

June 18, 2014 Payson City Council Minutes

Minutes of the Payson City Council Meeting held at the Payson City Center, 439 West Utah Avenue, Payson, Utah on Wednesday, June 18, 2014 at 6:00 p.m.

ROLL CALL: Mayor Rick Moore; Councilmembers: JoLynn Ford, Kim Hancock, Mike Hardy, Scott Phillips, and Larry Skinner; City Manager Dave Tuckett, and City Attorney Mark Sorenson (entered the meeting at 6:45 p.m.)

Mayor Rick Moore presiding.

PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Councilmember Hancock and Pledge of Allegiance led by Councilmember Skinner.

CONSENT AGENDA

MOTION by Councilmember Hardy to Approve the Consent Agenda consisting of approval of June 4, 2014 City Council Minutes, a Proclamation – Shop Local, a Resolution – Adoption of the 2014-2015 Municipal Budget, and a Resolution – Amending the Payson City Fee Schedule. Motion seconded by Councilmember Skinner. Voting aye: Councilmembers: Ford, Hancock, Hardy, Phillips, and Skinner. Motion carries.

PUBLIC FORUM

Steve George said that a couple of Saturdays ago he was riding up 600 East in a 25 mph zone and there was a pickup truck with a horse trailer traveling right behind him. He passed him on a double yellow line and almost hit him then sped up the canyon. He has noticed a lot of traffic speeding on this road and he doesn't see enough patrolling of it. He believes they are racing up the canyon to get their parking spot early Saturday mornings.

Councilmember Hardy noted that he lives in the area and he saw someone being pulled over just this morning, so knows it is being patrolled.

Greg Callaway thanked the Council for the way Spring Lake looks this year and commended the Parks people. He said it is the first time in 50 years someone has taken care of it. He also mentioned that since school has been out, it seems that on Thursday nights there are a lot of late parties at the lake, so he wondered who to call. Council explained that it is posted to call the County, since it is in their jurisdiction.

Rushton Jacobson lives off Riley Lane and thanked the Council for getting the water tank on line for them. He said he can water the lawns without pressure problems, flush the toilet and even take a shower.

Alyssa Thomas said she is ready for the second annual Nebo and has the bandstand reserved and has everything ready but wanted to clear it with the Council. She said it is set for August 23rd. She would like some city sponsorship if possible and will place something on the Council Agenda in July.

Trisha Gunnerson remembered that at the last Council Meeting there was discussion about the pool leaking. She wondered if the pool had to close and they had reservations at the pool, if it were possible for them to use the slides at the Peteetneet.

The Council didn't see the pool closing because there is not enough leakage to close it.

Daniel Leebury also lives off Riley Lane and agreed the water pressure is fabulous and now he has 80 psi.

Doug Holt congratulated the Council on all the work the city is doing to get things looking better. It is not too often the Council gets a thank you.

COUNCIL AND STAFF REPORTS

Golf Pro Tracy Zobel reported:

- Finishing up the second week of BYU camp.
- Finished changing sprinkler heads on Hole #4.
- Started digging to put main line in at the Cemetery and will continue with that until fall.

Public Works Director Travis Jockumsen reported that we received .3" of precipitation in the canyon from this storm, but we are still only 68% of normal.

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Chief Runyan reported that there is an officer that is probably going to go on Long Term Disability, so they are working short one person.

Councilmember Hancock spoke with someone from Cottonwood Heights and they have a real interesting incentive to treat graffiti and he wanted to relay it. If there is any graffiti on their skate park, it automatically closes for 3 days.

Councilmember Ford wanted to also thank Mark Hyland for everything he is doing for the parks, etc.

Councilmember Hardy wondered what the status was for the retention pond on 500-600 East and Mr. Jockumsen said they have it dug, have started rocking the sides, and will continue to work on it. He noted that it would be fenced.

Mayor Moore reminded everyone that the band concerts will be starting in a couple of weeks. He agreed that everything is looking good and recognized that we are fixing roads, some of the water leaks, etc.

SCOUT ATTENDANCE CERTIFICATES

Councilmember Ford presented an attendance certificate to a scout in attendance: Jerimiah Rushton.

LEGISLATIVE UPDATE

Planner Spencer and Manager Tuckett presented an update of what happened at this year's State Legislative Session.

