



Hildale City Council Meeting

Wednesday, May 07, 2025 at 6:00 PM
320 East Newel Avenue, Hildale City, Utah 84784

Minutes

Welcome, Introduction and Preliminary Matters: Mayor Jessop

Mayor Jessop called the meeting to order at 6:01 pm.

Roll Call of Council Attendees: City Recorder Jessop

PRESENT

Mayor Donia Jessop
Council Member Luke Merideth
Council Member JVar Dutson
Council Member Terrill Musser
Council Member Darlene Stubbs
Council Member Brigham Holm

Pledge of Allegiance: By Invitation of Mayor Jessop

Council Member Stubbs led the pledge.

Conflict of Interest Disclosures: Mayor and Council Members

Council member Dutson has a conflict of interest in the bid on the Innovation Center.

Special Recognitions:

1. City Council Community Recognition and Appreciation Award

Council Member Dutson recognized EJ Knudson with Air-Doctor Solutions for keeping up the mini shopping mall.

EJ gave a list of stores/businesses that are in the mall.

Appointments to Boards or Commissions:

2. Russell Jessop - Commissioner

Russell Jessop was sworn in to the Planning Commission.

Public Presentations:

None

Approval of Minutes of Previous Meetings: Council Members

3. Consideration, discussion and possible approval of City Council meeting minutes of April 2, 2025.

Motion made by Council Member Musser to approve City Council meeting minutes of April 2, 2025,
Seconded by Council Member Stubbs.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council
Member Stubbs, Council Member Holm

Motion Carries

Oversight Items:

4. Hinton Burdick presenting the FY24 Audit.

McKay with Hinton Burdick presented the Audit.

5. Financial Report and Invoice Register approval

Council Members discussed a need for a better visual on where we are at on the city finances, like some pie charts or other graphs.

Utilities Director Jerry Postema explained that this is also a discussion with the Town of Colorado City Council, so he is working on something to fill that need and both cities will get the same visual.

Motion made by Council Member Dutson, to pay the bills as funds become available Seconded by Council Member Holm.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

6. City Administrator Report

Mayor Jessop gave her report on activities of the month.

7. Department Reports

Utilities Director Postema reported on the wells. They got the biggest well up and running with proper certification. The tanks that needed repairing are repaired and full, giving a lower chance of going into restrictions. There is still one well going through some repairs, but we expect all the wells to be up and running within the next couple of weeks. He then explained that with the wells being permitted, it is clearing up the deficiencies in the grant for the booster pump station. That will allow us to move forward with the booster pump project because the deficiencies had to be cleared up before beginning construction. It should be between 6 to 8 months for completion after bids have gone out.

Council Member Merideth inquired about the charts that are going to be shown, are they going to be a cash flow assessment, or a position statement because he believes if they saw a position statement from month to month, there wouldn't be a half-million-dollar surprise.

Utilities Director Postema confirmed that we are preparing a cashflow chart, because depreciation can be a little misleading. What's going in and what's going out is what is the most helpful.

Public Hearing:

8. The purpose of the hearing is to receive public input on a proposed interfund loan in the amount of \$677,762 from the Sewer Fund to the General Fund for fund stabilization.

Motion made by Council Member Dutson to go into a hearing to receive public input on a proposed interfund loan in the amount of \$677,762 from the Sewer Fund to the General Fund for fund stabilization, Seconded by Council Member Stubbs.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carried

Charles Hammon expressed gratitude to the Council and Mayor. He expressed concerns about transparency between the citizens and the Utility Department.

Marion Timpson voiced his desire to get more involved. He expressed how desperately he wants to help solve the problem and that there are people here in the community who want to help. He asked for more trust from the council.

Jared Nicol expressed frustration that his questions have not been answered. 3/4 of a million dollars are being tied up that could be used somewhere else.

Jerusha Darger thanked the council for letting the public get involved.

Melanie Zitting asked if we considered other ideas to borrow money like from a developer, instead of borrowing from the sewer department.

Elissa Wall expressed her gratitude to hear the dialog of the community. She offered her support on this item. Defined her understanding of making these kinds of mistakes helps us learn and grow.

