

**PAROWAN CITY COUNCIL MEETING  
FEBRUARY 25, 2016  
PAROWAN CITY OFFICES, 35 EAST 100 NORTH, 6:00 P.M.**

**MEMBERS PRESENT:** Mayor Donald G. Landes, Councilwoman Vickie Hicks, Councilmen Alan Adams, Ben Johnson, Jay Orton, and Steve Thayer, City Manager Shayne Scott, Deputy City Recorder Heather Shurtleff

**MEMBERS ABSENT:** City Attorney Justin Wayment, City Recorder Callie Bassett

**PUBLIC PRESENT:** Marcus Keller, Johnathan Ward, Chuck and Dottie Stade, Jess Ralphs, Jerry Vesely, Mary Hanley, Ted Steffensen, Janice Steffensen, Stephanie Barnett, Judy Schiers (Parowan City Treasurer), Cleve Matheson (Parowan City Zoning Officer), Mark Barton, Marge Cipkar, Earl Olsen, Ken Carpenter (Parowan Police Chief), Steve Decker, Paul Smith (Parowan PD), Amy Johnson, Donald Munn, Mike Strong, Kevin McClellan, Dian Bixman, Carol Cable, Kate Scott, Alesia Biasi, Sam Lo

**CALL MEETING TO ORDER:** Mayor Donald G. Landes called the meeting to order at 6:00 p.m. He welcomed everyone and thanked them for being at the meeting.

**OPENING CEREMONIES/THOUGHT/PRAYER – ALAN ADAMS:** Councilman Adams opened the meeting with an invocation. He then led the Council and the public in the Pledge of Allegiance.

**DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED?** No conflicts were declared.

**CONSENT MEETING**

**APPROVAL OF MINUTES (February 11, 2016 City Council Meeting)  
PURCHASE ORDERS/WARRANT REGISTER  
WATER BOARD APPOINTMENT – LUCK FELSTEAD**

Councilwoman Hicks moved to approve the consent agenda. Councilman Thayer seconded the motion. Hearing no discussion, all Council members voted in favor of the motion. The motion carried.

PO# 957	Color Country Diesel	\$25,000
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**ACTION MEETING**

**AGREEMENT WITH PARAGONAH FOR POLICE COVERAGE:**  
Mayor Landes said it was good to see the Town Council from Paragonah at the meeting.

Councilman Adams moved to approve the agreement with Paragonah and Parowan over police protection with one change - that the amount the City charges Paragonah be changed to \$16,500 rather than \$12,500. Mayor Landes interjected that he had a conversation with Paragonah Mayor Robinson. She told him she had a meeting with Paragonah Town Council and discussed what Councilman Thayer suggested, whether the \$12,500 was a fair price or not. Mayor Robinson said the \$16,500 would be too difficult for them to handle at this time, and asked if Parowan would consider \$14,500 this year. This would give Paragonah the opportunity to get things together, and then be charged \$16,500 the following year. Mayor Landes said if this is agreeable, Councilman Adams may want to amend his motion.

Councilman Johnson said he is fine with that as long as the caveat is left in the agreement to evaluate the cost every 6 months, and if the amount goes over \$16,500 Parowan will not subsidize Paragonah. Councilman Adams said that is in the agreement.

Councilwoman Hicks asked if the amount would be prorated for the rest of this fiscal year. Mr. Scott said the Council can do this however they want, but it would be easiest to bill for the fiscal year. The remainder of this fiscal year could be prorated from March 1<sup>st</sup>.

Councilman Adams amended his first motion and changed the amount from \$16,500 to \$14,500. Councilman Thayer seconded the motion. Councilwoman Hicks asked for a roll call vote. The vote was as follows:

	<u>Aye</u>	<u>No</u>
Councilman Thayer	X	
Councilman Orton	X	
Councilwoman Hicks	X	
Councilman Adams	X	
Councilman Johnson	X	

All Council members voted in favor of the agreement with Paragonah in the amount of \$14,500. The motion carried.

