

HIDEOUT, UTAH
10860 N. Hideout Trail
Hideout, UT 84036
TOWN COUNCIL MEETING
May 14, 2020
6:00 p.m.

TOWN COUNCIL REGULAR MEETING – ELECTRONIC ONLY

II. CALL TO ORDER

Mayor Rubin called the meeting to order at 6:05 p.m. on May 14, 2020.

II. ROLL CALL

Town Council Members Present Electronically:

Mayor Philip Rubin
Council Member Chris Baier
Council Member Kurt Shadle
Council Member Jerry Dwinell
Council Member Vytas Rupinkas
Council Member Carol Haselton

Staff Present Electronically:

Town Administrator Jan McCosh
Town Attorney Dan Dansie
Public Works Kent Cuillard
Town Clerk Allison Lutes
Town Treasurer Wes Bingham
Town Planner Thomas Eddington

Others Present Electronically: Donna Turner, John Sherwood, Chris Ensign, Don Blumenthal and Karleen Callahan

III. APPROVAL OF COUNCIL MINUTES

1. April 9, 2020 Regular Meeting

Council Member Haselton noted an edit to Page 2 line 11, where 2 words appear together.

Council Member Shadle moved to approve the April 9 Minutes with the cited edit, and the April 30, 2020 Minutes as presented. Council Member Rupinkas made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton [Ms. Haselton abstained as to the April 9 Minutes] Voting Nay: None. The motion carried.

2. April 30, 2020 Special Meeting

See vote above.

IV. AGENDA ITEMS

1. **Introduction of Donna Turner and John Sherwood, regarding their interest in filling the vacancy on the Planning Commission**

Mayor Rubin introduced Donna Turner and John Sherwood who expressed their interest in serving on the Planning Commission. Both Ms. Turner and Mr. Sherwood gave brief statements on their background and their reasons for wanting to serve on the Commission. Council Member Shadle noted that Mr. Sherwood was currently serving on the Budget Committee and commended him for his work. Council Member Dwinell reviewed there were currently two open positions on the Commission: one permanent and one alternate seat. Following input from Dan Dansie, the Mayor indicated he would need to meet with Council Member Dwinell (Planning Commission Chair) to discuss how they would like to staff those open positions. Both Ms. Turner and Mr. Sherwood were supportive. Mayor Rubin polled the Council on whether to allow Mayor Rubin and Jerry Dwinell to meet and make the final decision on the Planning Commission positions. Council Members Shadle, Rupinkas, Haselton, Dwinell and Baier assented to the foregoing, which Dan Dansie confirmed constituted consent to appoint the Planning Commission members.

2. **Approval of bills to be paid**

Jan McCosh fielded Council questions regarding specific entries. It was noted Engineering was over budget. Ms. McCosh stated that T-O Engineering would only be spending on items that could be passed through until more funding for those services can be approved. Mayor Rubin commented the direct Town billings should be a few thousand dollars a month through the end of June.

A brief discussion ensued regarding the monthly report and the Council's request for additional columns to show comparisons of actual costs to budget. Jan McCosh responded she should have a budget to actuals report for the following month. Council Member Rupinkas inquired regarding the JSSD water bill and whether the figure set out in the report reflected the ongoing monthly figure, or whether JSSD increased to catch up billing. Wes Bingham commented the \$20,812.50 had been billed since January. Prior to that it was \$9,375.00. Council Member Shadle noted the water budget was \$290,000 so it would still be under budget, however Council Member Rupinkas conceded that while still under budget, there were other charges such as the golf course that are part of that. Mayor Rubin stated the billing for JSSD needed to be analyzed further to determine whether the \$20,000 would be the ongoing monthly fee.

Council Member Shadle moved to approve payment of the April bills. Council Member Dwinell made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

3. **Continued Public Hearing - Continued discussion and possible adoption of an Ordinance regarding an Impact Fee Facilities Plan**

Mayor Rubin announced that because discussions and engineering review were ongoing, the plan was not yet ready for the Council's consideration and he recommended continuing the hearing until June 11.

