Payson City Council Meeting

Wednesday, February 28, 2015

***ROLL CALL***: Mayor Rick Moore; Councilmembers; Mike Hardy, Scott Phillips, Kim Hancock and Larry Skinner; City Manager David Tuckett; Taking minutes Trista Bishop. Councilwoman Ford arrived at 8:11 a.m.

Staff: Scott Spencer, Ron Crump, Brad Bishop, Dora Edvalson, Tammy Durrant, Jeff Hiatt, Tracy Zobell, Travis Jockumsen, Kent Fowden, Larry King, Karl Teemant, and Steve Spencer

Purpose of the meeting is to discuss the 2015/2016 budget year.

City Manager David Tuckett led the discussion;

CITY COUNCIL PRIORITIES

1. Employee Wages (this was added based upon our work session)
2. Reduce Debt
3. Economic Development
4. Police Assistance
5. Infrastructure
6. Planning around Temple
7. Fire/Emergency Services
8. Personnel Policy
9. Large Water Storage Reservoir
10. Main Street 2-way
11. New Brush Truck
12. Park at the end of 400 East

Councilman Skinner said that number 9 should be number 1

Travis Jockumsen – Public Works Director, said that staff met with RB&G this week and they are trying to see if they can shift the damn a little bit to see if we can avoid the forest service property.

Councilman Hardy asked where they would move it.

Mr. Jockumsen said farther south a few hundred feet. Once they determine the location then they will start the drilling.

Councilman Skinner mentioned that this is critical to our future growth and the city’s quality of life; he doesn’t’ feel like there is a better time to do this, with it being so dry.

Mayor Moore asked if Mr. Tuckett had checked about putting the damn on the ballot.

Mr. Tuckett explained that we need to make sure we know what the drilling comes back as. He spoke to Jonathan Ward with Zions Bank Financial and he advised not putting anything on the ballot unless it is a well-organized project because no matter how great the project is, it will get shot down if we don’t have all our information together. Mr. Tuckett also said that we need to identify other funding sources to assist with the project.

Councilman Hancock read a paragraph from the Utah League of Cities and Towns handbook. He feels like anytime we get into a budget we should think about services before anything else. He referenced a letter to the editor regarding the lumpy grass in Memorial Park. He really feels like as a public service in this day and age #4 should be a high priority. When we go to #6 (Planning around the Temple) he doesn’t feel like we realize what a title wave this is going to be for the Planning Department. He would like to give the Planning Department another employee. He would also like to give the Mayor some help on Economic Development. His responsibilities as a mayor are so big he needs someone to help him in that area.

Councilman Hardy agreed, he said that there is an Economic Development committee but he would like to see an Economic Development Director.

Councilwoman Ford also agreed.

Councilman Phillips said that redundancy at the sewer plant is #1 for him.

Mr. Tuckett said that there is a major part on the clarifier at the sewer plant that needs to be replaced. The City Council will see a budget amendment for this item at their next City Council meeting.

Mayor Moore mentioned that Mayor Brailsford called him on a study with Payson, Salem, and Spanish Fork to look at a regional sewer plant. Mayor Brailsford has secured a $25,000 grant for the study.

Mr. Tuckett mentioned that if you combine on projects the state is willing to give you better interest rates.

Councilman Skinner expressed that he would like to see what the superintendent’s priorities are.

Steve Spencer – Facilities Manager, said that he agrees with Councilman Skinner on the water. Every time you talk to someone in the community they are concerned with water.

Councilman Hardy asked if they are concerned enough to meter.

Karl Teemant, Recreation Director, said that even if we meter right now, it doesn’t matter because we have no water.

Councilman Skinner said if meters are the other option then the citizens will be more likely to approve the damn on the ballot.

Tracy Zobell – Golf Pro, mentioned that we always talk about Economic Development and if you look at the priority list everything on the list ties back to Economic Development. When you talk to big companies they want rooftops, executive housing and the quality of life that accompanies this.

