

ATTENDANCE: Mayor Moore; Councilmember Mike Hardy, Brian Hulet, and Doug Welton; City Manager Dave Tuckett; Finance Director Sara Hubbs; City Attorney Mark Sorenson. Councilmembers Linda Carter and Scott Phillips were excused.

Meeting began at 8:11 am.

PRAYER & PLEDGE OF ALLEGIANCE: Prayer offered by Councilmember Welton; Pledge of Allegiance led by Golf Pro Tracy Zobell.

CONSENT AGENDA: Approval of September 16, 2015 Payson City Council Meeting Minutes.

DISCUSSION REGARDING SEWER ISSUES WITH SALEM CITY: Travis said the book value is 13.1million and if we had to replace everything it would be about 24 million. Travis took Salem's projected flow in 2020 and divided. He stated the numbers he calculated were between 3 million and 5 million. Travis said the amount the city should charge them will be based on how much we would like. Mayor asked how much it would cost for Payson to build a new plant. Travis stated that they don't know yet. Travis stated that its hard to know what to do without knowing what the future entails. Councilmember Hardy stated that we also need to look at turning that area into commercial.

MR. Tuckett stated that Salem stated they wanted to be an owner, so that is why they needed to know how much it would cost to buy in. He stated Salem also asked if Payson would be interested building a new plant with them together. He said Salem stated the cost to build it would be 24 million, which didn't included demolition costs and land purchases. MR. Jockumsen stated that it would cost Payson about 9 million more to build a new plant with Salem then it would be if the Payson plant was upgraded.

Mayor Moore stated the Leland area may want to eventually tie into Payson's system. City Attorney Mark Sorenson asked what the state agency is encouraging. Mr. Jockumsen said that they don't know because the state won't return any phone calls. Mr. Tuckett mentioned that even the power department has said that the state won't return their phone calls, emails, or certified mail. Mr. Tuckett said he asked the state if they would help with the cost of regionalization, but he said the state hasn't ever given an answer.

Mr. Tuckett said that he tried to get Brad Rasmussen to come and talk about the sewer plant upgrade, but he had trouble getting in touch with him. Councilmember Welton asked if Payson and Salem built together would there be any way the plant could sell parts to help mitigate the costs. Councilmember Hardy asked if the Salem came to Payson would Payson still be majority owner. Mr. Tuckett stated that they would be 23% owner and it would be treated like an interlocal agreement. Mr. Tuckett said that both cities would be able to set their own rates.

Mr. Teemant asked for clarification regarding the 24 million cost. He asked if that price was for Salem to build their own or to build together. Mayor Moore stated the 24 million cost is for both options. Discussion was held regarding the staffing needs of the new plant.

Discussion was held regarding the sewer plant and the property that it is currently located on. Discussion was held regarding the ability to sell the property if the plant is relocated. Mr. Jockumsen stated that he will present a 4 million buy-in cost to Salem city and start the discussions with them.

DISCUSSION REGARDING GREEN WASTE WITH SALEM CITY: Mr. Tuckett said that Salem asked Payson how much it would cost for just an individual to dump, how much for big dumpsters, and how much for the whole city. Kent Fowden Sanitation Manager said that the cost for them is \$10.66 per yard. He said they used 160 hours to process it throughout the year. He said in talking with Mr. Tuckett and Mr. Jockumsen, he found that Salem City is not associated with the landfill. Mr. Fowden said the cost is \$10.66 per yard and it is up to the council to determine what type of price they would like to charge Salem. Mayor Moore asked what the city is charging Santaquin. Mr. Fowden said that they don't charge Santaquin anything because they bring their regular waste to the city. Mr. Fowden said for every four loads brought in they receive a load. He said that the city is saving \$69,000 a year in space by separating out the green waste. Mayor Moore asked what the south valley transfer station charges for green waste dump. Mr. Fowden said he wasn't sure because the fee schedule was so hard to follow. He said Salem was charged \$22,000 last year for the green waste which is a high cost.

Councilmember Hulet asked if Payson received more green waste could it sell more compost. Mr. Fowden said that maybe it could. Mr. Tuckett said that the city is charging commercial haulers 16.67 for their green waste. Discussion was held regarding the different types of green waste. Mr. Tuckett said that Spanish Fork expressed concerns with Payson's landfill that it wasn't lined. Mr. Tuckett said that he told Spanish Fork that Payson could open a cell that was lined. Mr. Fowden said that AE Squared will be conducting a master plan study and should be done by June of 2016.

