Town Council Work Session

Meeting Minutes

June 24, 2026, 6:00 P.M.
20 North Main Street, Levan, UT 84639, US

Present at meeting: Mayor Tyler Shepherd, Council members: Brady Taylor, Ray Evans, Rachel Goates, Jerry Spencer
Town Clerk Christine Carrigan
Meeting Recorder: Treasurer Chelsea Carle, Clerk Chelsi Oliver
Public attending: none

1. Welcome

The Mayor opened the Town Council Work Session on Wednesday, June 24, 2026, at 6:03 PM at the Town Hall on Main Street, Levan, Utah.

2. Discussion Items

Note: The agenda may change as time permits.

a. Budget Worksheet

The Clerk, Christine Carrigan, walked the Council through the proposed Fiscal Year 2027 (FY27) budget worksheet, noting that it is not significantly different from the prior year.

General Fund The General Fund budget increases from $899,620 to $938,360. The most notable change is an additional $25,000 allocated toward capital outlay for a new garbage truck, bringing the total set aside to $250,000. It was acknowledged that a new garbage truck costs over $400,000, making this a partial contribution toward that goal. The Council discussed the possibility of purchasing a used truck or pursuing a CIB loan. The urgency of this purchase was underscored by the current truck's deteriorating condition, including a rebuilt engine and persistent hydraulic problems.

A general wage and benefits increase of approximately 2.8–3% was applied, though administrative salary and wages as a budget item were held flat due to underspending in the prior year. The presenter explained that the a cushion is maintained to cover the transitional period as office staff are trained and the current team scales back involvement.

Notable cost increases include fuel for the cemetery and parks, and a $2,000 park fuel increase was identified on page 3 of the worksheet. The Council discussed a discrepancy in cemetery utilities, where an apparent $20,000 charge was attributed to an accounting entry by Pelorus that does not reflect actual town policy. The presenter clarified that the town's policy is not to charge itself for utilities, and that this entry needs to be corrected in coordination with Pelorus.

Cemetery expenses were reviewed, including the caretaker's compensation and ongoing costs for flags and memorial crosses. The Council noted the large cemetery flag costs approximately $400 annually due to wind damage, and discussed rotating the flag seasonally to extend its life. Small memorial flags were discussed as well, with a noted preference for nylon flags purchased through Amazon at approximately $21 each. The cemetery miscellaneous budget was increased to cover these ongoing needs.

Insurance costs through Utah Trust increased by approximately $4,000 due to a property value reassessment, which rose from $4,000,000 to $6,000,000. To partially offset this, coverage was reduced from full to liability-only on two older vehicles—a small S-10 pickup and a 1997 Dodge utility truck—saving approximately $500.

The July 24th celebration budget retains $5,000 for the rodeo, with discussion about improving the rodeo grounds. It was noted that a rodeo producer indicated that entry fees from a Buckaroo Rodeo could potentially fund a full arena renovation. The idea of using two conex containers to create a combined announcer booth and concession stand was revisited as a cost-effective improvement. A condition was expressed that any revenue generated should be reinvested into the arena rather than the general fund.

The youth council budget retains $2,500, though only $281 was spent in the prior year. A Council member reported that youth applicants have been received and plans are underway to appoint a program supervisor. An alternative to the paid legislative day event was discussed, referencing a model where a local coordinator arranged direct meetings with legislators at no cost.

PTIF and Fund Separation The presenter recommended that the Council consider separating the town's approximately $2,000,000 Pool of Funds (PTIF) balance into designated sub-accounts by enterprise fund (water, electric, gas, etc.). This would improve transparency, support future grant applications, and allow clearer tracking of each fund's reserves. The roads fund already maintains a separate balance of approximately $550,000. A $100,000 general budget line was noted for potential chip seal work.

A $45,000 balance remaining from the drinking water project was discussed. The presenter indicated that a portion may be recoverable from the state, with a $25,000 return budgeted as projected income, though this requires the town to submit an invoice and may exclude interest earned.

Enterprise Funds — General Observations The presenter advised the Council that some enterprise funds are currently operating in or close to the red, with the exception of the internet fund. The presenter emphasized that with persistent inflation and no recent rate increases, the town's financial cushion has eroded and that rate adjustments should be considered.

Water Fund (Page 6) Water revenues are projected at approximately $271,000 against expenses of approximately $349,000 for FY27, with a significant portion of the gap attributable to the CIB loan-related project costs. The presenter clarified that a $119,000 depreciation entry does not represent a cash outlay, while the actual bond payment of $65,000 does. The water fund has operated at a loss in recent years, partly due to the water project, related litigation, and the first full year of bond payments in FY25.

The Council discussed the state-commissioned rate study, which recommends increasing both the base rate and tiered rates for water. It was acknowledged that Levan's water rates are among the lowest in the state, and that prior CIB grant assistance was conditioned on rate increases. The presenter committed to distributing the rate study ahead of the July meeting for formal consideration. Increases to both base and tiered rates were generally agreed upon as necessary.

Electric Fund UMPA has indicated that power costs will increase by 13% in the coming year. The presenter cautioned against absorbing the full increase without passing any portion on to ratepayers, noting that power sales this past year were at a multi-year low of $473,000, likely due to a mild winter. A Council member suggested that a 14–15% customer rate increase may be warranted given the cost increase and the need to improve the fund's financial position. The pending LED streetlight grant reimbursement was noted as a factor that will improve the fund's position once received. The presenter also referenced a small Bitcoin mining arrangement that could help stabilize revenue during low-consumption months.

Internet Fund The internet fund was described as the only enterprise fund currently well in the black. Some customer turnover was noted, primarily among remote workers who require higher-bandwidth connectivity, but overall performance remains stable.

Gas Fund Natural gas revenues have declined significantly, from $316,000 in prior years to $235,000 in the most recent fiscal year, attributed largely to a mild winter. The presenter noted that Jason identified the gas fund as the one most in need of rate review. The town purchases gas through Nephi City and has limited leverage over pricing. A Council member raised the concern that Nephi charges industrial customers lower rates than the town pays, and suggested this inequity should be formally addressed. It was suggested that this matter be taken up directly with Nephi City.

Property Tax The presenter noted that the town's property tax rate has not been increased in many years, and that the town's effective rate has gradually declined. Total property tax revenue is approximately $33,000. Outside advisors have consistently recommended raising the property tax rate, even modestly. The Council acknowledged this recommendation while noting the political difficulty of any tax increase.

b. Budget Amendment(s)

The presenter identified one required amendment to the FY26 (current year) budget related to the water fund. A $120,000 depreciation expense was not included in the adopted budget, and the amendment is necessary to ensure the town does not exceed its authorized spending. The Council was advised that this formal amendment would be acted upon at the regular meeting.

3. Adjourn

A motion to adjourn was made by Ray Evans and seconded by Rachel Goates. The motion carried unanimously. Work Session adjourned at 6:52 PM

Christine Carrigan, Clerk