

September 4, 2013 City Council Minutes

Minutes of the Payson City Council Meeting held at the Payson City Center, 439 West Utah Avenue, Payson, Utah on Wednesday, September 4, 2013 at 6:00 p.m.

ROLL CALL: Mayor Rick Moore, Councilmembers: JoLynn Ford, Kim Hancock, Mike Hardy, Scott Phillips, and Larry Skinner; City Manager David Tuckett, City Attorney Mark Sorenson, and City Recorder Jeanette Wineteer.

Mayor Rick Moore presiding.

PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Zachary Nielson and Pledge of Allegiance led by Cutler Johnson, scouts in attendance.

CONSENT AGENDA

MOTION by Councilmember Hardy to approve the Consent Agenda consisting of the approval of August 21, 2013 City Council Minutes. Motion seconded by Councilmember Phillips. Motion carries.

PUBLIC FORUM

Zachary Voorhees, owner of Poor Boys wanted to recognize Janeen Dean and everyone else involved for holding a great Onion Days. He thanked everyone.

COUNCIL AND STAFF REPORTS

Recreation Director Karl Teemant reported that the pool is closed now and they are in full swing with fall sports.

Councilmember Phillips said that a resident asked why the pool was not open after school starts. Mr. Teemant explained that the cost to operate the new pool far outweighs what we would bring in and he would prepare a breakdown of costs for the Council so they can pass that information on.

Councilmember Skinner echoed Mr. Voorhees's comments regarding Onion Days.

He was curious regarding the amount of water we have received and the current water situation. Manager Tuckett reported that staff checked Big East Reservoir on Thursday and it appears that it has only dropped two inches in a week. This is good news because it was dropping two inches per day. He said Spring Lake is also keeping up with the pumps going. He felt that PI water would last until the end of September and that conservation and the cooler temperatures have helped.

Councilmember Skinner commented that he hopes we squeeze through summer, but it doesn't lessen the importance of looking at future water issues.

Councilmember Hardy reported on a discussion held at the Chamber meeting regarding a great Onion Days, and also about the possibility of adding events.

He said Stacy Reed on 900 East is still having problems with parking along the street. He said she has tried to call them about parking, but doesn't think the solution we thought would work has.

Councilmember Ford felt Onion Days was well attended and that she even attended some things she doesn't normally get to and had a fun time. She appreciates all the work staff and volunteers do to pull this off.

Councilmember Hancock agreed with all the Onion Days comments.

Councilmember Phillips said the Onion Days concert turned out well and he hopes we continue to improve the amphitheater area. He would like to take some field trips to look at other amphitheatres like Red Butte Garden.

He said the crews are starting the new cart path at the golf course and it should be finished in two or three weeks.

He said Nebo Kitchen has closed but understands that there will be an India restaurant coming in.

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Mayor Moore was also impressed with Onion Days. The fireworks were great and he has heard so many positive comments. He said that for the first time in the celebration history the park, Peteetneet and the pool were all packed with people. We also had a record number of cars in the car show. Everything was just over the top and he commended everyone that participated.

He felt the concert was great and it really helped to cover the amphitheater. He believes the amphitheater will become major for events in the future. With those future events he feels we will see the money we spent paid back and then have a goal to get the Peteetneet sealed.

Councilmember Phillips commented that the monuments with the wagon wheels also need to be sealed, and hopefully before winter.

Mayor Moore also said that 930 West looks great and has been a great project.

SCOUT ATTENDANCE CERTIFICATES

Councilmember Phillips presented attendance certificates to scouts in attendance: Corbin Rogers, Hunter Rogers, Zachary Nielson, Malac Hepler, Cutler Johnson, Hunter Holden, and Keaton Nelson.

CHAMBER – BUSINESS OF THE MONTH

Zachary Voorhees, Chamber of Commerce presented the September 2013 Business of the Month to Lou Ballamis for Lou's Barbershop.

Mr. Ballamis thanked everyone for the award and said they have been in Payson for 17 years and really enjoy the support.

PUBLIC HEARING – AMENDING FY 2013-2014 BUDGET

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

Public hearing opened at 6:33 p.m.

Manager Tuckett presented the following explanation of the items scheduled for the budget amendment on September 4, 2013:

Ambulance Fund Balance: The Ambulance Department had \$32,483.00 that fell to fund balance from their operating budget. Scott would like the City Council to re-appropriate the funds to pay off the new ambulance faster. The funds would be transferred into the revolving loan fund and lessen his debt to the fund.

\$32,483 appropriated from ambulance fund balance to pay toward the new ambulance.

Fire Department Fund Balance: The Fire Department had \$19,045 fall to fund balance from their operating budget. Scott would like the City Council to re-appropriate the funds to purchase equipment for the new Brush Truck and the New Fire Engine that was approved by the Council.

\$19,045 appropriated from General Fund Balance to purchase fire equipment (hoses and nozzles and some truck boxes).

Development Services: Travis is requesting an additional Auto Cad license for the Development Services Department. The cost is \$4,900. It would allow Travis to access the Auto Cad to assist with engineering.