SUSPEND AGENDA

MOTION by Councilmember Ford to suspend the agenda and move at the Mayor's discretion. Motion seconded by Councilmember Hardy. Motion carries.

UTOPIA Discussion and Decision

Councilmember Hancock noted that there is a certain amount of uncertainty on what is happening tonight, so he requested that the resolution is read. Recorder Wineteer read the resolution and Councilmember Hancock noted that the vote is just to decide whether the Macquarie Corporation should complete a feasibility study to move to the next step.

Steve George said he is against UTOPIA, because of the bill going out over 30 years he feels the technology will be antiquated in a few years. This is simply an unfunded mandate, and we would have to enslave our unborn to pay for it. He said that the economy is in a downturn right now, with the State having a deficit and Utah Public Employees Union also in a deficit.

David Preiss lives in Payson and feels the Council needs to look into the future. He said hotspots are coming more available and anything in the ground will be obsolete. It is a bad idea and people on fixed incomes cannot afford \$20 a month.

Lindsey Wolsey has had UTOPIA since it was available and they love it. She believes it should be available for everyone.

Kenneth Abbott likes high-speed internet but would hate to have it on the back of people that cannot afford it. He doesn't have UTOPIA and he is in business without it and is still functioning. He understands if we go onto the next phase it will cost a lot just to determine whether you should go on. He is opposed to it. Council noted it would cost \$28,000 for the study.

Ryan Worthington sent an email to the Council but reiterated that he is opposed to the next phase. He has UTOPIA but doesn't feel we should raise fees for people that don't even use it. There are other options for high speed internet, Digis is wireless and Comcast has it over cable.

Daniel Leebury is a network engineer for Ancestry.com and said fiber never goes bad and there is no limit to fiber. The equipment does need a refresh every seven years and the UTOPIA plan takes that into account. He appreciates the city for subsidizing and paying \$260,000 per year now for him, those that have it and use it. Hotspots are great until they don't work. He said that he lives by a ball park and has never been, even though the city is watering it and maintaining that. For the long view fiber makes sense.

Milton Guest is on a fixed income. He said there is no UTOPIA here on earth. He was here when UTOPIA came in and didn't choose to take it. He is worried about the fact that a private enterprise can come in and force everyone to take their product, even if they don't want it. He wondered about law suits that might come after it. He was also concerned that the prices keep going up and wondered how high they would go up to.

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Jason Wright is a UTOPIA convert and he doesn't think he should be subsidized for his UTOPIA and doesn't expect other people to pay a utility fee for him to have it. Maybe half the residents could save money by having it and getting internet and phone. He said this is not just about fiber, he wouldn't vote for this deal because of the fee. He agreed that fiber is the way of the future, but the fee is the hang-up. He suggested that there might be a possible way to sell it to another company like Eagle Mountain did.

Ralph Porter said that one reason he moved to Payson is because the house had UTOPIA and a lot of the others did not. He has read the proposal and one of the things that stands out to him is that Macquarie is going to assess the city for the amount, but it is up to the City on how they assess it to the individuals.

Don Helvey lives in the Maples and is conflicted on this issue. He is retired but also loves his high-speed internet. When he received the mailer from the Utah Tax Payers Association, he felt there is a lot of misinformation on it and that needs to be noted. He wondered if this is a bad idea, then what is a good idea. We pay for things that we don't use, like the storm drain. It is a real stickler that you will assess people that won't use it. There are obligations anyway that aren't going away. He is for going ahead with the next milestone because there isn't enough information yet to make a decision.

Marlyn Staheli said she was here when UTOPIA came and it was good fast service, but was expensive. She doesn't believe a foreign company should have control over the fee the city has to charge the residents. Her usage is a lot more than they were providing so for her it will be expensive. She mentioned services the city provides helps maintain our lives with water, etc. The issue is they want this to be a utility and no one is going to die without it. Newly married children cannot afford this mandate and thirty years is a long time. She felt that an independent should provide the study not those that will be getting the money. The Council should represent the people as a whole, and she doesn't believe that everyone in Payson even know about it.