Mr. Tuckett asked council if they were ok with staff giving them a cost of \$10 per yard. The Mayor said he was ok with what staff felt was the best.

DISCUSSION REGARDING LED SIGN AT WAGON WHEEL PARK: Mr. Tuckett presented different options for the sign that would go at the wagon wheel park. Councilmember Hardy felt that he would like to keep a sign like a monument sign. Councilmember Hulet said he felt the sign at Gunnerson Dental would be sufficient for what the city needs. Discussion was held regarding the logo on the signs. Mr. Zobell said that he does not prefer having the logo on the sign because the logos can change so often.

Mr. Tuckett said that businesses can't help pay for the sign in exchange for advertising because the city has an ordinance that does not allow that. Mr. Zobell said that he likes Councilmember Hulet's idea of putting a sign out on the interstate.

Mr. Temant said we need to decide if we want to use the \$20,000 for a sign and if not is there another project that the money could be used for. Councilmember Hulet said that he would like to use the money for the sign. Mr. Tuckett said that staff will get additional information regarding the signs.

DISCUSSION REGARDING CAPITAL PROJECTS: Mr. Tuckett presented a summary of the council's priorities and goals and summarized the most common goals. He said the top priorities were water, master planning, transparency with the budget.

Councilmember Hardy asked what the annexation of \$100,000 was. Ron Crump said that that it would cover all of the current annexation properties, which is the southwest side of Payson City. Mayor Moore said that a lot of the city buildings need some face lifts like the ambulance. He said some of the buildings are getting beyond their useful life. Councilmember Hardy said that a priority list needs to be made, so we can work on them each year. Mayor Moore asked if we want to keep putting band aids on the building or if they need to be totally redone.

Mr. Zobell asked if it would be legal to use the perpetual care funds for improvements and purchase land like Provo City did. Mr. Tuckett said that he is not sure if that is legal or not and would have to look into it. Mayor Moore said that he would like to have costs for each of the projects to help them determine how to proceed. He wants a list how much each project would cost to do a new building or remodel. Chief Scott Spencer said that the ambulance remodel could come out of the public safety impact fees. Facilities Manager Steve Spencer said that he could get a list of all of the city buildings and the needs. Councilmember Hulet said he would like to see the list with the costs, so the projects can be prioritized. He mentioned that he would like to see the front of the city office building updated as well and the city council chambers.

Councilmember Hulet addressed the ambulance listed as a need and said there are companies that will lease ambulances. Chief Scot Spencer said that if the city could start rotating vehicles within a few years of purchase, the city could sell the vehicles for about what they paid for them on state contract. He mentioned that because the city waits too long to sell vehicles they only get minimal amounts for the vehicles.

Mayor Moore said that his biggest concern is any roofs that are leaking. He said that any leak needs to be fixed because any leaks can ruin the insides of the building.

Mr. Tuckett mentioned that the city parking lots need to be resurfaced. Mr. Fowden said that he cannot spend B&C funds to reseal city parking lots.

Mr. Tuckett said that another project that needs to be fixed is the 400 South Water line from 600 East up to Goosenest drive. He said it is a current deficiency because the line is a four inch line, but it needs to be upgraded to a twelve inch. He said new building couldn't occur because the necessary fire flow doesn't exist. Mr. Jockumsen stated the cost was estimated to be half a million. The question was asked if the project could be completed in house. Mr. Jockumsen said that the project has to be put out to bid if it's over a certain amount. Mr. Sorenson said that it has to be put out to bid at least two times and then if the bids don't come in close to the target on the third bid the city can perform the work.

Councilmember Hulet stated that revenues need to be looked at to determine how they can be increased. Councilmember Welton addressed the ambulance building again and said if the ambulance building doesn't have a safety issues then maybe it's not a top priority.

Discussion was held regarding the fund balance. Councilmember Hulet discussed that the bank would determine how much capital they would like to keep in the bank and then they would know what their

limit was that they could spend. Councilmember Hulet asked Sara Hubbs Finance Director to put together a fund balance summary that would help the council understand where the city stands.

Discussion was held regarding the water meters and the grant that required a \$300,000 match to install the pressurized irrigation meters.