Mark Barton said Paragonah Town Council will have to meet to approve the additional amount. Marge Cipkar asked why the Council is asking for an increase in price from what was discussed at the last meeting. Councilman Adams said he felt that \$12,500 was just not enough. The agreed upon \$14,500 is a decrease from what he wanted, but he is fine with that and feels that Parowan is giving Paragonah a really good deal.

Mrs. Cipkar wanted feedback from the other Council members. Councilman Johnson said he was fine with the \$12,500, but Councilman Thayer had asked Paragonah to go back and consider what they thought was a fair price, and it was Councilman Johnson's understanding that the considered number was \$16,500. Mrs. Cipkar said this wasn't discussed as a board, so she doesn't understand where these numbers came from. Councilman Adams said he thinks it was discussed between the two Mayors.

**BEER AND WINE LICENSES – MOUNTAIN VIEW LODGE:**

Mr. Lo is requesting a beer and wine license for the Mountain View Lodge, previously Days Inn. Councilman Orton asked if Mr. Lo has been working with Mr. Cleve Matheson on this. Mr. Lo said he has. Councilman Johnson asked if Mr. Lo has met all of the State requirements. Mr. Lo said first he has to get local consent before he can file his application. Councilman Johnson asked if the location meets the State requirements. Mr. Lo said according to the State check list that he printed out, they do meet those requirements.

Councilman Orton asked Mr. Matheson if there was anything he could see as a concern. Mr. Matheson didn't have any concerns. Councilman Adams asked how far away they have to be from the church. Mr. Matheson said 600 ft. They are way beyond that distance.

Councilman Orton moved to approve Action Item #8, the beer and wine license for Mountain View Lodge. Councilman Johnson seconded the motion. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

**CENTER CREEK CHANGE ORDER #8 – SUNRISE ENGINEERING:**

Mr. Jesse Ralphs said this is basically a housekeeping change order on the penstock portion of the project. Precision Pipe had the main part of the penstock, and then they added the diversion modifications. They have completed most of that. They still need to do the by-pass line, and are waiting on the plunger valve to arrive. They decided to go ahead and put together a quantities reconciliation change order, where they zero out the line items that are finished. The net deduction is \$22,316.

Mr. Ralphs gave a quick update on the penstock project. He said they are still waiting on the plunger valve for the by-pass line. The anticipated arrival date is the end of March. Precision is going to wait to mobilize until that valve is on site. On the hydro portion of the project, there is some controls work that needs to be completed. They are also waiting for the plunger valve because their controls tie into it.

Mr. Ralphs said the plant has been running in manual mode since last August. It should be automated by the end of May. Mr. Scott asked Mr. Ralphs to give the Council a brief report on the efficiency of the hydro plant. Mr. Ralphs said the plant is generating slightly more power than they thought it would. It is more efficient than they thought it would be.

Councilman Johnson moved to approve the change order for the Center Creek Hydroelectric Penstock Replacement Project for Precision Pipeline, Inc., in the amount of (\$22,316.29). Councilman Adams seconded the motion. Mayor Landes called for a roll call vote:

	<u>Aye</u>	<u>Nay</u>
Councilman Thayer	X	
Councilman Orton	X	
Councilwoman Hicks	X	
Councilman Adams	X	

(Roll call vote continued)

	<u>Aye</u>	<u>Nay</u>
Councilman Johnson	X	

All Council members voted in favor of the motion. The motion carried.

**LION’S PARK RESTROOM:**

Mr. Steve Decker, chairman of the TARP committee, told the Council that the TARP committee made a recommendation that the City either refurbish or replace the Lion’s Park restrooms. They also recommended that the money set aside for the splash pad be used towards upgrading and maintaining our current park structures, instead of building something new that will also have to be maintained.

There was a big discussion about whether the bathrooms should be rebuilt or refurbished. After this discussion, Councilman Adams moved to table this item until more information can be obtained. Councilman Thayer seconded the motion. All Council members voted in favor of the motion. This item will be brought back to Council as a work meeting item.