Nathan Ashtrom also lives in the Maples, and has UTOPIA and it was one of the reasons he moved to Payson. Internet is required to live now, not like food or water, but if you want to get ahead, work or get education, then you need the internet. He reiterated that fiber is what the future will be and it will not be antiquated. He said that the question was what type of community we want to live in; those communities with fiber do better and have growth. A study makes sense to find out the next steps.

Grant Leavitt lives 930 West said it appears the \$20 a month fee takes it from a budget item to a utility. It doesn't seem right to make the residents pay the debt. If fiber is so lucrative, why aren't the companies with assets coming in and taking it over. He is not against fiber optics but is against the city getting involved in these tactics and forcing it down our throats

Amy Leavitt on 930 West and uses the internet all day long and is not a UTOPIA user, her internet is fine. She is glad she lives in the US where there is a free market; she can shop around and barter the amount she wants to pay. If the people that want it could pay the higher fee to pay for it, which would be fine. Fiber optics looks like the way of the future, but we don't have a crystal ball to see into the future to make sure.

Rushton Jacobson appreciates the reading of the resolution and wasn't aware what it was on the agenda. He doesn't think there is a lot of information on it. \$28,000 isn't a lot of money if you divide that up by all the households it is a couple of sodas and would provide more information to make an informed decision. Because of this he would be interested in moving forward with finding out. He wondered what the markers or the goals would be for the study.

Councilmember Hancock said the amounts and ideas that are out are pretty much hearsay because the study is not out. Macquarie has suggested what could happen including the \$20 fee, but we need the study to determine the specifics of what would be available.

Councilmember Phillips wondered who was going to conduct the study, because if you conduct your own study you can make it come out however you want.

Attorney Sorenson explained that Macquarie has been working hand in hand with UTOPIA, along with committees of people to hammer things out in milestone two.

Mr. Ramage said that the costs of the study will go to the lawyers for UTOPIA and the cities not to Macquarie. They suggest the utility fee but the city should find ways of working out how to distribute that fee to your residents.

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Councilmember Hardy said that we would have to be an arbitrator to determine who pays and who is eligible to not pay.

Gene Curtis lives on 830 West said the city shouldn't get entangled with private enterprise. There is no reason for them to come to the city to tax the residents to bail them out if they fail. We should have free enterprise to decide who we want to provide out internet.

Doug Holt lives at 254 S 500 W complained that there are people standing in line to come to the podium and UTOPIA people are talking out of turn. He said that the City Attorney was trying to explain things that haven't been resolved yet. He also complained that UTOPIA came down the sidewalk and put in fiber optic because the schools need it, and put a box right on the corner by his home, then went across the street and tore up the curb. His wife has called hundreds of times to get the curb fixed and it is still not fixed. If you want high speed internet, pay for it. He was in business and had one of the first computers and he paid for that.

Lamar Eldridge 500 E 800 S said he has followed UTOPIA and that is one of the reasons he moved here, he hasn't had access. He also came to the last meeting for this topic and intended on speaking for it at that time and from what he heard that night he talked against it. He thought the Council did the right thing at that time, being the only city not to take on the obligation of those bonds at that time. At this point what we as citizens are seeing is speculation and people trying to scare us. The question comes down to would we as citizens be better off with it or without it. Not everyone will use it, but will everyone be better off with it. He looks at school taxes and he no longer has kids in schools but still pays the school taxes, because we are better off having educated children. Public streets are a carrier and get people to where they are going. From what he has seen he encourages the Council to pass the resolution to go on the next step to see what we will have.

Duncan Ramage from Macquarie said he is sorry for speaking out of turn before. The issue is that there is really no other good option; the other IPS options are not good either. This is what happens when real competition comes to town: he compared actual bills for a couple of customers for TV and internet and how much it went down when google came to Provo. The original debt the city has is a lot of money and with no way of paying it off. There is a refresh coming down and if it is not done there is a good chance the fiber will go dark. Macquarie's cost is about a \$300Million. He said it is not free market; the other two options are not good. Most of the people that pay for internet and landline phone will get a better deal.

A citizen from the audience said it would still go up every year. Mr. Ramage said that it will go up every year based on inflation.

