

AMERICAN FORK CITY
COUNCIL MEETING MINUTES
AUGUST 12, 2014

REGULAR SESSION

ATTACHMENTS (2)

The American Fork City Council met in regular session on Tuesday, August 12, 2014 in the American Fork City Hall, 31 North Church Street, commencing at 7:30 p.m. Those present included Mayor James H. Hadfield and Councilmembers Carlton Bowen, Brad Frost, Rob Shelton, and Jeff Shorter. Councilman Clark Taylor was excused.

Staff present: Associate Planner Wendelin Knobloch
City Administrator Craig Whitehead
City Attorney Kasey Wright
City Engineer Andy Spencer
City Planner Adam Olsen
City Recorder Richard Colborn
Finance Director Cathy Jensen
Fire Marshal Doug Bateman
Library Director Sheena Parker
Parks & Recreation Director Derric Rykert
Police Chief Lance Call
Planning Commission Chairman John Woffinden
Public Works Director Dale Goodman
Technology Director George Schade

Also present: Melvin Kitchen, Barbara Christiansen, Father Blaine, Dan Adams, and six additional persons

Mayor Hadfield led the audience in the Pledge of Allegiance and a prayer was offered by Father Blaine of St. Peters Catholic Church

Mayor Hadfield invited any Scouts in attendance to come forward and introduce themselves.

Manila 11th Ward Scout Matthew Assante

Mayor Hadfield welcomed Matthew Assante and invited him to come to American Fork City when it was time for his Eagle Project.

TWENTY-MINUTE PUBLIC COMMENT PERIOD – LIMITED TO TWO MINUTES PER PERSON

Melvin Kitchen, 350 East 400 South , introduced himself noting that he moved to American Fork in 1952 and came initially as an employee of Geneva Steel where he served as part of the staff in settling air pollution claims and also served in the capacity of assisting in decreasing pollutants. In American Fork he served in various capacities one of which was President of the American Fork Irrigation Company. He also served on a citizens' committee in which they brought to the City Council recommendations on streets and water as it was at the time the City was going from

rural to a town. At the conclusion of that service they recommended to the City, among other things, that they investigate the possibility of a pressurized water system in 1972. It took over 30 years before anything materialized. He was a little bit concerned about the increase in rates. He provided information that came from the City on the two different bonds and assembled them on a yearly basis. (It is included in these minutes as **ATTACHMENT 1.**) The payment schedule is shown from May 2008 thru 2019. The figures in red were the total of interest and principal annually. The reports looked totally normal to him and it was a good schedule. It showed the City was on the path to pay for the bonds.

Mr. Kitchen continued that when he got the July 2012 notice of an increase in the rate of 14 percent and then next August an 11.4 percent increase and this August an 8.9 percent, that was a heavy increase in the payments that users had to make. Even with those increases, if he were to go on culinary water he could use over 20,000 gallons a month more and still come out with the same money more than the minimum. The purpose of this was to reduce the cost of irrigation water and to relieve the pressure on the treatment system for the culinary water.

Mr. Kitchen reported that he had received 14 pages of expenditures on the pressurized system. He had not yet had time to review that. He also received page 8 of the City fee schedule dealing with pressurized and culinary water rate increases over a period of 2013 to 2016. (It is included in these minutes as **ATTACHMENT 2.**) He asked who came up with that sheet.

Mayor Hadfield stated that the pressurized irrigation was a voted on GO Bond. The City borrowed in excess of \$47 million to put that system in. At the time that the bond went through the consultant at that time, Horrocks Engineers, researched and showed figures that impact fees would be able to pay a great deal on that bond. Shortly thereafter in 2007, 2008, the building market went down. The City then hired a second consultant to review where the City was at in paying for the bond. Bowen and Collins made a report in 2011 and that was where the recommended increases came from. He added that building had now turned around and before the next rate increase came due the City would re-evaluate that.

Mayor Hadfield explained that the reason the increase was the same for both the pressurized and culinary had to do with the maintenance and operations costs being about the same.

Mr. Kitchen asked what impact fees were.

Mayor Hadfield answered that an impact fee was the cost of being able to use the existing system. There was also a connection fee.

Councilman Shelton noted that just before this last increase came into play, Bowen and Collins was to look to see just where our building permit numbers were at. The City was not yet heard back from them. Also during the recent time period the Legislature changed the rules on how impact fees could be calculated. The City has had to adapt to those new rules.

Mayor Hadfield also explained that when a new home was built water shares were also required.

