, or clerical. The Board's decision to amend this Agreement must be unanimous." The way the original agreement was, every time it was amended it had to go back to all of the original members for approval. So, it is trying to make it a little easier to change minor operations when needed. Celeste Meyeres found a slight misspelling in the title of the third article, waiver. Byard Kershaw also found a few typos; page four under article 10, last sentence should be "filling vacancies". Another one on page eleven, article 26.1 "withdraw of any member form.." change to from.

A motion was made by Jeff Yates and 2nd by Michael East to approve and give City Manager Joe Decker the authority to sign on the City's behalf, the First Amended and Restated Interlocal Agreement of the Utah Risk Management Agency with the amendments. Motion passed.

Public Hearing to consider adopting operating budget for Fiscal Year 2020/2021: A motion was made by Michael East and 2nd by Byard Kershaw for the Mayor to go in and out of Public Hearing at his discretion. Motion passed.
Out of Public Hearing as there was no audience discussion.

Mayor Houston explained the sheet he passed out comparing the current years budget to the last fiscal year budget. The actual revenues in 2018/19 were \$3.9 million and the proposed budget for next year are \$2.8 million. Which is about 30% less than the 2018/19 budget. This is a tentative hearing to provide information and have the Council go over it and have a chance to ask questions or share ideas and get those back to Joe Decker. The budget will be adopted at the next meeting based on recommendations from the Council. The City has reduced the expenses significantly accounting for one month of Covid revenues. Joe Decker explained he hasn't received April's numbers because they come in June from the State Tax Commission. Sales and resort tax were about 80% of what is normally collected. Municipal energy tax was the amount it is always at and the Transient Room Tax was 10% of what the City normally collects for the month of March. As soon as Covid started, Mayor sent out a memo to the department heads to cut back on expenses and that helped the City to not get behind. The amount of revenue lost will reduce expenses as well. The City sees a lot of the sales tax revenue from June to October. Then there is a bump in November when the City receives the property taxes. The cash flow is fine as there is a lot of money in the bank in various accounts but there might be a dip this month. The first quarter of this next fiscal year will be slow and then go up from there.

Joe Decker then went through each budgeted amount and the actuals as well. The General Fund budgeted revenues actual current amount for 2019/20 is at \$3.2 million and for 2020/21 the budgeted amount is \$2.8 million projected for next year. The expenditures for 2019/20 is currently \$3.2 million and the 2020/21 budgeted amount is \$2.79 million. Mr. Decker explained that the City has not had to lay anyone off but there have been a few employees leave and the City won't replace those positions until the future. The City has hired one seasonal and is looking for one more.

The Recreation fund didn't take quite the hit that the general fund did because the majority of its funding is from property tax. Expenditures come in at \$274,478 and revenues come in at \$280,000. Mr. Decker thinks we will see the revenues higher than what they have been in the past. The City gets a property tax rate that is set by the Council and years ago the Council decided a certain portion of that goes to the General Fund, a small amount goes to the Capital Project Fund, another amount goes to the Capital Repairs Fund and the rest goes to the Recreation Fund. That can be changed by Resolution by the Council if they feel they want to put more or less in. Those numbers haven't been changed in five years or so.

The Debt Service fund is a money in and money out fund. The budgeted amount for 2020/21 from transfers from the General Fund total \$102,440 and transfers from the Recreation Fund will be \$80,000. The City keeps a \$24,069 balance in there as a cushion.

The Impact Fee fund just has actuals that come in and not a budgeted amount. Currently there is \$731,801.81 in the Impact Fee Fund. Impact Fees need to be spent within six years of collecting them. By the end of this fiscal year will be two years in of collecting them. There are fees that could be spent on projects that are eligible for Impact Fee money to be spent.

The Capital Project Fund has a good fund balance from the current year of \$1,062,431. There will be \$25,000 coming out of that to finish the Heritage Museum and another \$100,000 for the chip seal project. Normally the Council has a list of projects to work on for improvement and they will have that at the next meeting. \$600,000 of the total is ear marked for different things.

The Existing Repair fund is for catastrophic issues in case something is needing to be fixed that isn't covered under the General Fund. The Airport FAA Projects Fund shows a negative amount currently as the City is waiting for the reimbursement from the FAA. This year there have been two grants ran through and were able to get snow removal equipment and the other grant is for a building to hold the snow removal equipment. Because of Covid and the CARES Act the FAA is covering the grants 100%. As part of the CARES Act, the City will get funding to be put toward a portion of airport operations and salaries.

The Wild Land Fire Fund is for the money earned while on contract to go on fires. The 2019/20 year has brought in \$100,000 so far with a beginning balance of \$162,130. Between wages and equipment, they've spent \$56,386 so there is a balance of \$105,000. Next year they are budgeting \$100,000 starting with the fund balance puts it at \$206,000. With the seasonal employees, operations and the \$45,000 for the new fire truck the total expenditures will be \$98,000. Fire season will start to pick up and the new truck will earn more money per hour on fire details.

The Water and Sewer Fund had a budgeted amount of \$1.4 million and has brought in \$1.3 million so far. Next year \$1.2 million is budgeted as it will take a small hit not as drastic as the General Fund. After everything it shows the City making \$50,000 for the year. Expenditures were cut as much as the City could to be very conservative. Leaving it with a fund balance of about \$2.4 million. Joe Decker explained that \$800,000 of the \$2.4 million is set aside for debt service which the City has to have. And \$300,000 of it is set for equipment replacement for water and sewer. They are restricted funds but they are the fund balance in the Water and Sewer fund.

The Storm Water Fund collected \$368,256 spent \$122,165 and carried a fund balance of \$232,678. This year the City has collected \$304,062 in storm water charges, interest earned of \$1,017 and a reimbursement from Tom's Canyon of \$407,618. There has been \$646,265 spent and another \$424,358 totaling the fund balance \$257,926 in the negative. There is another \$400,000 coming from NRCS for the Cedar Heights project that will take it back into the positive.

The Perpetual Care Fund is used to collect the Perpetual Care Fees taken in by the City when a Cemetery lot is sold. This money goes to the State PTIF Fund and collects. The Council can decide to use the money to purchase land for a new Cemetery or maintenance of the existing Cemetery. The ending fund balance is \$399,813 in total.

Michael East explained he attended the Capstone Project Presentation that had great ideas. One of the ideas was different parks to accentuate Kanab Creek. Mr. East asked what property Kanab City owns in that area and wondered if the cleared land could be used to create a park. Joe Decker explained the land below the Levi Stewart Memorial might be able to purchase for something like his idea. They are going to look into this project.

A motion was made by Jeff Yates and 2nd by Byard Kershaw to adopt the 2020/21 tentative budget. Motion passed.

Mayor

Recorder