Council Member Shadle moved to continue the public hearing on the Impact Fee Facilities Plan to June 11, 2020. Council Member Haselton made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

4. Continued Public Hearing: consider adopting Ordinance 2020-05 repealing and replacing Titles 3, 10, 11 and 12 of the Town Code

Mayor Rubin reviewed that Dan Dansie had some additional work on legal language to complete on the Title drafts, therefore this agenda item was not ready at this time for the Council's consideration. Mr. Dansie stated because there were some significant issues, he wanted to have a discussion offline with Council Member Dwinell, and then give the Council an opportunity to weigh in, possibly at a special meeting before the next Council meeting on May 28 if necessary. Following a brief discussion, it was decided that Mr. Dansie would meet with Council Members Dwinell and Baier, as well as Thomas Eddington to discuss the drafts on Monday, May 18 at 5:00 p.m.

Council Member Dwinell moved to continue the public hearing on this agenda item to May 28, 2020. Council Member Haselton made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

5. Discussion and possible approval of Annexation Petition for Creekside Estates

Mayor Rubin gave a brief introduction on the Creekside Estates annexation petition submitted by Chris Ensign. The property consists of 7.5 acres between Deer Springs and the State park. Dan Dansie then reviewed the annexation process and the timeline involved as set out in the State Code. The Council's task this evening was to either reject the annexation petition or accept it for consideration and proceed through the review process. If rejected, the Petitioner would have an opportunity to re-submit the petition. He added there may be a window of time within which a Petitioner could re-apply. He clarified that if accepted, the Town would have 30 days to determine whether the subject property meets the criteria for annexation, however it does not mean the property is accepted until the certification process is completed.

Council Member Baier commented that she just learned of this agenda item and she hadn't had time to fully prepare for this decision. Thomas Eddington proceeded in further detail through his report on the subject annexation. Council Member Dwinell clarified that the project would be coming in as zoned either RSPA or Mountain according to current Town Code. Dan Dansie added that if the petition were to come in as Mountain, the Town could potentially create an agreement with the developer for some voluntary commitments with respect to this land. Mr. Eddington continued with his presentation. He pointed out there had been some discussion regarding connectivity on the Northeast corner of the property, however that area was privately owned, but it could be addressed during the review process. Council Member Dwinell commented the contact information for that property owner had been provided to Mr. Ensign for potential negotiations concerning that access.

Chris Ensign gave a brief history on the property, which is owned by his partner, Bart Warner, and some of the issues they considered in their proposed subdivision. He indicated he called the Wasatch County Clerk and hadn't heard back, so they hadn't been notified.

The Council wanted a more detailed and descriptive map, including topographical features that would give them a better sense of the property surrounding it and any potential impact to those properties. Council Member Baier stated annexation is completely discretionary, and if annexed into the Town, the Town would have more control and could negotiate with the landowner regarding exactions. Further, she was concerned the best trail in Town may be compromised because a road would transect it. She concluded, stating she would need to see more information before she would accept the petition. Council Member Haselton suggested, and the Council was supportive of scheduling a site visit to the property.

Mr. Ensign stated he is formally withdrawing the Petition for Annexation concerning the 7.5 acres known as Creekside Estates at this time and will resubmit the Petition on a later date. Further, he stated the Town could retain the funds he submitted with the current [Petition|VR1] and applied to his revised application.

A site visit will be scheduled and publicly noticed.

Council Members Shadle and Baier commented they would like to have procedures and timelines distilled into a memo or reference document so the Council would have a better understanding of annexations.

6. Wes Bingham - third quarter financial update

Wes Bingham proceeded through the 3rd quarter results.

His concern at this point based on trending revenue, was the building permits, which are forecast to come in at 90%, and if the trend continues, the Town will end its year 10% less than budgeted. Mr. Bingham then displayed information regarding annual growth in sales tax and figures for April, May and June of this year. Based on those figures, he estimated the Town could expect an additional \$18,000 through the end of the fiscal year.

Class C road revenue: two more payments will be coming, and the fund should be on budget.

Administrative expenditures:

Auditor: an amendment at the June meeting to address the increase in budgetary costs associated the audit will likely be presented.

Street expenditures: currently approximately 60% of budget. Discussion arose regarding the potential chip seal project to be voted on this evening. Mayor Rubin stated if passed, the work will not be completed before the end of the fiscal year. Mr. Bingham explained that funds remaining in a budget at year end (retained earnings) would need to be appropriated expenditures in the following year. He added if this project will start and be partially completed by fiscal year end, he estimated approximately \$50,000 could be expended without amending the budget. He added as long as the stated \$219,500 budgeted amount is not exceeded, the funds could be spent without a budget amendment. The Town could expend those dollars in July and August, and if needed, he would come back before the Council to ask for a budget resolution, using surplus revenue, depending on the timing of the street repair project. Mayor Rubin explained the streets project (to be voted upon this evening) will be billed in progress payments.