Mr. Kitchen still had questions regarding the rate increases.

Councilman Shelton expressed that the way it was structured financially, before any of them were on the Council, when the general obligation bond was packaged together and put before the voters, it was to be repaid with a majority coming from impact fees. When that source of revenue dried up because of the great recession and the lack of home building, there was no money to pay that bond, but it was still an obligation of the City.

Mr. Kitchen understood that adjustment might need to be made on this kind of a system. Maintenance and operations ought to be a minor amount. The City paid the bond through 2012 and the City used surplus funds to do so. He felt some additional study was needed.

Councilman Shelton invited Mr. Kitchen to get a copy of the Bowen and Collins study from the City.

Mr. Kitchen thanked the Council for their time. He had not seen a reduction in fees in government yet.

Mayor Hadfield thanked Mr. Kitchen for his interest in this. He noted for a number of years the best value in the whole of Utah County was American Fork City's culinary water rate.

Councilman Frost commented that in hindsight if someone had rattled the Council's chain in 1972 to put that system in, things now might be different.

CITY ADMINISTRATOR'S REPORT

Craig Whitehead had nothing to report at this time.

COUNCIL REPORTS CONCERNING COMMITTEE ASSIGNMENTS

Councilman Bowen thanked Mr. Kitchen for his comments. He added that he was also present when Bowen and Collins made their presentations. The Bowen in Bowen and Collins was not a relation to him. The results of their study to him were not compelling that the City needed to do an increase this year and it was several years out before that would be necessary. Since he had been in office in January he had been opposed to the rate increase. He asked Mayor Hadfield to put rescinding the 2014 rate increase on a future agenda, in two weeks if possible. The Council should talk about this and he did not think that the current Council should be bound in that way by the actions of previous Councils.

Councilman Frost had nothing to report at this time.

Councilman Shelton reported that he had a lot of interaction with City staff and the City Administrator this week and it was a pleasure to work with them and their professionalism. He appreciated their support and help.

Councilman Shelton commented that they had not had a presentation to this current Council on the water rate for the storm drain and other fees. He thought it would be premature to call for rescinding without taking a look at that study.

Mayor Hadfield stated that he would contact Bowen and Collins through the City Administrator and get a time frame as to when they could evaluate where the City was currently. It may take more than two weeks for them to respond.

Councilman Shorter reported that the Concerts in Park have concluded. He thanked Doug Smith Autoplex and the American Fork Arts Council for sponsoring and putting them on. The Arts Council met yesterday working toward getting the Harrington School for the Arts.

Councilman Shorter expressed that he realized the rate increase was a little tough but he was of the opinion that there were mistakes in the past but the sooner they paid off the bonds they would save a lot of interest.

MAYOR'S REPORT

Mayor Hadfield stated that he attended the Utah County Commission meeting last Tuesday and reported that the County did not have an interest in placing a County RAP tax on the November Ballot. They were very responsive to the City's request and intent to do that.

Mayor Hadfield mentioned that the Provo *Herald* had contacted him and would be doing a feature on American Fork in their August 24 edition. It would be about the quality of life in American Fork City.

COMMON CONSENT AGENDA (*Common Consent* is that class of Council action that requires no further discussion or which is routine in nature. All items on the Common Consent Agenda are adopted by a single motion unless removed from the Common Consent Agenda by the Mayor or a Councilmember and placed in the action items.)

1. Approval of the July 17, 2014 work session minutes.
2. Approval of the July 22, 2014 City Council minutes.
3. Approval of the City bills for payment, manually prepared checks, and purchase requests over \$25,000. – *Cathy Jensen*
4. Approval of the authorization to release the Improvements Durability Retainer for the project known as the Bean Acres Subdivision at 635 West 200 South in the amount of \$444.00. - *Clint Bean*
5. Approval of the authorization to release the Improvements Construction Guarantee and to issue a Notice of Acceptance for the Grey Subdivision at 311 North 950 East in the amount of \$3,115.00. – *Justin Stratton*
6. Approval of the authorization to release the Improvements Durability Retainer for the project known as the Oleen Acres Subdivision at 900 West 800 North in the amount of \$2,530.50. – *Brian Peterson*

**Councilman Shelton moved approval of the common consent items as presented.
Councilman Frost seconded the motion.**

Mayor Hadfield asked if there was discussion on the motion.

Councilman Bowen stated that he preferred that anything having to do with money not be on the Common Consent Agenda so they could be voted on one by one.