Councilmember Hardy said most everyone has seen the Utah Tax Payers Association flyer and he doesn't like that they feel they had to scare the residents. He has a copy of his utility bill which he believes it is pretty average and by adding \$20 it would be an increase of 10%. He also has information that was discussed in the previous decision about UTOPIA. Those at the time felt it was a good proposal because the internet providers were not paying attention to Payson. We have been approached by UTOPIA for more money three times since the first time. He believes that with the set CPI increase we would be giving away our right to manage the budget. This 30 year agreement will be tying us up for the rest of our lifetime. He is 62 and his lifetime he went from 3 TV stations, and has seen many changes in technology. He does not quite believe that fiber will still be the thing in 30 years. He has an issue with calling this a utility and a real hard time making people pay for it even if they don't want it. He challenged Macquarie to come back with a better deal. He can't buy into a deal with more risk and make the citizens have to pay for that risk.

Councilmember Hancock said that when Ms. Leavitt said pony express went away, the roads are still there. The telephone lines are still there. We are not talking about services we are talking about a pathway to get those services. Every one of us has the opportunity to decide whether we are going to explore the situation. Tonight's decision is whether or not we explore the implications of this. It would be hard for him to walk away from it without exploring to see what the implications are.

Councilmember Skinner stated he is not very technically educated, but if he felt comfortable that going with Milestone 2 offered an un-mandated utility fee, he might go with it. He doesn't want to go to the next milestone when it includes that. We have had two-three years of extreme drought and we are exploring the option of a reservoir to help solve some of our water issues. If this is \$20 with a 2% escalation every year, at the end of 30 years we will have paid \$54 million. That pays for a reservoir that we need critically. He agrees fiber optics might be what is needed and a way of the future, but his business takes water from one point to another and in 30 years the way to do that changes dramatically. We have lived up to our end of the contract with UTOPIA, but doesn't feel they have. He would like to see what ends up in milestone 2 but given the mandate of the utility fee, he doesn't want to go with it.

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Councilmember Phillips likes the fiber doesn't want the \$20 fee.

Councilmember Ford said it is our job to figure out how it would impact Payson City. With 5500 households it would be \$54Million, and we have the potential to double our households because we have a lot of land. When she is looking at this first year it would be \$1.32 Million and there is no way we could come up with that without putting it on the backs of the citizens. We do like fiber and care about the community and want to be proactive. She is grateful for getting emails and that everyone stood and commented, however none of those things swayed her decision. If something goes on a utility fee, it has to be something that is important enough that she would be willing to turn off your other utilities and she is not willing to turn off someone's power because someone doesn't pay their internet fee.

MOTION by Councilmember Hancock to approve the Resolution to go forward with Milestone 2, finding responsibilities of Payson City Council include due diligence on any decision that requires payment, especially on this one. Motion dies for lack of a second.

MOTION by Councilmember Skinner to approve Resolution #06-18-14-C, A Resolution authorizing the City's Representative to the Board of Directors of UTOPIA and UIA to vote in opposition to moving forward with Macquarie into Milestone 2. Motion seconded by Councilmember Phillips. Voting aye: Councilmembers: Ford, Hardy, Phillips, and Skinner. Voting nay: Councilmember Hancock. Motion carries.

Councilmember Ford noted that even when this council doesn't agree, they still get along. Mayor Moore thanked everyone for attending and speaking on this issue.

PUBLIC HEARING – PROPOSED FY 2013-2014 BUDGET AMENDMENTS

MOTION by Councilmember Hardy to open the public hearing to receive public input regarding proposed amendments to the FY 2013-2014 Budget. Motion seconded by Councilmember Phillips. Motion carries.

Public hearing opened at 8:35 p.m.

Manager Tuckett presented and explained the following amendments:

Facilities: We received an insurance check from the Trust in the amount of \$16,804 in last year's budget for damage to the library bathroom. It fell to fund balance last July 1, 2013. We did not complete the bathroom remodel until this budget year. We paid it out of Facilities budget. However, without the insurance proceeds we do not have enough to carpet the upstairs, which was budgeted for. We are asking to re-appropriate those funds to the facilities budget in order to carpet the upstairs of the administration office.

\$16,804.00 re-appropriated from fund balance.

General Fund Revenues:

Were changed some of the revenues up to reflect what we have either received or will receive.

