

**PAROWAN CITY COUNCIL MEETING**  
**March 24, 2016**  
**Parowan City Office, 35 East 100 North, 6:00 P.M.**

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

**MEMBERS ABSENT:** City Recorder Callie Bassett

**PUBLIC PRESENT:** Jim Shurtleff, Don and Linda Lowder, Ted and Janice Steffensen, Darin Lauritzen, Stephen R. Banit, Rachel Wardle, Jen Boyad, Judy Schiers, David Schiers, Kevin McClellan, Joleen McClellan

**CALL MEETING TO ORDER:** Mayor Landes called the meeting to order at 6:00 P.M.

**OPENING CEREMONIES/THOUGHT/PRAYER – VICKIE HICKS:** Councilwoman Vickie Hicks offered the invocation. She then led the Council and the public in the Pledge of Allegiance.

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

**CONSENT MEETING**

**APPROVAL OF MINUTES (March 10, 2016 City Council Meeting)**  
**PURCHASE ORDERS/WARRANT REGISTER**  
**PROPERTY SALE, VISITOR CENTER YARD SALE, MARCH 22 – APRIL 2**  
**PROPERTY SALE, INTERNATIONAL FIRE TRUCK**

Councilman Thayer made a motion to approve the consent agenda. Councilman Orton seconded the motion.

Councilwoman Hicks asked for clarification about the property sale agenda items. Shayne Scott said there is a method in our code to divest ourselves of property by open bid and its wonderful...sometimes. However, when we aren't selling something specific it can sometimes have poor results. In the code it says we can sell property by bid, or by a method of which the Council is made aware; then the Council can agree or disagree. Jet Smith is moving the visitor center from one location to another, and would like to have a yard sale; it began on March 22 and will run through April 2, 2016. Also, Chief Dave Schiers has been in contact with an organization that would like to purchase an International fire truck that was given to the City and is not benefitting the city. Chief Schiers would like to sell the fire truck for \$2,000. If worse comes to worse Chief Schiers will give the truck away.

Mayor Landes called for a vote on the motion. All members present voted in favor of the motion. The motion carried.

## ACTION MEETING

**EAGLE ROCK ROAD PARTICIPATION:** Justin Wayment has a problem with waiving the water impact fee for Eagle Rock in exchange for the owners, Ted Steffensen and Kevin McClellan improving the road there. Mr. Wayment stated one type of impact fee cannot be used or waived for another type of impact fee. An impact study has to be done for each type of impact on a community. You can't hodge podge impact studies, because they apply to only that one area. If we wanted to waive a road impact fee for this improved road that would be fine.

Councilman Johnson asked if we could waive commercial impact fees across the board as an incentive tool and apply it to this situation; or waive impact fees only for those who improve their property to the level of the waived fee. Justin Wayment answered he would have to look into that.

Justin Wayment suggested maybe offering City staff time and equipment to help put in the road, and maybe purchase the materials for the road and then have Mr. Steffensen and Mr. McClellan reimburse the City for the materials. Mr. Wayment reiterated he doesn't think waiving water impact fees are a good idea at all.

Mayor Landes voiced his concern about the Eagle Rock area never seeing much growth until that road is improved.

Councilman Johnson thinks it is a benefit to the City to get that road improved to see more growth.

Justin Wayment wants to get it on record that the benefit will be for the Eagle Rock owners; their lots won't sell if the road isn't improved. It's as simple as that. The owners are coming to the City looking for help and it will be better for everyone to say the City can help with man power, equipment and some materials because it is a public street; with this kind of help from the City it could save the owners around \$30,000 to \$50,000, but that is all the City can do.

Shayne Scott stated the City doesn't have much equipment for building roads. The City contracts with private contractors to do major road repairs. The City could prep and sweep a road, but probably not much more. Mr. Scott asked Justin Wayment what would happen if the Council says we are going ahead with it anyway. Mr. Wayment answered that he would defend the City.

Shayne Scott said the impact fee study states the amount can be anywhere from zero to a set amount. Mr. Scott wondered if the Council can set that amount at zero. Justin Wayment answered yes as long as it applies to everybody. Mr. Scott asked if the amount can be set at zero for only those willing to put \$70,000 toward an improvement like a road. Mr. Wayment answered he doesn't believe we can differentiate that way.