Motion made by Council Member Dutson to close the public hearing, Seconded by Council Member Musser.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

9. Consideration, discussion and possible approval of an interfund loan in the amount of \$677,762 from the Sewer Fund to the General Fund for fund stabilization

Mayor Jessop offered a Q&A to the public.

Mayor Jessop answered Melanie Zitting's question about other options

Attorney Shawn Guzman explained there are many cities that have borrowed from Enterprise Funds and what projects can be funded from the impact fees.

Council Member Holm asked how the transfer and payback is structured

Attorney Shawn Guzman explained you can structure the payments how we see fit as they are done internally, and they can be quarterly, monthly or annually. The interest accrued on the open balance.

Melanie Zitting asked if it is prime interest.

Court Monitor Roger Carter explained as soon as there is a deficit in the budget the loan is already there. By manner of transparency there has to be a note. That is so this very event happens. There must be terms set at this event but terms cannot be longer than 10 years. It is required to pay back the lender at an equivalent interest rate to the PTIF. It does tie up money but we have a deficit and we must formalize the deficit.

Council Member Merideth asked what were these funds going to be used for? What projects are not going to be completed because of this loan?

Utility Director Jerry Postema explained that the projects the sewer department is working on right now is with impact fee funds so this loan does not impact their projects at all. There are 3 sewer projects they are working on now and 2 of them are 100% impact fee eligible. The man hole project, when we get to it we will be looking at the fund balance and see if we can move ahead at that time.

Marion Timpson asked which part of the fund is the loan coming out of (sewer impact fee, or the operations category)?

Attorney Shawn Guzman explained we cannot use impact fees for the purpose of the loan. Impact fees must be expended on impact fee eligible projects and if they are not expended within 6 years, they must be returned to the people that paid the funds.

Utility Director Jerry Postema explained that funding for impact fees can only be used for project in the master plan.

Marion Timpson asked how do we expect to service the sewer and take care of all these project. Why do we have so much confidence that we can borrow from the sewer but we will still be able to keep operating?

Utility Director Jerry Postema explained that we must have a certain amount in our fund and that is budgeted for. We know that we are going to receive the funds back plus interest. It's like we are just putting the funds in a savings account that accrues interest. It's not going to affect our operations.

Council Member Dutson explained we are making sure it is getting paid back.

Marion Timpson questioned the fact that if this is already spent why aren't we trying to give more funds to the general fund?

Court Monitor Roger Carter explained how the audit presentation showed that it has already been spent from previous years and we have to address the deficit because the state law says you have to work with a balanced budget. And because this is government, you have to do it in front of the public. If this is not an option, the city has to come up with another option to cover the deficit. It does make the funds less liquid but we are depending on the Utilities Director to let us know if that is an option.

Jared Nicol asked if the funds were only from the sewer fund.

Utility Director Jerry Postema answered yes it is 100% from the Sewer Fund.

Jessica Jessop expressed concern about the funds being paid back and are we going to be here again in a year or 2 years from now trying to borrow more money?

Mayor Jessop explained we are cutting spending significantly and finding ways to increase revenue without raising rates to ensure we won't be back into this situation in a year or 2 from now.

Jessica Jessop asked if we have a definite plan to pay it back with the budget we have today.

Mayor Jessop explained we couldn't pay it back with the budget we have now but we must and we will change the budget.

Court Monitor Roger Carter explained we don't have much of a choice but to do this. We are assessing our ability. It's another piece of the problem, how do we take care of the deficit and increase revenue. Property taxes are a municipalities biggest revenues but this city has really struggled to collect those. We are getting closer but we are still not there. We have no choice but to turn over every possibility.

Mayor Jessop explained that the property taxes are revenue but there are \$300,000 that is available if we were collecting these funds.

Marion Timpson asked that we gather the facts and be massively, radically transparent with them by letting the people know.

Mayor Jessop spoke on finding a way to be more transparent and that she will start making videos to get questions answered and get the information out there.

Council Member Dutson apologized for not being able to explain and give the answers.

Martha LeBaron asked for clarification on whether or not the funds are new revenues. And how is the presentation of our budget going to go? How do we show that it is not going to be affecting the rates?