**WORK MEETING**

**REFINANCE OPPORTUNITY FOR POWER BOND – ZION’S BANK PUBLIC FINANCE – JONATHAN WARD AND MARCUS KELLER:**

Mr. Jonathan Ward explained that Zion’s Bank Public Finance has helped the City over the years with its Electric Revenue Bonds. They keep watch over the City’s debt and look for opportunities to save money. Rates at this time are very, very low. Mr. Marcus Keller met with Mr. Scott and suggested that the City refinance its outstanding bonds. This would save the City \$138,000 on a net present value basis (after costs), or about \$14,000 a year through remaining life of the financing.

Mr. Ward said if they can generate a savings amount that is equal to 3% of the amount of the bonds they are refinancing, then it is a green light and they should take advantage of the opportunity. Right now, the savings amount would be over 3%. Mr. Ward said his objective is to offer this opportunity to the City and help with the refinancing of the bonds. The fees estimated with the refinance are estimated at \$40,000. The savings can be structured however the City wants it to be structured, and the costs are built in to the transaction and can be rolled into the new bond amount.

Councilman Johnson asked about early pay off. Mr. Keller said there are two scenarios. The first scenario has Zion’s bank as the bond purchaser and the rates would be locked in. The City would continue to have the option of early pay off with a 30 day notice. The second scenario shows Zion’s as a financial advisor. They would solicit bids from investors across the state and see where their rates are. This would be a competitive bid. Mr. Ward said that Zion’s bank, as well as the Bank of Utah, are unique in that they allow pre-payment at any time. Pre-payment can be limited with other investors.

Mr. Ward said he likes the competitive process because it gives everyone a chance and it is easily defensible. It provides the Council with competitive coverage. The general consensus of the Council was to move forward with a competitive bid. Although they liked the idea of being able to lock in the rates, they felt it would be better to open it up to local investors.

**DEPARTMENT REPORT – CLEVE MATHESON:**

Mr. Matheson reported on the building permits pulled in 2015. He reported that in 2014, there were 30 total permits. In 2015, there were 10 new single family dwelling permits, 20 miscellaneous permits (remodels, sheds, gas meter, etc.), and 6 commercial permits.

**IRON COUNTY REST HOME PROPOSAL:**

Mr. Scott said he was able to discuss this with Attorney Wayment, who thinks this is a pretty straightforward agreement. His only comment was that the agreement should specify the timing of the payments, when they will be paid and how much, especially the amounts that the City will be receiving for the lease payments. Other than that Mr. Wayment felt good about the agreement.

**DISCUSSION ABOUT ROADS:**

Mayor Landes said one of the things the City is looking at as they are preparing the budget for the upcoming fiscal year, is to perhaps transfer money from other enterprise funds to put towards getting Parowan's roads repaired. Parowan has 28.5 miles of roads in the City and it is an expensive proposition. Mayor Landes said the City is committed to filling every pot hole in town, and the public works department has been working on this aggressively as weather permits. Mayor Landes said there is an opportunity to use some emergency funds to put towards roads.

Councilman Adams said he has approached the Mayor and Mr. Scott about this. He said one of the biggest complaints we receive in the City is about our roads. He said we have had this discussion about the splash pad for a long time now and taking \$80,000 from the Electric Department to build it. He feels strongly that he couldn't vote for that with the roads the way they are in our town.

In departmental budget hearings, they discussed where they could find the money to put into the roads. They talked about doing some creative financing where part of the money could come from this fiscal year and part from next fiscal year. They found they could come up with close to \$360,000 to go towards the roads. Councilman Adams said it costs \$35,000 per mile to chip seal the roads. The City could do about 12.5 miles of road with this amount of money.