Councilman Johnson commented that the Council wouldn't change the impact fee forever, just put a six month or one year limit on the amount change as an economic development incentive. Justin Wayment stated that he would defend the City.

Councilwoman Hicks asked who Justin Wayment would be defending us against. Mr. Wayment answered he would be defending the City against a disgruntled resident saying the City misused our impact fees. Shayne Scott added he also maybe defending the City against another developer claiming that he didn't get the same impact fees waived as another developer.

Councilman Thayer asked if the Council could reduce the impact fees by 50% instead of waiving them. Justin Wayment answered that would still be reducing water impact fees for a road project, that can't be done. If the impact fees are going to be reduced, it would have to be all impact fees reduced for everyone across the board.

There was a discussion about how much impact fees are per home. Ted Steffensen said the impact fees for Eagle Rock per home are \$8,000.

While discussing reducing impact fees for everyone, Janice Steffensen stated that still wouldn't be equal because other people would get the benefit without putting in a road. Councilman Adams commented that they will be putting in the road anyway, but this way they wouldn't have to pay impact fees. Ted Steffensen said he will be putting the road in regardless, but what he wants to do is receive an impact fee credit up to the cost of putting in the road. That way as the homes get built in the subdivision that credit can be applied.

Justin Wayment explained again that impact fees are highly regulated by the State. The impact fee must correlate with the service, water impact fee for a water service being provided by the home owner or developer. Mr. Wayment said the problem with this situation is the road impact fees are so small it wouldn't make much of a difference to waive them. Mr. Wayment went on to say another way to do it would be for the City to donate a percentage of materials for the road from the City road department.

Justin Wayment mentioned waiving connection fees instead of impact fees. It wouldn't be as much money as waiving impact fees but it will still help. Shayne Scott stated Parowan's road impact fee is at zero. Councilman Johnson wanted clarification about waiving connection fees being permitted. Mr. Wayment said waiving connection fees would be fine, and up to the Council.

A discussion ensued about waiving connection fees, giving example fees that, when multiplied by the number of houses going into Eagle rock, would add up to a significant savings for the subdivision owners. Shayne Scott also explained some of the differences between impact and connection fees. The discussion continued, including the pros and cons to waiving connection fees as opposed to donating man power and materials.

Councilman Johnson suggested waiving 80% of the connection fees up to but not exceeding the cost of putting in the road. Councilman Johnson then commented that Mr. Steffensen will have to put in more homes in order to meet the burden of adding up the waived connection fees, which would be good for the City. It was agreed that having a good road will be the thing that helps the lots sell.

Janice Steffensen asked how much City property is fronted by the road in question. Shayne Scott and Justin Wayment answered none. Mrs. Steffensen then asked if the City owns the scales along that road.

Mr. Scott answered that KB Oil owns the land and the famers own the scales. Councilman Adams corrected that KB Oil owns the land and the scales, the farmers don't own them. Ted Steffensen talked about the dangers on the road due to semi-trucks turning in and out of traffic on 200 South. Mr. Wayment also talked about the road needing to be built well to stand up to the semi-truck traffic.

Councilman Johnson made a motion to approve participating in the Eagle Rock road, waiving up to 80% of the connection fees until the obligation of the road is met.

Councilman Adams asked about the cost of putting in a 125 AMP service. Shayne Scott answered it should be fairly minimal.

Councilwoman Hicks seconded the motion.

There was a brief discussion about everyone understanding that waiving the connection fees will have to be extended to others given a similar situation. The Council all understood the requirement.

Justin Wayment declared a conflict at this point in the meeting. Mr. Wayment just recognized Ted Steffensen as a co-owner with him in a house boat down in Lake Powell.

Councilwoman Hicks asked Ted Steffensen if waiving 80% of the connection fees meets the needs he has for the road. Mr. Steffensen said it helps. Councilwoman Hicks wanted to know if Mr. Steffensen will be able to put in the 25 homes needed to build the amount of the waived connection fees to cover the road. Justin Wayment pointed out that Mr. Steffensen already owns the lots in question.