Councilmember Welton asked if there were any projects that would overlap each other. He asked if a road is repaved, is it going to be torn up later to install infrastructure. Travis Jockumsen said that most of the roads that need to be repaved also has infrastructure underneath that needs to be replaced as well. He said for each road to be corrected it would cost around \$800,000 to fix infrastructure and repave. Kent Fowden said that when they worked on 780 West the vibration caused the water lines and sewer lines to break because the infrastructure was so old. Mayor Moore said that the city is now trying to find ways to fix things that should have been taken care of for the last 30 years.

Councilmember Hulet mentioned that he would like to get an appraisal for the four-bay property. Councilmember Welton said it needs to be showcased when people from out of town come like for the Tour of Utah. Councilmember Hulet said it needs to be advertised nationally. Discussion was held regarding what it would take to advertise the property and what type of buyer would be interested in the property. Mr. Tuckett said that he has met with Dan Shaw and he is interested in talking about options of purchasing the property or to help build a water tank. He said Mr. Shaw said he would like to preserve the land. Mr. Tuckett said that he would also like to look at building a water tank up there as well to help with growth in that area. Councilmember Hulet said that if Payson wants nice homes, then four-bay is the perfect spot for those type of homes.

Mr. Tuckett brought up the Master Plan that would cost \$100,000 that is needed to help Payson know how to grow and develop. Mr. Jockumsen said that the city has never done a sewer master plan as far as he knows. Councilmember Hulet asked Mr. Jockumsen to put together a list of mater plans that are needed. Mr. Jockumsen said the first plan needs to be a general plan. Chief Brad Bishop asked if the South Meadows plan is completed then what needs to be done, so that area can be developed. Mr. Tuckett said that the water and storm issues need to be addressed.

DISCUSSION REGARDING ZAP TAX: Mr. Tuckett said that Councilmember Hulet brought up this item, so it is up for discussion. Councilmember Hulet said that this item will have to be put on the ballot for the citizens to decide whether they would like that additional sales tax or not. Mr. Temant mentioned that the city would need a citizen committee to help present it to the public. Councilmember Hulet said that the cities that have put it on the ballot have been successful. Mr. Tuckett asked Mr. Sorenson if he could look into the timeline of getting the ZAP tax on the ballot. Councilmember Hulet said that if the ZAP tax was approved then it could be used for the parks, Payson Community Theater, and other programs and it would free up some other general fund revenues to be used to fix streets and address other needs.

DISCUSSION REGARDING TRANSPORTATION FEE: Mr. Tuckett asked if the council had any interest regarding the transportation fee that would be earmarked to fix the roads. Council said that they would like to watch what the state does because they may bring back the HB 362 bill. Mr. Tuckett and Mayor Moore agreed that if the city keeps adding fees it can be burdensome to the citizens. Councilmember

Welton said that he would like to see some surveys put out to the public, so citizens can voice their opinions and council can make decisions based on the feedback. He said he would like to see a survey put out once a month for a few months. Councilmember Hulet said we should hold open houses to display the information to the citizens and give them an opportunity to see what the fees could be used for.

Discussion was held regarding the storm drain costs and putting it on the ballots and the master plans that are needed. Mr. Tuckett said that the master plans have been done, but then there isn't money to complete the work on the master plans. Mayor Moore said that we need master plans before we can determine what projects need to be completed and what type of fees need to be discussed. Mr. Tuckett said that a master plan was completed years ago, but it came in at \$22 million and the council didn't want to raise rates to do anything with it. Mayor Moore said that Spanish Fork went through the same thing about the same time, but their council voted to increase fees and work on it, but they were voted out, but now they're heroes. Councilmember Welton said that surveys need to be sent out to the citizens and ask them what is important to them. He said once the city finds out what is important to citizens then we can move on it. Councilmember Hulet said that there could be open houses that citizens could come in and voice their opinion like UDOT has. Mayor Moore said that the problem is with having open houses is that only 15 people out of 30,000 people voice their opinion. Councilmember Welton said that a social media blitz needs to be done and put the survey out to as many media outlets as possible.

Councilmember Hulet said that he had an idea for generating income for water. He said maybe the fee for water would be raised \$5/month and have water conservancy classes and if the citizen attends that class then the fees for the year would be waived. He said he was trying to think outside the box to increase revenue, but encourage water conservation. He said this revenue could be used to purchase more water from highline, capital projects, and upgrades.