Councilman Skinner expressed that Suzy Becker with Zions bank made that very point a few weeks ago when she gave her presentation.

Councilman Hancock said that he was impressed with the email that Mr. Tuckett sent out regarding the demographics in the county and where Payson was with median household and low Payson is. We have got to generally upgrade the whole thing. There has to be a lift in our aspirations.

Mr. Zobell said not just with the product we provide but also with people’s perception of Payson in general. We need to sell what Payson does well and focus on the positive things we have to offer.

Councilman Hardy asked Mr. Zobell what else he is talking about when it comes to perception.

Mr. Zobell explained that he doesn’t feel like we do a great job of saying what it is that Payson does great.

Councilman Hardy asked if this is a branding issue.

Mr. Zobell said that he feels like it all ties back to quality of life. Everyone’s department in here is equally important to the next.

Councilwoman Ford said that Lehi a few years ago was the dredge of North Utah County. She used Traverse ridge as an example and asked who on earth would want to live there because the wind blows all the time. But look how populated it is now. How do we take our gems and turn it into a Lehi where people want to live. Payson has way more to offer as far as location goes than Lehi.

Mr. Zobell said that we need to be prepared when it happens not necessarily force it to happen.

Councilwoman Ford asked about our amenities.

Mr. Zobell said that he feels like everyone as a group identifies what is best about Payson and that’s what we focus on.

Councilman Hancock mentioned that Lehi started with Micron. We have got to find that seed.

Mr. Zobell said the explosion is coming whether we do great things or not. Population is coming and we need to be pro-active about it.

Councilman Phillips said that we need to have incentives. Spanish Fork has Costco because they put it in for them and provided them with a significant incentive package. However, look at what has now surrounded Costco.

Councilman Hancock said that we are limited on what we can do with development because of water.

Mark Sorenson – City Attorney, feels like with what is on the priority list; Payson is moving in the right direction. Population came regardless of what Lehi was and that is proximity to the point of the mountain. What we are doing now is on point. We are looking at an interchange. We are addressing issues that will affect the future. He feels like we are on the right track. The City Council and the administration are focusing on the right things.

Councilwoman Ford mentioned that just because all the growth came to Lehi didn’t make it a better city than it was 27 years ago. The transportation system in Lehi’s downtown is horrible; it is horrendous to move through.

Mayor Moore explained that traffic flow is a problem with our downtown as well because it is a one way street.

Councilman Skinner said that we have discussed the fact that things are going to come our way regardless; he feels like the temple is going to kick-start what is coming our way.

Mr. Tuckett mentioned that our philosophy in the past when someone wants to annex and develop is to put all the cost on the developer. He explained that the council has appropriated $100,000 to assist with development and then we will re- coup the cost through development.

Councilman Skinner said the fact the temple is there it is going to accelerate what is coming our way. He feels like having a temple in Payson would make a reception center up at the golf course more than viable.

Councilman Hardy said that we need to start thinking out of the box, with public private partnerships etc.

Councilwoman Ford said that she doesn’t feel like this council has any heartache about letting a private partnership getting most of the profit if they put up the capital to build a reception center.

Councilman Phillips said that we need to change the resident’s attitude; get them to sweep their gutter’s etc.

Councilwoman Ford said that she feels like a reception center is one of those things that will help change perceptions.

Discussion was held on how we get our own residents to change their attitude and perceptions about their town and to take pride in their own properties.

City Manager Tuckett mentioned to the Mayor and City that we are discussing the very same things that staff discusses in their management meetings and soon it becomes overwhelming and you wonder if you are getting anything done. He asked if there was an area of town, like a four block area that you focus all your attention on and start from there and just work your way through town one small area at a time. How do they feel about that?

Brad Bishop – Police Chief, suggested having the youth court kids help with cleaning gutters etc.

Councilman Phillips asked if can get the inmates to help in more areas other than just the Peteetneet.