Councilman Orton asked if the Council should consult with Kelly Stones about the waived connection fees.

There was a short discussion about the length of time that should be given to Ted Steffensen to put the road in.

Councilman Johnson made a motion to amend his prior motion, giving the Eagle Rock developers one year to complete the road in question. Councilwoman Hicks seconded the motion.

Justin Wayment declared another conflict at this point in the meeting. Mr. Wayment represents Kevin McClellan. Mr. Wayment apologized for not recognizing Mr. McClellan sooner.

Councilman Adams voiced his concern about chip sealing not being enough at the approach to the scales. Ted Steffensen said he understood that cost to be Parowan City's. Shayne Scott said that was news to him. It was mentioned that since KB Oil owns the scales they might be the one to pay for asphalt being placed around the scales.

Mayor Landes called for a vote on the motion on the floor. All members present voted in favor of the motion. The motion carried.

**IRON COUNTY REST HOME PROPOSAL:** Darin Lauritzen conveyed John Brammall's apologies for missing the meeting. Justin Wayment wondered if Parowan City already owns the license for the Iron County Rest Home why would we have to approve the license again. Shayne Scott pointed out the proposal in the Council's packets and the proposal already approved are very, very similar. All concerned agreed that the next step is to budget and get the seed money and receive the lease amount. Mr. Scott mentioned this should take place right away.

Alan Adams asked if the City is required to put up more money. Shayne Scott answered yes. Darin Lauritzen explained the seed money will be based on the census in the rest home and the RUG levels (Resource Utilization Group), all of which can change on a monthly basis. Mayor Landes acknowledged the seed money will be based on occupancy and asked Mr. Lauritzen if the rest home runs at 100% patient load most of the time. Mr. Lauritzen answered the last few months the rest home has run at 25 out of 28 openings (89%). Justin Wayment asked how long the turn-around time is for Medicaid to get that funding back to the rest home. Mr. Lauritzen answered the turn-around time is anywhere from 30 to 45 days.

Shayne Scott didn't think taking action on this proposal at the time was necessary; to Mr. Scott's thinking the action will be setting the budget for the seed money. Darin Lauritzen said the Parowan City Council just needs to pick a start date. The general consensus was that everything is on track and moving forward.

**AIRPORT CONSULTANT SELECTION:** Mayor Landes stated the Parowan Airport consultant selection went out to bid and only Armstrong Consultants, Inc. showed interest in bidding. Mayor Landes asked if anyone had concerns with that. No concerns were voiced and it was agreed that Armstrong Consultants, Inc. has been very good to work with in the past.

Alan Adams made a motion to approve Armstrong Consultants, Inc. for our airport work. Jay Orton seconded the motion. All members present voted in favor of the motion. The motion carried.

#### **WORK MEETING**

**RESOLUTION SUPPORTING BALLOT INITIATIVE ON HB 362:** This discussion is to decide whether to encourage Iron County to put the HB 362 initiative on the ballot. Shayne Scott mentioned that the legislature did amend HB 362 to take away the transit district portion; it makes sense for a big city like Salt Lake, but not for the Cedar City district. Mayor Landes and Mr. Scott said Cedar City and Enoch both voted in favor of including the initiative on the ballot. Mr. Scott also mentioned that Iron County hasn't been on board with this as of yet, but they are very interested what all the communities in Iron County think about this issue. Mr. Scott mentioned if HB 362 is approved it will mean approximately \$20,000 for Parowan roads. Alan Adams commented that \$20,000 will fix about three quarters of a mile of road.

Mr. Scott informed the Council that they are looking at the basic form in their packets and he will insert Parowan's information into the form for the next meeting.

**IRON COUNTY BUILDING DEPARTMENT AGREEMENT:** Shayne Scott started by saying the gist of this agreement is every time Parowan does a City project we go to Iron County, because they are our building inspectors; and almost every time they waive our fee. The agreement would allow us to know the building fee is waived unless we hear otherwise from Iron County, without Iron County having to discuss the individual projects at their meetings each time.