Councilman Shelton commented that the Common Consent Agenda was set up to have questions asked ahead of time and then voted on during the meeting. If there was a concern on one, it could be pulled off the Common Consent Agenda.

Mayor Hadfield stated that those were items that were routine. He asked Councilman Bowen if there was an item he wished to discuss concerning the City bills for payment.

Councilman Bowen noted that the City paid long distance telephone charges. He encouraged the City to go to an IP based phone system which he believed would save the City money.

Councilman Shelton responded that George Schade was currently working on that. A bid was being put together.

Mayor Hadfield added that the City had a Salt Lake line.

Councilman Bowen felt that long distance was archaic in this day and age. The City also paid for many cell phones that typically included long distance for free. The City still had 10 lines that they paid long distance on. Also, he was not sure what the \$22,000 truck payment was for.

Councilman Frost answered that it was for a truck in the Parks Department. It was a Ford F-150.

Councilman Shelton stated that they used to have a finance committee that was made up of three Councilmembers who reviewed the bills. It became routine in nature and it was felt that they were leaving out the other two councilmembers. That was changed to having the bills approved by the Council and got rid of the finance committee. Staff could be asked one on one before the meeting for answers those questions.

Mayor Hadfield added that if there were questions, one could email Mr. Whitehead any questions on the Monday of the week of Council meeting and he could respond prior to Council meeting.

Councilman Frost suggested that if there were strong feelings about long distance and things like that he meet with Craig Whitehead.

Councilman Bowen appreciated what was being said. As a Council they had to be careful because it was intended that their deliberations be before the public. His suggestion was that financial items not be on the Common Consent Agenda.

Mayor Hadfield took that under consideration.

Mayor Hadfield called for a vote on the motion. Voting was as follows: Aye, Councilmembers Shelton, Frost, and Shorter. Nay, Councilman Bowen. The motion carried.

ACTION ITEMS

REVIEW AND ACTION ON THE APPROVAL OF A RESOLUTION PLACING AN OPINION QUESTION ON THE NOVEMBER 4, 2014 GENERAL ELECTION BALLOT AS

TO WHETHER OR NOT THE CITY OF AMERICAN FORK SHOULD ENACT A LOCAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT TO FUND PARKS, RECREATIONAL, AND ARTS FACILITIES AND PROGRAMS – Mayor Hadfield

Mayor Hadfield explained that Orem City has had this type of a tax for 10 years and have one of the premier programs in Utah Valley with the Arts and the SCERA Foundation. He felt that American Fork City could do much more. They proposed this before the County Commission who were supportive of this and were allowed to put this before the voters on November 4, 2014. He asked if there was discussion.

Councilman Bowen was opposed as he did not believe that parks and recreation were the most urgent need in the City. He did think there was some need at the Recreation Center to be updated. He thought that this continuous tax increase and revenue source would increase the size, scope, and cost of City government. One argument was that it would increase taxes on those that were not residents and it would impact their shopping decisions, but it would increase taxes on our own residents as well. Those were some of the reasons he opposed this tax increase.

Mayor Hadfield stated that 1/10 of 1 percent equated to one penny on a ten dollar purchase.

Councilman Shelton noted that the motion today was just to put this on the ballot to allow the citizens to decide if they want to have that tax increase. Back with the citizens he felt was the best place to put it.

Councilman Shelton moved to approve the Parks, Arts, Recreation, and Culture Tax Resolution No. 2014-08- 34R. Councilman Shorter seconded the motion. Voting was as follows: Aye, Councilmembers Shelton, Shorter, and Frost. Nay, Councilman Bowen. The motion carried.

REVIEW AND ACTION DESIGNATING THE DELBERT AND ORA CHIPMAN HOUSE AT 317 EAST MAIN STREET AS A HOUSE ON THE AMERICAN FORK HISTORIC LANDMARK REGISTER – Historical Preservation Commission

Mayor Hadfield introduced Chairman Dan Adams of the Historic Preservation Committee.

Dan Adams noted that there would be other properties that would follow using this same process for designation. The Ordinance currently identifies that the only ones eligible for this designation were those 13 that were already on the National Register. Five of the 13 have been approved for the City's register. This property is currently owned by Tom Hunter and he has requested this designation. The Commission will be approaching all of the other National Registry property owners in American Fork.

Councilman Shorter asked what that designation did to the property.

Mr. Adams noted that that property would have a different level of approval if changes were to be made.