Enterprise Fund: need to factor in depreciation into the budget; even though rates will not be increased, given the current economic situation. He noted the rates set out in the budget were not sufficient. Typically, depreciation is not recorded until year end. He stated that while rate increases have not been proposed, the Town may need to review that by end of year. Mayor Rubin noted that the Town was now accounting for 10 years of infrastructure investment. Council Member Shadle added that the prior administration had nothing set aside for infrastructure as is customary in municipalities, so the current administration is essentially playing catch up. Mr. Bingham commented that he would try to get some better depreciation numbers, but even if those aren't yet allocated, the Town had enough cash set aside to address any short-term issues. He believes the Town will be able to cover depreciation and increase rates in a year, once the economy recovers.

Mayor Rubin commented the Town was set to have a 100% scope and flush of the sewer system which will provide a better sense where there are areas of concern in the waste system which can be more accurately addressed in the future budget.

Wes Bingham noted the Enterprise Fund revenues and expenses are substantially higher than forecast; much of which is due to not having a depreciation budget. Accordingly, he will be coming forward with budget amendment recommendations at the June meeting. Mr. Bingham summed up that he believed the Enterprise Fund is in pretty good shape, and the Town would have a clearer understanding of the budget as the next year evolves.

7. Public Hearing - discussion and possible approval of tentative budget

Mayor Rubin explained that by law, the Town is required to pass a preliminary budget in the first meeting in May. Council Member Shadle presented a PowerPoint on behalf of the Budget Committee, whose members are he, Council Member Rupinkas, John Sherwood, Jan McCosh, Mayor Rubin and Wes Bingham.

Due to the uncertainty of future economic conditions locally, statewide and nationally, Mr. Shadle announced the Budget Committee will be meeting quarterly to gauge the accuracy of budget projections and make any necessary corrections.

Mr. Shadle then went on to review the **General Fund** revenue assumptions and expense projections:

- No increase in property tax rate vs. last year
- No transfer from Reserve Fund to balance budget vs. as much as \$54M in FY20
Developers will pull 50 permits vs. a projected 78 permits in FY20 [Mr. Shadle spoke with all of the developers who indicated they would be meeting that projection, however the Budget Committee will be keeping a close watch to ensure that developer projected will be playing out over the next 6 months.
- Sales tax revenue distributed by the state will be down 10% but the Town's population has increased
- Class C road allotment funds from the state will increase as we have 1.82 miles of new roads
- Increased revenue will be generated from new Planning and Zoning Fee Schedule

Expense projections:

- More accurate redistribution of expenses between General Fund and Enterprise Fund
- No net change in Town personnel or salary. Potential bonus to be determined at year's end
- Anticipated year-end contract with County Sheriff for regular police patrol and increased traffic signage
- Increased use of Town Planner
- Decreased road repair after significant expenditures in FY20

Mr. Shadle turned to the revenue assumptions for the **Enterprise Fund**:

- No rate increase, although JSSD is increasing their rates to the Town by 5.4%
Revenues include 36 new water, storm water and sewer connections but 10 less standby water and water reservation fees
- Connection fees will be down in line with anticipated decrease in building permit pulls
Expense projections

- More accurate redistribution of expenses between General Fund and Enterprise Fund
- Water and sewer models need to be performed to assess infrastructure capacities and potential deficiencies as required by the state
- Town will outsource to JSSD (or another entity) the standard repair and maintenance of our water and sewer infrastructure
- Increased attorney fees in order to negotiate an updated JSSD agreement

Mr. Shadle concluded, stating the budget does not contemplate either a property tax increase or water rate increase, however as previously noted, the Committee will closely monitor to be sure the Town is hitting its major areas, e.g. building permits, sales tax revenues, as well as the potential new fee schedule, if the Council adopts it.

Mr. Shadle then fielded questions from the Council. It was noted the budget includes a 9-month delay to account for the flow of property taxes from new structures to the Town. Wes Bingham added the County Assessor will produce a certified tax survey the first week of June, so the Town will know at that time exactly what to expect in property tax rates. Mr. Shadle added the budget anticipates for a property tax delinquency rate which includes 5% attributed to one Town developer that has been carried over into the current budget. On top of that, the budget assumes an additional 5% delinquency rate.