\$4,900 from fund balance.

Water Department: With the drought situation, we have recognized several issues that could help with our pressurized irrigation system. The following is a summary of the different projects that we are asked to be appropriated or at least discussed:

Later 20 Connection to our PI System: We have planned to connect to Lateral 20 to supplement our pressurized irrigation system. The cost for the meter and a filter is \$160,000.

Box Lake Inlet Ditch Piping: The water department is required to unplug the inlet ditch each year. Before they can access the area to clean and break out the ice, much water is lost. Piping the inlet would allow all of the water to reach Box Lake. The estimated cost to pipe 600 feet and a head gate is \$25,000,

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Mayor Moore wondered about the water they found and thought it was spring water. Manager Tuckett apologized for that not being included, but is another thing we need to consider piping a couple of mines to try to catch this water for the upper PI pond.

Lower Irrigation Pond dual pumps to the Upper Pond. There is a small pump that pumps water from the lower zone to the upper zone. There is a bottleneck of six inch pipe that connects to a 12 inch pipe. The proposal is to replace the six inch pipe with 12 inch pipe and to purchase two larger pumps that can send water to our upper zone. This will allow us to use Strawberry Water in our upper pond. The estimated cost is \$32,300

Spring Lake/High Line Canal Diversion: We would like to be able to place Strawberry Water into Spring Lake to supplement the upper zone with water. It is proposed to connect to the High Line Canal and pipe to the stream that flows into Spring Lake. The estimated cost is \$93,000.

City Wide Meters for PI System: The most recent estimate we had for metering the PI is \$2,665,000. I am not asking that this be appropriated; however we need to really look into this.

Jumping Jack for city repairs: With the new paving equipment that we purchased, we can now do more patching in house. The streets department will do the paving but they would like the area prepped for them. We would like the Water Department and the Electrical Department to each purchase a Jumping Jack for compaction purposes. The cost is \$4,000. **\$314,300 from fund balance.**

Electrical Department: The Electrical Department budgeted last budget year for the Relay upgrade to the Power Plant. They did not complete the project and would like to re-appropriate \$161,000 that fell to fund balance to complete the project.

Jumping Jack for city repairs: With the new paving equipment that we purchased, we can now do more patching in house. The streets department will do the paving but they would like the area prepped for them. We would like the Water Department and the Electrical Department to each purchase a Jumping Jack for compaction purposes. The cost is \$4,000. **\$165,000 from Electrical Fund Balance**

Senior Citizen Eldridge Grant: The Senior Citizen’s did not spend \$886 from the Eldredge Grant. They would like to re-appropriate the funds for use in this year’s budget. **\$886 from General Fund Balance**

Community Events: There was \$2,601.32 that was not spent on the float this year. We would like to re-appropriate those funds in the current budget to help with upgrading the float for next year. **\$2,601.32 from General Fund Balance**

930 West Project: There was \$202,630 that fell to fund balance from the Capital Improvements budget for the 930 West Project. Those funds need to be re-appropriated. There were also some cost overruns with the subgrade materials. Kent would request \$23,000 appropriated to the Streets Department to complete the project. **\$225,630 from Capital Projects Fund Balance**

TOTAL APPROPRIATION OF FUND BALANCE

<u>Ambulance Fund Balance</u>	<u>\$ 32,483</u>
<u>Electrical Fund Balance</u>	<u>\$165,000</u>
<u>Water Department Fund Balance</u>	<u>\$314,300</u>
<u>General Fund Balance</u>	<u>\$ 27,432.32</u>

TOTAL of \$539,216

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

Public hearing closed at 7:03 p.m.

MOTION by Councilmember Phillips to approve the budget amendments as proposed without the \$160,000 for the Lateral 20 connection. Motion seconded by Councilmember Hardy. Motion carries.

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ELECTRIC ANNEXATION ANALYSIS

Rick Hanson, ICPE presented a draft Annexation Evaluation for Payson Annexations, and summarized that it would cost roughly \$1.6 million.

Superintendent Crump stated that there are another 9 properties that weren't included in the report, and 30 properties that are disputable. He will get that information and they will finalize this report and get it to the Council.

Councilmember Phillips was upset because for the 8 years he has been on the Council, and we were just getting this information. Salem and Spanish Fork have been paying SESD for their annexations.

Attorney Mark Sorenson said the 10 year life depreciation has not been figured into the report, and some other things that are in the contract that aren't either. He understands that SESD can serve a customer for 10 years and then that is considered the profit paid out and is true up to the new legislation this year.

Manager Tuckett said the trigger after the new legislation comes when we give SESD notice that we plan to serve those properties. We cannot take over their customers, but we read the legislation that the notice triggers the calculation of the cost.

Superintendent Crump said as an annexation comes in we could start paying those off for 10 years and then we can start serving those after the 10 years. Councilmember Skinner reiterated that if we allow them to serve for 10 years it pays off the profits not materials.

Looking at this summary Manager Tuckett feels that approximately \$560K is all we would need to pay to SESD, however we have not seen what developers have paid to them so that figure would vary.