Utility Director Jerry Postema explained that it is not new revenue.

Martha LeBaron asked when the sewer report is created what is the process of letting people know if this will have any impact on their new fees once we do the 7 year report that is past due? When the budget is created, how will it be presented to the community so we can see we created a budget that is no longer creating a deficit?

Utility Director Jerry Postema explained that we will not know about a sewer rate until we do a rate study and that will take several months. There will be public hearings, and notices of the public hearings that will give the public a chance to give their input. On the Master Plan update we have to go into much greater detail and that typically takes over 6 months of public meetings with the Utility Board, Town of Colorado City, Council and many more. Please pay attention to the website and when these meetings are if you are interested in adding your input. Impact fees are not affecting those who already live here. They only affect new growth and that is where the impact fees differ from the rates.

Court Monitor Roger Carter added, one of the nice things about this transaction is the sewer fund will have a "due from" item on it that will go toward the credit when the new rates are re-established.

Charles Hammon asked how are Colorado City rate payers and council involved in this decision? And what is the position of the Colorado City Council when using those shared funds to support Hildale's General Fund.

Utility Director Jerry Postema explained that we are one community, we are not 2 separate cities. When decisions are needed to be made, we have conversations with top management in Colorado City. When we are working on master plans etc., it is a joint effort. The Sewer Fund is the only fund that is 100% controlled by Hildale City. Anything else would be a joint partnership between the 2 communities based on an asset breakdown.

Charles Hammon asked how a rate payer in Colorado City, with their elected officials, is represented with regard to the sewer ownership and it's system.

Utility Director Jerry Postema explained that is why the 2 agencies have an Inter-Governmental Agreement (IGA) and that is also why we have the Utility Advisory Board that is made up of 2 Colorado City members and 2 Hildale Members and the chair is agreed upon by both Mayors. So any time that there are any discussions, the representation is the Utility Advisory Board.

Charles Hammon said roles and responsibilities are important and both Council's have the right to make decisions but those decisions affect the Joint Utility. It is important for all the citizens to understand that when one City Council makes a decision, they are taking full responsibility for that decision and the other City's Council may not have the right to make a decision on those particular issues even if it affects the Joint Utility. Both cities have the opportunity to make those decisions of the council and they also need to take responsibility of those actions in the way that it affects the shared system.

Mayor Jessop expressed the importance of the communication between both cities.

City Attorney Shawn Guzman explained that this is not complicated, uncommon and we are not plowing new ground. This is how it works in the City of St. George.

Marion Timpson reiterated Charles Hammon's question on how are Colorado City's rate payers, that do not get to vote for the Hildale Council, represented in the utility decisions?

Mayor Jessop explained that we have a Sewer IGA between both cities so Vance is your representation.

Attorney Shawn Guzman explained that in Salt Lake City they provide sewer for all the surrounding areas. This is not new. This is very normal everywhere.

Mayor Jessop explained that the only extra line of complication is that we are going over state lines but other than that, it is very common for cities to do this.

Mayor Jessop read the resolution and asked for a motion.

Motion made by Council Member Musser to approve a resolution on the inter-fund loan in the amount of \$677,762 from the Sewer Fund to the General Fund for fund stabilization, Seconded by Council Member Dutson.

Discussion: Attorney Shawn Guzman explained that the changes he made were not on the document that Mayor Jessop read and to please add that the Mayor is authorized to sign the agreement.

Motion made by Council Member Musser to amend the motion adding "the Mayor is authorized to sign the agreement," Seconded by Council Member Dutson.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

Motion made by Council Member Musser to continue the meeting until 10:00, Seconded by Council Member Stubbs.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

Unfinished Council Business:

10. Consideration, discussion, and possible approval of the Innovation Center Water Main Notice of Award.

Motion made by Council Member Dutson for approval of the Innovation Center Water Main Notice of Award In the amount of \$154,670, seconded by Council Member Holm.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

New Council Business:

11. Consideration, discussion, and possible approval to purchase a replacement chemical pump for the Water Treatment Plant in the amount of \$6,404.07. This purchase will come from the Water Maintenance and Supply Fund.