EMPLOYEE WAGES

* At the city council work session, consensus was to work toward getting employee salaries to the midpoint of their salary scale within 3 years
* Step one of the salary increases took place last pay period
* The next step will cost the budget approximately $500,000 of additional dollars

REDUCE DEBT

* 2011-2012 GOLF CARTS WILL BE PAID OFF IN JULY. We could pay off this budget year and would save $14,087 in cash flow next budget
* SUVMWA bond balance is $313,674.15. IT can be prepaid at any time. It would free up $110,000 in our operating budget.
* 2010 Sewer Bond has a balance $3,343 million. After Feb 1st we can start paying it down without penalty.

PRIORITIES COMPLETED IN FY 2014

Electrical:

* Electrical Voltage Cutover

Streets:

* Replace 1985 Dump Truck
* Upgrade of signal on Main Street & 800 South

Storm Drain:

* 930 West Storm Drain Project

Waste Water:

* Electrical Upgrade to Sewer Plant

Water:

* Replacement of Canyon Water Tanks

IT:

* Maintenance Increase
* New Server for public side of Library
* Web service for Firehouse
* New server for Exchange email
* New copier/printer for Admin & Recreation. Old copiers placed with other departments
* Managed print services

Senior:

* Increase attendance at center

Facilities:

* Sealing of Peteetneet will be accomplished this budget year
* 2nd floor carpet of Administration building

Library:

* Additional funding for books, children’s books, A/V materials
* IT hotspot at library

**IMPACT FEE PROJECTS**

ELECTRICAL IMPACT FEE PROJECTS

* ***Install future Substation #1.*** A new substation is required due to load growth and is also necessary to help with N-1 reliability and to allow the Race Track circuits to be completely picked up when the Race Track transformer is out of service. This substation will contain a 12/16/20 MVA transformer. Its approximate location is 12240 South Highway 198.
* ***Install two new 477 ACSR transmission lines to feed Future Substation #1.*** One line will feed from Industrial Substation and the other will feed from Race Track Substation. The creation of this transmission loop will increase N-1 reliability since the substation can feed from either direction.
* ***Install 1100 kcmil underground feeder circuit to connect future Substation #1 to circuit 410.*** This feeder circuit is required to connect the new substation to existing system. The connection location is approximately 930 West 1620 South.
* ***Install 1100 kcmil underground feeder circuit to connect future Substation #1 to circuit 430.*** This feeder is required to connect the new substation to existing system. The connection location is approximately 1550 South Highway 198.
* ***Install 1100 kcmil underground feeder circuit to connect future Substation #1 to circuit 430.*** This feeder circuit is required to connect the new substation to existing system. The connection location is approximately 1800 South Main Street.
* ***Paco substation to be re-built from 4160 V to 12.47 kV.*** The Paco Substation needs to be converted to match the voltage for the rest of the distribution system to help with system reliability. This will also accommodate new growth. The substation is necessary to allow Down Town circuits to be completely picked up when the Down Town transformer is out of service. This substation will contain new 12/16/20 MVA transformer.

CULINARY WATER IMPACT FEE PROJECTS

* ***600 East Pipe Replacement –*** Replace approximately 6,700 feet of 12” water line (from storage tanks to 400 South) with 18”, as development occurs, to meet new fire flow needs.
* ***900 East Pipe Replacement –*** Replace approximately 400 feet of 2” water line (from 280 South to 200 South) with 8”, as development occurs, to meet new fire flow needs.
* ***1260 South PRV –*** Construct a new PRV in 1260 South on the east side of the Highline Canal. This will create a new pressure zone for the Payson View Estates Subdivision and thus meet new fire flow and pressure needs.
* ***Sunnyhill Circle Pipe Replacment –*** Replace approximately 500 feet of 4” water line with 8”, as development occurs, to meet new fire flow needs.
* ***900 West Pipe Replacement –*** Replace approximately 900 feet of 4” water line with 8”, as development occurs, to meet new fire flow needs
* ***400 South Pipe Replacement –*** Replace approximately 550 feet of 6” water line (from 600 East to 700 East) with 18”, as development occurs, to meet new fire flow needs and help with pipe velocities.
* ***Payson Canyon Road Pipe Replacement –*** Replace approximately 1,900 feet of 12” water line (from Nebo Loop Road to 1100 South) with 18”, as development occurs, to meet new fire flow needs.