Mayor Hadfield commented that Mr. Hunter had done an excellent job in restoring the Delbert and Ora Chipman home. Presently it was occupied by Heideman Hughes Funeral Directors and it fit their needs very nicely.

Mayor Hadfield complimented Chairman Adams and the Historic Preservation Committee for their work.

Councilman Shelton also appreciated the hard work of Dan Adams and the Historic Preservation Committee.

Councilman Shelton moved to designate the Delbert and Ora Chipman House, located at 317 East Main Street, as a City Historic Landmark Register House. Councilman Shorter seconded the motion.

Mayor Hadfield asked if there was any discussion on the motion. There was none.

Voting was as follows: Aye, Councilman Shelton, Shorter, and Frost. Nay, Councilman Bowen. The motion carried.

REVIEW AND ACTION ON A DEVELOPMENT AGREEMENT FOR THE STAR MILL SUBDIVISION, PLATS A AND B AT 600 NORTH 150 EAST, TO ALLOW THE ACTUAL CONSTRUCTION OF IMPROVEMENTS IN-LIEU OF POSTING OF A PERFORMANCE GUARANTEE IN ACCORDANCE WITH REQUIREMENTS SET FORTH IN CITY ORDINANCE 2009-08-29 – *All American Development*

Andy Spencer explained that this was fairly standard procedure. The finding that the City Council would need to make was that All American Development had the resources to do so. They would have 12 months to complete the improvements.

Councilman Shelton asked what due diligence the City had that the developer would be able to complete the project.

Mr. Spencer answered that the City had a good history with All American Development.

Mayor Hadfield noted that All American Development has done projects in American Fork in the past and they have been successful.

Councilman Bowen asked what the specific improvements included.

Mayor Hadfield responded that the City ordinance required improvements of water, sewer, pressurized irrigation, storm drain, curb, gutter, sidewalk, hard surface roads, power, and natural gas, and some communications.

Councilman Bowen supported the developer being able to provide improvements in this manner.

Councilman Shelton moved to approve the development agreement for the construction of improvements at the Star Mill Subdivision, Plats A and B, as presented, and authorize the

Mayor to execute the agreement in behalf of the City. Councilman Frost seconded the motion.

Mayor Hadfield asked if there was any discussion on the motion.

Councilman Bowen noted that when they approved the plat previously there were some legal questions. He asked if they had been cleared up.

Andy Spencer verified that the property transaction was complete and the title legal questions had been resolved.

All were in favor.

REVIEW AND ACTION ON THE AGREEMENT FOR THE UCRTC ANNEXATION
CONSISTING OF 14.05 ACRES LOCATED AT 1000 SOUTH 500 EAST – Utah County

Mayor Hadfield noted that there was not a representative of Utah County in attendance. This property was owned by Utah County and they were desirous of annexing into the City to be able to use the City's services for a treatment center.

Councilman Frost asked if the County was exempt from paying impact fees.

Mayor Hadfield answered that they were not.

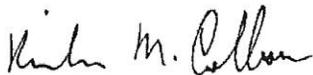
Councilman Shelton asked if this would have an effect on the group home radius.

Adam Olsen responded that it would not. This was in a commercial zone; not a residential zone.

Councilman Shelton moved to approve the agreement for the UCRTC Annexation consisting of 14.05 acres located at 1000 South 500 East. Councilman Shorter seconded the motion. All were in favor.

ADJOURNMENT

Councilman Frost moved adjournment at 8:22 p.m. Councilman Shorter seconded the motion. All were in favor.