Councilman Johnson said he doesn't agree with pulling money from another enterprise fund to fix the roads. He feels the Council should be proactive in finding solutions to the road problems. He said if there is excess money in the Electric Department to pull out to fix the roads, then our rates are too high. He suggested creating a special service district in order to have a roads tax. He said his whole thought behind the splash pad was that it is something the Electric Department could give back to the community and attract people to come to Parowan.

Councilwoman Hicks said she agrees with Councilman Johnson, but there has to be a starting point to fixing the roads, and this could be what gets the City started.

Councilman Adams said he is arguing against public perception. If the City puts in a splash pad instead of fixing its roads, that is a bad public perception problem.

Mayor Landes said whether they discuss a special service district or just raising taxes, these things take time. A solution is needed right away for our roads.

Councilman Orton said he has spoken to a lot of people about the splash pad, and they would prefer a splash pad to fixing the roads. He said with that consensus he has a hard time moving away from a splash pad.

Councilman Johnson expressed his concern that if our power rates are too high, then there will always be this excess to kick back to roads and we are taxing people under the guise of a power bill. He said he doesn't even think that is legal. Mayor Landes said that we had a power rate study done and the Council agreed that the rates didn't need to be changed. Councilman Johnson said the study also said the best way to lower the rates would be to bring more people into Parowan. That's why he is for doing something that brings people into our town.

Councilman Johnson said we have the same amount of people that come through our town to go to Brian Head every year that the Shakespeare festival brings in. He asked how much money that brings to our community. He said the City is missing out in getting those people to stop in town and spend their money. He said we have to get families in this community. He said then the City says we don't want to do any of these activities to bring families in. He is frustrated that the Council has paired roads against a splash pad, because he sees these as two totally different things.

Councilman Adams said Councilman Johnson is willing to take \$80,000 out of the power department to put towards a splash pad. He asked what the difference is. Councilman Johnson said he is willing to invest \$80,000 in future clients for the power company. Councilman Adams said at the power board meeting people were scoffing at the City Council. He said he doesn't think the splash pad is going to bring anyone to Parowan. He said what brings people to Parowan is Parowan – it is small community and people are happy here.

Councilman Thayer said he thinks Parowan needs to look seriously at its branding. He feels that will help bring people to Parowan. He feels it would be worth it to invest in some professional help.

Mayor Landes asked what to do about the roads right now. Councilman Thayer said he thinks we need to fix the roads right now, but not just chip sealing them. There are roads that having crowning and drainage issues. They need to be repaired.

Councilman Adams asked if there is any way to have a road fund without raising taxes. He said we don't want to raise taxes, but somehow they have to come up with a long term investment in roads.

Councilman Johnson said the challenge with the power company is even if the City lowers rates the same amount that they want to put towards roads, there is still that base power that is being produced and sold off on the market at a much lower rate. He said it needs to be sold to people. We need to grow our community.

Councilman Johnson said he has been pushing very hard to get some events from the Utah Summer Games (soccer, archery) to come to Parowan. Casey McClellan, director of the USG, told Councilman Johnson there is nothing for the competitors to do in Parowan while they wait for their events. He said maybe it's not a splash pad, but there's got to be something in town for people to do. There's got to be something for them to stop for. He thinks it is short sighted to say let's bag the splash pad and take care of the roads. He said he wants to take care of the roads, but they need to come up with a funding mechanism that is geared towards roads.

Mayor Landes asked if the City lowers the power rates, where would the funding come from for the roads. It can only come from a tax. Mayor Landes asked the public what their opinions are on this subject.

Carol Cable said she agrees with Councilwoman Hicks that we need to get the roads started and then go forward with a long term plan. She said she works at the visitor center once a week and see retirees come through here all the time who say what a great town this is. She said she doesn't have anything against a splash pad, but she thinks the condition of our roads affects everyone equally across the board.

Chief Carpenter said he's not opposed to the roads at all. He asked how many people know that Cedar City has a splash pad. He said it never works. He worked for Cedar City PD for 7 ½ years. The first year or two he was there, it was used. Ever since then it has been turned off. He said he was told that it is impossible for the City to maintain. They can't keep it repaired and working properly. He said in his view, a splash pad is a waste of money at this particular time and for where we live. He said he doesn't think the conditions are right for it. Chief Carpenter said that the infrastructure of the City needs to come first. It has to be able to support the community. He feels this is where the priority should be.