PRESSURIZED IRRIGATION IMPACT FEE PROJECTS

* ***400 North (9970 South) Trunkline –*** Construct approximately 4,800 feet of 24” water line (Lateral 20 to 4800 West then north to 9600 South), as development occurs.
* ***930 West Extension –*** Construct approximately 10,400 feet of 10” water line (to 12000 South, west past I-15, north to 11900 South and west to 5200 West), as development occurs.
* ***4600 West Trunkline –*** Construct approximately 12,000 feet of 12” water line (from American Way to Lateral 20), as development occurs.
* ***5600 West Trunkline –*** Construct approximately 2,600feet of 8” water line (from end of existing line northward), as development occurs.
* ***Springlake Trunkline –*** Construct approximately 6,670 feet of 10” water line (from pump along Spring Lake Drive, south to 12400 South and west to I-15), as development occurs.
* ***Connect to Treatment Plant –*** The connection is in place. It will be put into service as effluent becomes available.
* ***28 Acre-ft Reservoir –*** Construct a new 28 acre-ft reservoir and 4,000’ of 12” pipe.

Councilman Phillips asked if we can renegotiate our sewer agreement with Salem and Woodland Hills.

Councilman Skinner asked how much we are subsidizing.

Mayor Moore suggested having a work session with Woodland Hills and Salem’s Council to discuss the sewer agreement.

Mr. Tuckett said that he wanted to but he was holding off until they met with Aqua Engineering.

Councilman Skinner said that we should at least have an idea of what we are subsidizing prior to meeting with them.

Mr. Tuckett reminded them that it is Payson’s obligation to pay the bond whether we have other cities to subsidize it or not. He asked if they wanted to have a work session amongst ourselves first to go over the agreement and the numbers before we have one with them.

Councilman Skinner asked what the status on the well was.

Mr. Jockumsen said that they are down to 178 ft.

Mr. Zobell said that they are putting a sanitary sleeve on it. They won’t drill anymore until the state comes and inspects. They found significant water at 90 ft.

Councilman Skinner asked if we are looking at next year before it’s online and useable.

Jockumsen explained that we can put a pump on it as soon as they are done for use of water this summer. It will be at least a year before we have culinary water. Right now it will just go to the golf course.

Councilman SkinnerLarry said that we need to use this water for the west side of P Mountain.

Mr. Tucket said that he doesn’t know if we can get it to the west side of P Mountain but we can take it for the golf course which means we don’t have to transfer water to the golf course and we can use that water for the west side of P Mountain. His hope is this year so that we don’t have to transfer water from the canyon over to the golf course. There is a lot of water put on the golf course to keep it green.

Larry asked how much we divert from Peteetneet to the golf course that could be used on the West Side.

Mr. Tuckett said that it is quite a bit. He will email the numbers to Larry if he wants.

RON CRUMP – Presentation on Payson Power

ANCILLARY SERVICES

* Scheduling Market and Resource Power
* In house fabrication for all departments as well as for Substations and other structures
* 24 hour dispatch for Payson City Services and also SESD Power System
* Substation Maintenance
* Maintain and monitor our supervisory, control and data acquisition system.
* Security of power and sewer facilities by camera schemes, doing all maintenance and up keep of these systems
* Install and maintain City fiber system for IT department

Mr. Tuckett said that we are paying a fixed amount on our resources no matter whether they get one ounce of power or not. It is our resource that is paid for.

Councilwoman Ford asked Mr. Crump if he had an idea, if we didn’t have our resource of what we would pay for power.