Richard M. Colborn
City Recorder

ATTACHMENT 1 TO THE 08-12-2014 CC MINUTES – PAGE 1 OF 1

Bond Payment Schedule

Date	1st Bonds \$8,250, 000.00		2 nd Bonds \$38,700,000.00		Annual Total	
	Interest	Principal	Interest	Principal	Total Interest	Total Principal
05/01/08	\$156,940.28	\$000,000.00	\$000,000.00	\$0,000,000.00	\$	\$
11/01/08	184,635.63		775,914.53	0,000,000.00	341,575.91	000,000.00
					Total I. & P. \$ 341,575.91	
05/01/09	184,635.63	000,000.00	912,840.63	0,000,000.00		
11/01/09	184,635.63	000,000.00	912,840.63	0,000,000.00	2,194,952.40	000,000.00
					Total I. & P. \$ 2,194,952.40	
05/01/10	184,635.63	000,000.00	912,840.63	0,000,000.00		
11/01/10	184,635.63	000,000.00	912,840.63	0,000,000.00	2,194,952.40	000,000.00
					Total I. & P. \$ 2,194,952.40	
05/01/11	184,635.63	190,000.00	912,840.63	300,000.00		
11/01/11	180,835.63	000,000.00	907,590.63	000,000.00	2,185,902.40	490,000.00
					Total I. & P. \$ 2,675,902.40	
05/01/12	180,835.63	200,000.00	907,590.63	925,000.00		
11/01/12	176,835.63	000,000.00	891,403.13	000,000.00	2,156,664.90	1,125,000.00
					Total I. & P. \$ 3,3281,664.90	
					July 2012 – Monthly Rate Increase 14.0%	
05/01/13	176,835.63	200,000.00	891,403.13	950,000.00		
11/01/13	172,835.63	000,000.00	874,778.13	000,000.00	2,115,852.40	1,150,000.00
					Total I. & P. \$ 3,265,852.40	
					Aug. 2013 – Monthly Rate Increase 11.4%	
05/01/14	172,835.63	215,000.00	874,778.13	1,000,000.00		
11/01/14	168,535.63	000,000.00	857,278.13	000,000.00	2,073,427.40	1,215,000.00
					Total I. & P. \$ 3,288,427.40	
					Aug. 2014 – Monthly Rate Increase 8.9%	
05/01/15	168,535.63	225,000.00	857,278.13	1,025,000.00		
11/01/15	164,035.63	000,000.00	838,700.00	000,000.00	2,028,549.30	1,250,000.00
					Total I. & P. \$ 3,278,549.30	
					Proposed Monthly Rate Increase 6.6%	
05/01/16	164,035.63	230,000.00	838,700.00	1,050,000.00		
11/01/16	158,285.63	000,000.00	812,450.00	000,000.00	1,973,471.20	1,280,000.00
					Total I. & P. \$ 3,253,471.20	
					Proposed Monthly Rate Increase 4.6%	
05/01/17	158,285.63	245,000.00	812,450.00	1,100,000.00		
11/01/17	152,160.63	000,000.00	790,450.00	000,000.00	1,913,346.20	1,345,000.00
					Total I. & P. \$ 3,258,346.20	
05/01/18	152,160.63	255,000.00	790,450.00	1,150,000.00		
11/01/18	147,315.63	000,000.00	761,700.00	000,000.00	1,851,626.20	1,405,000.00
					Total I. & P. \$ 3,256,626.20	
05/01/19	147,315.63	265,000.00	761,700.00	1,205,000.00		
11/01/19	142,015.63	000,000.00	731,575.00	000,000.00	1,782,606.20	1,470,000.00
					Total I. & P. \$ 3,252,606.20	

AMERICAN FORK CITY FEE SCHEDULE

Plan Check Fee.....	\$	300.00
Commercial.....	65% of Bldg Insp Fee	
Overtime fees for Plan Review Checks.....	\$	200.00
Inspections Outside of Normal Working Hours.....	\$	200.00
Utility Deposit		
Per Residential Unit.....	\$	150.00
Per Commercial Unit.....	\$	200.00
Tenant/Landlord copy of utility bill (per mailing).....	\$	0.40

Water Rates

Pressurized Irrigation Rates

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Unmetered					
Base Rate (\$/month)	\$16.03	\$17.84	\$19.41	\$20.72	\$21.68
Overage (\$/SF/month)	\$0.00200	\$0.00223	\$0.00243	\$0.00259	\$0.00271
Metered					
Base Allowance (\$/month)					
0 to 8,000 gallons/month	\$16.03	\$17.84	\$19.41	\$20.72	\$21.68
Block 2 Rate (\$/Kgal)					
8,000 to 16,000 gallons/month	\$1.43	\$1.60	\$1.74	\$1.85	\$1.93
Block 3 Rate (\$/kgal)					
Above 16,000 gallons/month	\$3.77	\$4.23	\$4.60	\$4.90	\$5.12

Residential Culinary Water Rates
(Does not include Water Agency Assessment)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Monthly Base Rate					
All meters	\$16.03	\$17.84	\$19.41	\$20.72	\$21.68
Block Rates					
Base Allowance (\$/month)					
0 to 6,000 gallons/month	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Block 2 Rate (\$/Kgal)					
6,000 to 9,000 gallons/month	\$2.27	\$2.67	\$3.00	\$3.28	\$3.49
Block 3 Rate (\$/kgal)					
Above 9,000 gallons/month	\$3.07	\$3.69	\$4.20	\$4.64	\$4.96