Councilwoman Hicks reported she did some research on splash pads around the area. There was a lot of negative feedback.

Mayor Landes said he agrees with Councilman Johnson that Parowan needs something for people to do here, especially the young children. But he doesn't think a splash pad is what is needed at this time. Councilman Johnson reiterated that he is disagrees with taking the \$80,000 from the Power Department and putting it towards roads. That was not the intent of the power board. He said the Council can decide to go ahead and do this, but he doesn't want to blur the lines between the intent of the Power Board to use that money to build clientele and bring people to the community and just using the funds for the roads.

Councilwoman Hicks suggested incorporating the splash pad in with the swimming pool. She said it could help generate revenue and could be monitored by the pool employees.

**SPLASH PAD DISCUSSION:** Mr. Scott said he has some letters from the 6<sup>th</sup> grade for the Council regarding the splash pad, some in support, some not. Councilwoman Hicks said she polled the 6<sup>th</sup> graders and given the choice between putting money into a splash pad and putting it into the swimming pool, which would they rather do? The kids voted for the swimming pool.

Councilman Johnson said he is not fighting for a splash pad. He is fighting for something that brings people to Parowan.

**EAGLE ROCK ROAD DISCUSSION – KEVIN MCCLELLEN:**

Mr. McClellen introduced Mr. Ted Steffensen. Mr. McClellen said the road they are discussing is 2200 West from Eagle Rock to 200 South. Mr. Steffensen said that he and Mr. McClellen purchased the remaining lots at Eagle Rock. They want to build affordable housing, finish out the subdivision, and make it a nice community over there. They finished two homes before the end of the year and there has been interest, but no one wants to live on a dirt road.

They got some bids to see what the price would be to do a double chip seal with a flush coat on that road. Mr. Steffensen said it wouldn't take a lot to bring that road up to where the chip seal would be. It has a good road base. The price to chip seal the road is about \$69,000. Mr. Steffensen said they would like to see what Parowan City can do to help them.

Councilman Thayer asked what they propose Parowan City do. Mr. Steffensen proposed that they build the road, and Parowan City suspend the first 10 impact fees. This way, the road gets done and they can get properties moving out there. It is a property tax benefit to the City. It seems like a win-win situation.

Mr. Scott said he likes the thought, but legal council would have to look at it. He appreciates them thinking outside the box. There was some discussion among the Council, and it was determined that this should be moved to the next action meeting.

**MEMBER REPORTS:**

Councilman Thayer didn't have anything to report this evening.

Councilman Orton said that Mr. Decker covered everything he wanted to report on this evening.

Councilwoman Hicks reported that she met with Planning and Zoning and they reviewed the 14-5 RV Park Development and Sanitary Standards. They are working with Cleve Matheson on updating that code. They also looked at the snow plow and snow removal business here in town that are not licensed and addressed that issue.

Councilman Adams didn't have anything else to report this evening. He thanked everyone for the good discussions.

Councilman Johnson didn't have anything else to report this evening.

**PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:**

Mike Strong said there is a 50 – 100 yard section on Old Highway 91 that is full of potholes caused by the runoff on the south side of the road. This section sits in shade four months out of the year. He said patching it won't do anything. It needs to be repaved and the drainage fixed.

Mr. Strong asked what the price of repaving the road is if chip seal is \$35,000 per mile. Councilman Adams said this is something that needs to be assessed, but it is quite a bit more expensive. Councilman Johnson said there are options with a chip seal and a fog coat over the top that lasts longer. Councilman Thayer said paving is about three times more expensive than chip sealing.

Mr. Strong asked if the City hires people in the summer to do the potholes so it doesn't pull the public works away from what they need to be doing. He said most small towns do. Councilman Johnson said this was a great idea.