Mr. Crump explained that it depends on the energy part; it does truly vary. He said that when he was hired he was told that the power bill was his number one priority. There have been drastic changes over the last 25 years. The biggest change right now is in the transportation costs. The bill is from Rocky Mountain Power to move power anywhere within their jurisdiction. This last year it went from .002 to .009 costs. It is a huge savings having our own plant because we don’t have transportation costs, which will mean we will be running our plant a lot more. The main comparison is the fixed costs.

Councilman Phillips asked if the Nebo Power Plant was staffed 24/7.

Mr. Crump said that there is approximately 4 hours that it is not staffed. They have about 12 employees, we have 7.

Mayor Moore asked what our dispatch does.

Mr. Crump explained all the duties of the dispatcher.

The Mayor asked why we are paying someone $25 per hour to have a dispatcher when we can hire one for $10 and $11 to dispatch.

Mr. Crump said we would have to hire a new person.

Mr. Tuckett said that if we budgeted like all the other resources we have it should go back to Ron’s budget. As he looks at it, our power plant is a resource. You can see on the budget that we don’t charge revenue to ourselves.

The Mayor and Council want a true accounting.

Mr. Spencer indicated that it is nice to have a power plant guy on the dispatch because when they call and there is an emergency they know exactly what they are talking about.

Councilwoman Ford said that she doesn’t want to lose thousands of dollars to save money to hire a $10.00 employee.

Mr. Sorenson said that one of the important things he heard Ron point out is that NEBO has 12 employees to run their plant and we have 7 employees, so we are already more efficient in running our plant.

Mr. Tuckett said that we will continue to split showing the revenues in the budget.

FUNDING SOURCES FOR CITIES

***UTILITY RATES***

* Council by resolution agreed to increase utility rates via the Consumer Price Index (CPI)
* Requested a proposal from Zion’s Banks Pubic Finance to conduct utility rate study for water, sewer, solid waste and storm drain
* Looking at having other cities use landfill

***SALES TAX***

* We are more active in EDUCtah
  + Coldwell Banker is assisting in submitting potential industrial users. (Not a sales tax source but creates jobs)
  + Mayor & Scott attend ICSC Conference
* Created an Economic Development Board. May need to look at an Economic Development Director

***PROPERTY TAX***

* City hasn’t increased property taxes in more than 30-40 years. Tax rate is 0.001268
* Increasing property tax by 10% would generate approximately $82,611 additional dollars. Tax rate would be 0.0013948 and would cost a $300,000 home an additional $38.10 annually.
* Increasing property tax by 20% would generate approximately $164,572 additional dollars. Tax rate would be 0.001522 and would cost a $300,000 home an additional $76.20 annually.

Councilman Skinner mentioned that the presentation from Suzy Becker pointed out some important things. Payson City exports or loses in revenue automobile purchases $24 million dollars a year, 11 million dollars per year in building construction products, clothing purchases etc…. the number is staggering that we export out of Payson. Maybe an Economic Development Director could help this.

Councilwoman Ford asked how much we are thinking we will lose next month when Wal-Mart opens in Spanish Fork.

Mr. Tuckett said that we are projected to lose 20% of what we get from Wal-Mart. However, we get a lot of our sales from the South.

Councilwoman Ford mentioned that the people that she talks to from Spanish Fork won’t shop at the Springville Wal-Mart because it is dirty and the people are not as friendly as Payson’s.

Councilman Phillips discussed an article that he had. He would like to know some comparisons amongst the surrounding cities in utility rates, he is pretty sure that he can justify some utility rate increases.

Mr. Tuckett said that he needs to get some direction on property taxes because it is a truth and taxation hearing and it pushes your budget to August. He needs to know if they want to look at it.

Councilman Phillips wants to look at both utility rates and property tax increases.

Councilwoman Ford said that we should’ve added property taxes into our CPI.

Mr. Tuckett said that it is smart to look at it every year. He explained that if the economy is growing and the value of houses are going up the value of property taxes go down. Anything the city can do to stop it from decreasing would be good. It is not a big revenue generator but every little bit helps.

**MOTION** by Councilman Hardy to go to closed session. Motion seconded by Councilman Hancock. Motion Carried.