**LAND PURCHASE AGREEMENT WITH CNC PARTNERSHIP:** Mayor Landes stated the FAA (Federal Aviation Administration) is quite adamant that we purchase the property at the airport. Both Dave Norwood and Dave Cowen have accepted the proposal that the FAA would agree to. The City portion is 6%, which will be approximately \$54,000.

Councilwoman Hicks understood the rest of the purchase amount will come from grants. Mayor Landes confirmed Councilwoman Hicks' statement, and added the grants will be coming from the FAA.

Shayne Scott said that Justin Wayment reviewed this contract and made some small adjustments and Armstrong Consultants incorporated the changes into the contract. Mr. Scott said now he is looking for approval from the Council so he can take it to Dave Norwood to sign, then bring it back to action in the next City Council meeting. Taking action will start a 90 day period in which the FAA has time to get the funds for the purchase, which they already have. Parowan City will pay the \$962,000 and the FAA will reimburse the City for their portion. Mr. Scott had planned to budget this for next fiscal year, but it may be done sometime in June, 2016.

Shayne Scott noted once the purchasing is complete we will need to find a viable FBO (Fixed-base Operator) through an open process, obviously if Dave Norwood wanted to apply it would be appropriate. The land purchase will generate income through a lease, some storage facilities. However, there is also a house that the City can't rent out. The home may be used by an airport manager or perhaps an employee.

**FY 2016 POWER DEPARTMENT DONATION DISCUSSION:** Shayne Scott said he is looking for direction from the Council. This donation from the power department has been budgeted for the fiscal year we are currently in; as of June 30, 2016 this will go away. We need more information if we need to budget this for next year. If we are going to do a splash pad we need to get going on it right now.

Councilman Adams commented that it doesn't have to be a road versus splash pad situation. The City could leave the \$90,000 in the budget and put some lights out at the Valentine's Peak Ball Park. Justin Wayment commented that lights at the ball park would cost approximately \$360,000. Councilman Johnson said that was why the discussion initially went to a splash pad.

Councilman Johnson talked about getting more money for road maintenance through the state energy tax. That energy tax money comes back to the power department. We could, instead, put it in the general fund for roads. Councilman Johnson is concerned with using one time money to put toward an ongoing project, like roads; we should find an ongoing funding source for that.

Councilman Johnson went on to talk about using this power department donation project to give back to the community; it isn't about just a splash pad, but about the growth it can bring to Parowan, and making our community more inviting. Councilman Johnson recommended kicking the conversation back to the TARP committee and get their thoughts about what the project should be.

Councilman Thayer mentioned liking the idea of improving the swimming pool area to include a BBQ/picnic area. Councilman Johnson suggested finding a project that we can complete before the end of the summer.

Councilman Adams likes the idea of long term road maintenance and a project to better the community.

Councilwoman Hicks isn't against a splash pad per say, but would like to see it tied in to the swimming pool area. The swimming pool setting would give some control and also possibly generate some revenue.

Councilman Johnson commented that while discussing the splash pad issue with the 6<sup>th</sup> graders, one boy mentioned not being able to afford the swimming pool. Having a splash pad not attached to the swimming pool could give kids from lower income homes something to do without cost. Councilman Johnson also talked about the average age in Parowan as being 37, older than the average age of Beaver, Cedar City, Tropic, St. George and Enterprise. Councilman Johnson would like to see the decision we make about this project be geared toward making Parowan better for kids.

The Council discussed the idea of donating a swim pass to lower income families and decided to get a confidential list of families that would qualify from the elementary school.

Shayne Scott asked the Council if they feel good about TARP deciding on the power department project. Councilman Orton said he would definitely pass on the ideas to the TARP Committee. The Council was in general agreement to kick the process to TARP. Some projects that were mentioned were sand volley ball courts, horse shoes, basketball courts, pickle ball, skating park or bicycle park. Councilman Johnson said he will reach out to the Youth Council to get some ideas as well.