Donald Munn said he recognizes that saying taxes and increases together here can get a person hung, but if there isn't enough revenue being generated to run the City, this might need to be looked at. He said he has lived in City's that make you pay for paved streets and curbs upfront. He also said that what Councilman Johnson is saying about attractions is true. They keep people coming back to your town. But they are not going to come if you don't take care of your town.

Jerry Vesely thanked the Council for addressing the concerns he voiced at the last Council meeting. He thanked the City crews for coming out and fixing the road. He said that roads are very important. He also agrees that growth is very important. He feels that perhaps an indoor facility would be the best bet. He said the City can put their heads together and come up with something. He said yes we need to bring more people in, yes we need something that will attract families. A year round attraction would benefit the community.

Kate Scott and Alecia Biasi, 6<sup>th</sup> graders from Parowan Elementary school, addressed the Council. Miss Scott said they would like to speak for Mr. Robinson's 6<sup>th</sup> grade class. They would all love to have a splash pad. It is so entertaining and pleasant. It is always hot in Parowan, and she doesn't always want to go to the pool. It is a great place for parents and grandparents to sit down and watch their kids in the shade on the grass. There aren't many things to do in the summer here, and it doesn't have to cost a lot of money.

Miss Scott said first, splash pads are so enjoyable because when water is shooting out of the floor, you just want to run in it. It is a great place to spend some merry times with your family in the water. It is a great time to run around in the water and still have an amusing time. It is such a happy place for kids.

Second, Miss Scott said that Parowan is like an oven. It is really hot, and sometimes you just want to get refrigerated. She said the pool is very fun, but there is nothing to do. There is only a diving board. On a splash pad, you can chill down and have fun by running around. In the pool, you can't really run and escape from people. In a splash pad, you don't have to get all the way wet. You don't have to get your hair or some parts of your body wet. If you are a parent, you

can lay in the shade instead of the hard floor. When your kid wants to go to the splash pad, you don't have to get very wet.

Miss Scott's third point was that it doesn't have to cost that much money. She said there are not a lot of people in this town, so it doesn't need to be that big, as long as it is big enough for a few kids. She said they are not asking for the world's largest splash pad, they are just asking for a little more fun in Parowan.

Miss Scott's comments earned praise from the Council and applause from the audience.

Diane Bixman said before we do anything in our town, she feel it is really important to decide what our brand is here, and what we want here. She thinks this needs to be looked at a follow through on. She said she was glad to hear discussion about the roads. She asked Councilman Johnson about doing a fundraiser for the splash pad or something like that.

Mike Strong asked if putting something on the utility bill asking for donations for the splash pad would be an option.

Hearing no further comment from the public, Councilman Thayer moved to go into closed session. Councilwoman Hicks seconded the motion, with all Council members voting in favor of the motion.

**CLOSED SESSION – STRATEGY SESSION TO DISCUSS THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY:**

Mayor Landes brought the closed session to order at 8:12 p.m.

Members present: Mayor Donald G. Landes, Councilwoman Vickie Hicks, Councilmen Alan Adams, Ben Johnson, Jay Orton and Steve Thayer, City Manager Shayne Scott, Deputy City Recorder Heather Shurtleff

The Council went out of closed session at 8:15 p.m.

The regular City Council meeting was called back to order at 8:15 p.m.

**ACTION ITEM – PROPERTY DEED:**

Councilman Thayer moved to make a lot line adjustment to the Parowan City Offices property and deed the eight feet to Mr. Ward's property to the east. The motion was seconded by Council woman Hicks. All Council members voted in favor of the motion. The motion carried.

**ADJOURN:** Councilman Johnson moved to adjourn the meeting. Councilman Orton seconded the motion, with all Council members voting in favor of the motion. The meeting was adjourned at 8:17 p.m.



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Donald G. Landes, Mayor



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Heather Shurtleff, Deputy City Recorder



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Callie Bassett, Parowan City Recorder