He felt that we need to talk to SESD about some things. He said that half of the annexations on the list are under 10 years old, and we have never disconnected any of the accounts and have allowed SESD to keep the revenue until this is all cleared up. We also need to find out what a developer has paid to SESD for the lines.

Councilmember Skinner clarified that if there were developer payments, they would replace the amounts in the "replacement cost depreciated" column.

Councilmember Hancock understands that we have not done a change over on any of the annexation since 1998, and he wondered if the implication that they have received more profits beyond what the contract states would affect anything. Manager Tuckett agreed that they have received more profit, but didn't know if that makes any difference.

Superintendent Crump felt we can reach an agreement with SESD, because there are a few instances that it wouldn't make sense to put out another line to those to serve.

Manager Tuckett reiterated that we will get this evaluation report finalized and get a copy to the Council.

ELECTRIC MASTER PLAN UPDATE

Mac Fillingim, ICPE presented and described the Payson Electrical System Master Plan update.

Manager Tuckett explained that we had to have this Capital Facilities Plan updated before we can do an impact fee analysis.

REVIEW AND APPROVAL OF THE PARKING DESIGN FOR THE TAYLOR ELEMENTARY SCHOOL SITE

Public Works Director Travis Jockmunsen explained that Nebo School District (NSD) recently purchased three (3) houses adjacent to the Taylor Elementary School located at 40 South 500 West to expand the playground area and provide additional parking. The houses have been demolished and the contractor is currently prepping the site for the proposed improvements. NSD would like to continue the angled parking along 100 South to the extent of the new property line. This will result in additional parking stalls that would require vehicles to back into the public street. In accordance with Section 19.4.7(6), parking must be designed to avoid backing onto a public street, unless approved by the City Council. NSD is requesting the City Council accept the parking design and allow backing into the 100 South street.

MOTION by Councilmember Hardy to approve the parking design for the Taylor Elementary School site. Motion seconded by Councilmember Phillips. Motion carries.

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APPROVAL OF LIST OF NOVEMBER 2013 ELECTION POLL WORKERS

Recorder Wineteer presented a list of poll workers that have volunteered to serve on Election Day and asked the Council for approval of:

Kristi Peck, JoLynn Crouch, Cynthia S. Burdick, Sandy Nilson, Pam Knight, Lois Knuteson, Karen Hanson, Duane Frisby, Kaye Frisby, Brea Sutton, Caren Kirk, Morgan Callaway, Deanna H. Hansen, Jerlie N. Kay, Megan Muhlestein, Debbie Bushnell, Cheryl Hobbs, Linda Hyland, JaNene Gasser, Anna Money, Judy Skinner, Doris Adams, Jeannie Ashton, Renae W. Mangelson, Dora Edvalson, Elaine Openshaw, and Jill Spencer.

MOTION by Councilmember Phillips to approve the list of November 2013 Election Poll Workers as presented. Motion seconded by Councilmember Ford. Motion carries.

AMERICAN TOWER PREPAID LEASE PROPOSAL

Manager Tuckett presented an offer letter from American Tower regarding our Nextel Cell Tower located at the city shops. The Nextel technology went away and currently there is no active cellular service on the tower.

American Tower would like us to enter into a 50 year prepaid lease agreement for \$125,000. As the letter indicates, they can treat the lease differently with a 50 year lease as opposed to a twenty year lease. For tax purposes it would be considered a capitalized asset instead of an annual operating expense.

We have had several attempts from other companies to purchase our lease agreements for a similar amount. Currently we are getting approximately \$14,000 per year. The prepayment would pay for approximately 10 years. The current contract could be terminated with a 30 day notice. If American Tower really wanted to get out from under the lease, they could terminate the lease and tear the tower down.

He said he is not convinced that this is a good idea, but wanted to get the Council's opinion.

MOTION by Councilmember Phillips to deny the proposal presented. Motion seconded by Councilmember Hardy. Motion carries.

REQUEST FOR DEFERRAL AGREEMENT

Planner Spencer explained that Matt Cahoon is requesting approval from the City Council of a deferral agreement to delay the installation of utilities and roadway improvements along the 300 North right-of-way adjacent to the Cahoon Industrial Park. Mr. Cahoon is proposing to construct two (2) additional buildings on the site (Phase 1) and as currently adopted the ordinance requires the installation of these improvements prior to the issuance of a building permit. Mr. Cahoon is requesting the City Council delay the installation of improvements until future phases of the project are completed.

Mr. Cahoon said when he came in and found out that he would have to put in the road, and he felt it would be a road to nowhere.

Attorney Sorenson said our ordinances require him to put in a bond for a road before he is given a building permit, so the Council can defer it in an agreement unless we do not want industrial access on 300 North and do not want the road, and then there would be no trigger.

MOTION by Councilmember Phillips to approve a Deferral Agreement to delay the installation of utilities and roadway improvements along 300 North. Motion seconded by Councilmember Hancock. Motion carries.

ADJOURN

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