Motion made by Council Member Holm approval to purchase a replacement chemical pump for the Water Treatment Plant in the amount of \$6,404.07, Seconded by Council Member Stubbs.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

12. Consideration, discussion, and possible approval of request for emergency funds from the Water Funds not to exceed \$50,000 for repairs and replacement for Well #22.

Utility Director Jerry Postema explained that we have the 2 pumps back in service that broke down this week.

Council Member Holm asked if this item goes before the Utility Board.

Utilities Director Jerry Postema explained that since this is an emergency we go by way of the town ordinance to get the funds.

Council Member Holm asked if this item goes before Town of Colorado City.

Utility Director Jerry Postema explained, "per the IGA we are managing it." As soon as we were made aware of the situation we immediately informed both city administrators.

Council Member Stubbs asked, "being that this is an emergency, who looks over those quotes?"

Utilities Director Postema confirmed himself and Nathan look over and approve the quotes.

Motion made by Council Member Dutson approval of request for emergency funds from the Water Funds not to exceed \$50,000 for repairs and replacement for Well #22, Seconded by Council Member Stubbs.

Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

13. Consideration, discussion, and possible action concerning a request to rezone parcel's HD-SHCR-3-39A, HD-SHCR-3-36A, & HD-SHCR-3-36-B, commonly addressed as 840 North Maple Street, Hildale, Utah from General Commercial (GC) to Residential Multiple-Family (RM-3)

Mayor Jessop asked Postema to explain the zone change.

Utilities Director Postema explained that we met with the applicant, and we do have sufficient utilities.

Council Member Merideth asked if they decided to later revert back to short-term rentals, would it still be zoned correctly?

Mayor Jessop explained that they would not be properly zoned if they reverted back to short-term rentals.

Council Member Dutson asked why are there 3 different owners and 3 different lots?

Mayor Jessop said "it's all the same lot. It has all been changed. We did a lot line adjustment."

Motion made by Council Member Dutson to approve request to rezone parcel's HD-SHCR-3-39A, HD-SHCR-3-36A, & HD-SHCR-3-36-B, commonly addressed as 840 North Maple Street, Hildale, Utah from General Commercial (GC) to Residential Multiple-Family (RM-3), Seconded by Council Member Holm. Voting Yea: Council Member Merideth, Council Member Dutson, Council Member Musser, Council Member Stubbs, Council Member Holm

Motion Carries

Council Comments: For items not on the agenda (10 minutes total)

Council Member Musser notified the public about the Garkane event at 5:00 pm. Explained the Utah Public Website has the meetings on them and you can set it up to get notifications of the meetings if you are interested in knowing what is going on. To the Educators and Teachers: Read a thank you note he wrote. Thank you Mayor for allowing us to help you and for leading. Thank you to the public for being here.

Mayor Jessop explained that we are setting up a YouTube channel for the education of the public.

Public Comments: 3 minutes each - Discretion of Mayor Jessop

Jared Nicol stated on the re-zone that only 1 parcel was noticed. Where are the Conflict of Interest Disclosures?

Elissa Wall expressed appreciation for having participation in this meeting. Invited everyone to read Theodore Roosevelt's quote on "The Man In the Arena" because you (calling each Council Member by name) all are in the arena. You all have lives, but whether we succeed or whether we fail, you are still here, showing up for us. Thank you.

Nap Jessop asked what is going on with Hildale City 665 N property. The city has paid taxes on it but he would like to have a discussion with someone on it.

Mayor Jess

Calendar of Upcoming Events: 5 minutes - Mayor Jessop

14. City Council Calendar

Mayor Jessop went through all the May events on the calendar.

Executive Session: As needed

NA

Adjournment: Mayor Jessop

Meeting adjourned at 9:55.

Agenda items and any variables thereto are set for consideration, discussion, approval, or other action. Council Members may be attending by telephone. Agenda is subject to change up to 24 hours prior to the meeting. Individuals needing special accommodations should notify the City Recorder at 435-874-2323 at least three days prior to the meeting.

Minutes were approved at the City Council Meeting on _____.

Maxene Jessop, City Recorder