Mr. Tuckett said that it seems there is interest for the ZAP tax, but the transportation fee seems like it needs to be postponed until the legislature session is closed. Councilmember Hulet said that the transportation fee should be postponed until the master plans are done. Councilmember Hulet said he would like to budget to get all of the master plans done, so the council knows how to proceed. Councilmember Welton asked if we had the funds to complete the master plans. Staff said there are not enough funds. Councilmember Welton stated that if the master plans are the most important items, then should other budget items be postponed. Discussion was held regarding the importance of doing something to implement the master plan when it is completed. Travis Jockumsen said if the city isn't going to follow and implement the master plan then it is a worthless document. Discussion was held regarding the possibility of completing the master plan in house. Mr. Tuckett said that staff will put together a list of master plans and costs.

DISCUSSION REGARDING GOLF COURSE RECEPTION CENTER: Mr. Tuckett said that there has been many discussions regarding the reception center and would like to get the direction from council on how to proceed. Councilmember Welton said that he would like staff to determine a plan that would be best.

Councilmember Hulet said he understands that the Golf Course needs to make more money, but he doesn't like to tell private entities no, so the city could do it. Councilmember Hulet said that he talked with Mr. Redd and he said that the city could sell their times to other businesses. He also said that he thinks the city should put in the RV Park. Mr. Zobell said that the city is giving away the city's ability to make non-golf revenue. He asked that if it is a problem with the city doing it then why have other cities done it. Mayor Moore said that he would have worked with Mr. Redd if he hadn't been dishonest. Councilmember Welton said that he doesn't understand why the city doesn't like the private guy making money. Mayor Moore said that he doesn't mind the private guy making money, but he doesn't like how he went about it. He said the first meeting he had with Mr. Redd, he threatened to sue the city. He said they met with them and was willing to work with them, but after he kept changing and the way he went about it, it caused the city to be more cautious.

Mr. Zobell said that if you want the golf fund to be profitable then we need non golf revenue. Discussion was held regarding the different options of the reception center. He said that he has been pushing the reception center for 15 years. Councilmember Hardy said that he can see Payson City benefiting from a reception center built up there. Mr. Zobell said the golf course isn't going to make any more money if Mr. Redd builds the reception center. Councilmember Hardy said he was on board with Mr. Redd in the beginning, but then he lost his trust when he kept changing his agreement. Mayor Moore said that he is sticking up for the superintendents and he said that we pay these guys to present the council with their wants and their needs and if they don't present them then they won't have the funds allocated to them. Councilmember Hardy said he is open to a deal as long as it is advantageous to the city. Councilmember Hardy said that Josh Redd is going to have to regain his trust. Councilmember Hardy said that Mr. Redd needs to bring a proposal, agreement, and plan to the city and then the council can determine if it will work or not. Mr. Zobell asked if there is anything wrong with waiting six months and revisit this in the fall.

Councilmember Welton said he would like to see a plan from staff of how they plan on completing the reception center in five years. Mr. Tuckett clarified that council would like to see a plan from staff about completing the reception center in five years and also have a plan from Mr. Redd as well.

DISCUSSION REGARDING BUDGET ISSUES: Councilmember Hulet said that the city needs to address the staff needs of the city. Mr. Zobell said that we also need to address wages for part time help because it is difficult to hire them on lower rates. Chief Bishop also said that the pay scale for full-time employees also needs to be addressed. Councilmember Hulet said that a salary scale needs to be adopted and then followed. Chief Bishop said that employees have been here 15 years and other cities are starting out new employees at the rate the 15-year employees are making. Councilmember Hulet said that each department needs to be evaluated and pay the employees what is needed to stay competitive. Councilmember Hulet said that the employees need to receive raises based on performance. Councilmember Welton asked if there are evaluations for employees each year. Staff confirmed that performance evaluations are conducted each year. Sara Hubbs asked Department heads if they felt like they could cut more out of their operating budget to cover raises. Mr. Zobell stated that he couldn't cut anymore to cover the raises. Ms. Hubbs said that she thinks the health insurance benefits and the

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medistipend need to be analyzed to determine if the costs can be reduced. She stated that the budget is also very tight and the city is at the point where all costs need to be analyzed and cut if possible.

MOTION by Councilmember Welton to adjourn.

Meeting adjourned at 11:10 p.m.