Mr. Bingham commented that overall, the Town has taken a conservative approach on the revenues and he felt confident in those figures. Additionally, he noted the sales tax figures for May were released showing a 3.7% increase. Mr. Shadle was concerned because those figures accounted for March sales when the pandemic began, and he was not confident that increase would continue. Mr. Bingham concurred and felt the revenue would decrease for the next month, however he suggested Hideout may benefit from online sales with fewer people going out to shop at this time.

Council Member Dwinell moved to approve the tentative budget. Council Member Baier made the second.

Because this was noticed on the agenda as a public hearing, the Mayor would need to solicit public comment. Accordingly, at 8:06 p.m., Mayor Rubin opened the meeting for public comments, and the prior motion was withdrawn. Having no comments, the public hearing was closed.

Council Member Dwinell moved to approve the tentative budget. Council Member Baier made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

8. Discussion and possible approval to move forward with road repairs as per budget

Mayor Rubin explained the Town received five bids for road repairs and he projected a report by T-O Engineers setting out the bid information. Council Member Dwinell raised his concern regarding the recommended bid that shows a significant reduction in flagmen which could impact traffic control safety. He expressed reticence in awarding a bid with such discrepancy in traffic control numbers. Mayor Rubin indicated he could inquire whether that figure was based on lower wages or manpower allocated to traffic control.

Council Member Shadle recommended the Council provide the Mayor with the flexibility to determine the best contract and to address the traffic control line item. Following additional

discussion, he suggested authorizing the Mayor to negotiate with Advanced Paving regarding traffic control with a not to exceed amount of \$110,000. Dan Dansie advised that an invitation for bids identifies the scope and criteria of services, and the obligation is to judge the lowest bid based on the criteria in the invitation. Thus, he suggested it may work best to go back to all bidders and ask for more details on traffic safety and award a bid based on that, instead of authorizing the Mayor to renegotiate a contract that was put out for bid. Council Member Baier commented she would like to have a better idea of timelines for the repairs by each bidder. Following additional discussion, Council Member Dwinell felt comfortable in sending out a clarification to all bidders and to and give the Mayor the flexibility to qualify the bids.

Mayor Rubin polled the Council for its consent in allowing the Mayor to move forward as the discussion indicated for getting details on project time and flagging efforts. Further, the contract is not to exceed \$110,00 and the project will take 6 weeks or less.

Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton all assented to the foregoing.

Following the poll, Mayor Rubin stated an ordinance changing the Town Council meetings to the second and fourth Thursdays of the month will be presented at the next meeting.

9. Discussion and possible approval to move forward with a maintenance and operations agreement with JSSD for sewer and water services

Mayor Rubin stated this item will be deferred.

10. Discussion and possible approval of Resolution amending Town Fee Schedule

Jan McCosh suggested this item be deferred to the May 28 meeting. Mayor Rubin agreed and stated this will be deferred.

11. Discussion regarding the State of Utah's phased guidelines concerning COVID-19 restrictions

Council Member Baier proposed the three currently enacted ordinances regarding COVID-19 remain in place for an additional two weeks and have a conversation at the end of the month.

Council Member Rupinkas moved to extend the COVID-19 ordinances to the end of the month. Council Member Haselton made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The Motion carried.

Council Members Baier and Shadle noted the Council would need to have a real discussion to address COVID-19 restrictions and procedures and proposed it be scheduled early in the agenda.

12. Consideration and ratification of current Fire Restrictions effective May 15, 2020

Council Member Dwinell moved to adopt the resolution establishing seasonal fire restrictions. Council Member Rupinkas made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

Following the vote, Council Member Dwinell commented he wanted to have a broader discussion on fire and safety for a later date.

V. PUBLIC INPUT - FLOOR OPEN FOR ANY ATTENDEE TO SPEAK ON ITEMS NOT LISTED ON THE AGENDA

At 9:19 p.m., Mayor Rubin opened the meeting to public comments. Having no comments, the public input session was closed.

VI. CLOSED EXECUTIVE SESSION - DISCUSSION OF PENDING OR REASONABLY IMMINENT LITIGATION, PERSONNEL MATTERS, AND/OR SALE OR ACQUISITION OF REAL PROPERTY AS NEEDED

No executive session

VII. MEETING ADJOURNMENT

Council Member Shadle moved to adjourn. Council Member Rupinkas made the second. Voting Aye: Council Members Baier, Shadle, Dwinell, Rupinkas and Haselton. Voting Nay: None. The motion carried.

The meeting adjourned at 9:20 p.m.

Allison Lutes, Town Clerk

APPROVED