Administration Department: The revenues exceeded what we had budgeted for. The additional revenues received will cover increased credit card charges of \$7,000.

Recreation: The recreation sports programs collected more revenue that projected, and their expenses increased more than they expected. These sports programs are revenue neutral, meaning if their expenses increase, they usually collect the revenue to cover it.

\$50,000 additional revenues appropriated to cover the increase expenses in youth and adult sports and to cover additional overtime to prep fields, etc.

Sewer Department: The Sewer Department overall received more revenue that budgeted. The sewer effluent revenue was down quite a bit due to the power plant not running as much, however, the other revenue made up the difference. We received quite a bit more in pretreatment revenue, which is due to treatment violations. Jeff needs \$5,378 of the increased revenues to cover the increased expenses in the many breakdowns he had. We were able to cover most of the shortfall with internal budget amendments. The remainder of the revenue will fall to sewer fund balance.

\$17,702.04 additional revenues. \$5,378 to cover increase maintenance expenses.

Solid Waste Department: The solid waste department lost two employees this year to retirement. We had to pay them their accrued benefits. This was not budgeted. The department also received more revenue that projected. We are proposing to

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appropriate \$73,462 to reflect the increase in revenue and to spend \$30,328 to cover the pay offs for Dean Nelson and David Roper. The remainder will fall to fund balance.

\$73,462 increase in revenue; \$30,328.31 for increased expenses of retired personnel.

Revolving Loan: The Kenny Seng gravel pit collected \$38,000 more than we budgeted. We are asking to have that put in the Revolving Loan Fund to help with equipment/vehicles.

\$38,000 from Kenny Seng Gravel Pit.

Vehicle Maintenance: The Vehicle Maintenance Department went over in repairs. The biggest reason was damage to the maintenance building. Part of one of the areas above the doors was damaged by one of the garbage trucks. We have turned the claim into our insurance but we repaired it and paid for it out of the maintenance budget. Because the general fund revenues came in more than expected, we are proposing to lower the transfer from the Sewer Department to the general fund and instead move it to the Vehicle Maintenance Budget. Therefore we are using no fund balance.

\$11,050 reduced transfer from the sewer department to the general fund and added to the vehicle maintenance department.

Don Helvey asked whether the city was charging a convenience fee for people using their credit cards. The city explained that we do charge the convenience fee for credit card use and the revenue is there to cover the fees.

Amy Leavitt clarified that pony express analogy in the previous discussion was a service and revolutionary at the time and after that other things came and took its place. It wasn't a road it was a service.

Receiving no further input MOTION by Councilmember Phillips to close the public hearing. Motion seconded by Councilmember Hardy. Motion carries.

Public hearing closed at 8:50 p.m.

Manager Tuckett noted that Peteetneet is coming in under budget expenses by about \$3500 and would like to use the money that they haven't used and let PPP put that towards Christmas Lights.

MOTION by Councilmember Phillips to approve Resolution #06-18-14-D, A Resolution approving the amended FY 2013-2014 City Budget as proposed. Motion seconded by Councilmember Hardy. Voting aye: Councilmembers: Ford, Hancock, Hardy, Phillips, and Skinner. Motion carries.

AGREEMENT – DELAY IMPROVEMENTS FOR PROPERTIES IN THE RED BRIDGE ANNEXATION

Attorney Sorenson explained that this is a request to delay connection of three existing dwellings within the Red Bridge Annexation to Payson City utility systems. The three existing dwellings were brought into Payson City by the Red Bridge Annexation and are in the A-5-H, Annexation Holding Zone.

MOTION by Councilmember Hardy to approve the Delay Agreements for properties in Red Bridge Annexation for Stanton's, Simpsons, and Goodrich's. Motion seconded by Councilmember Ford. Voting aye: Councilmembers: Ford, Hancock, Hardy, Phillips, and Skinner. Motion carries.

ADJOURNMENT

MOTION by Councilmember Phillips to adjourn to closed session to discuss. Motion seconded by Councilmember Hardy. Motion carries.

Council adjourned to Closed Session at 8:55 p.m.

RECONVENE

Council reconvened at 9:12 p.m.

MOTION by Councilmember Skinner to adjourn. Motion seconded by Councilmember Hancock. Motion carries.

Council adjourned at 9:14 p.m.