**FY 2016 BUDGET OPENING:** Shayne Scott stated the City opens the budget once a year. Word from the state legislature is they would like cities to look at the budget more often. If a city does something in, say, October, the budget should be opened to make adjustments as needed. Mr. Scott mentioned it does take a public hearing, but now it will be opened more often. By law we are only obligated to open the budget more than once a year when groups of departments go over budget. This fiscal year we will open the budget due to the Lion's Park bathroom project; that is a capital expenditure and the City doesn't have enough in the capital fund for the project.

Shayne Scott talked briefly about several small budget changes, including lowered revenue from court fines, capital lease on the Iron County Rest Home seeding project, half marathon budget increase due to more participation, capital transfer for the new Lion's Park restroom, power department donation balance modification, parks and recreation construction budget adjustment.

Shayne Scott said the budget is balancing. Everything looks good, maybe too good keeping in mind we cannot carry more than 25% of the general fund from year to year as a fund balance. As of July 1, 2016 we had a fund balance of \$354,000. Mr. Scott uses \$500,000 as a 25% gauge, seeing as how the entire budget is approximately \$2 million. The legislature would say we are taxing our people too high if that fund balance was to exceed the \$500,000.

Shayne Scott noted that in the next Council meeting we will talk about next year's budget and the general fund, the SRO (School Resource Officer) and some of the projects requested by City staff. Chief Carpenter, Alice Heidenreich and others will be here fighting for resident dollars. We will also open this fiscal year's budget in the work meeting.

Shayne Scott asked if there were any questions about the budget. Parowan City rarely goes over budget, except to add a project like the Lion's Park restrooms.

Councilman Adams asked a question about the class "C" budget and a \$50,000 line. Shayne Scott answered that amount is a capital expense with which to purchase a crack seal machine to repair the roads.

Councilwoman Hicks asked about moving the energy tax from the power department to the general fund for road maintenance and when that money would be moved. Shayne Scott said it would be appropriate to look at that at the next Council meeting.

Mayor Landes discussed the \$5 well surcharge on the water bill that will come off in a few months. Mayor would like to see that surcharge roll over toward roads.

Councilman Johnson thinks we should retire the charge and see if the energy tax money is enough to bolster the roads. Councilman Johnson also talked about City staff selling off some surplus equipment. Then come back and add a special district road charge if it is needed. Councilman Adams agreed.

Shayne Scott mentioned there are 10 to 12 communities around the state that are charging a road fee. It can be a little controversial. It was mentioned it takes approximately \$300,000 per year to take care of the roads properly.

#### **MEMBER REPORTS:**

**Steve Thayer:** It looks like they are getting ready to start the pump house for the new well. Councilman Thayer also checked on the pond at the Fore Bay and it looks like the City has been cleaning, scraping and widening it. "Cheaper by the Dozen" is going to be playing at the theater starting April 1,2,4,8,9,11, 2016. Councilman Thayer attended a Patchwork Parkway meeting earlier today. Directional signage for tourists is their focus right now.

**Jay Orton:** Councilman Orton reported no meetings since last Council meetings. Councilman Orton did talk with a resident who was very happy the City is beginning to fill pot holes.

**Vickie Hicks:** The Historical Committee met on March 16 and approved a small cottage at 91 W 100 S. The Planning and Zoning Committee met last night and approved three new business licenses and discussed a proposal plan for Bonnie Park Subdivision (26-10,000 square ft. twin home lots) on Old Hwy #91. Also at Planning and Zoning they discussed changing outdated ordinances for RV parks and updating ordinances concerning signage for home occupations. Currently the signage is allowed to be 12" X 12". The Planning and Zoning board would like to see that changed to 2ft. X 3 ft. attached to the building with strict guidelines. Councilwoman Hicks also reported the Lions Club is planning on installing new sprinklers at the Lions Park. In addition, the Lions Club is willing to put in new electric at the Lions Park Pavilion if the City will repair the roof on the pavilion.

**Alan Adams:** Councilman Adams reported having a very nice road meeting the other day with Kelly Stones, Mayor Landes and Shayne Scott. Councilman Adams appreciates the Council working through the road issues for a long term solution for maintenance. These men will meet again in two weeks and Kelly Stones will drive them around to see what the most pressing needs are; as the Council works through the budget they will decide how to proceed. Councilman Johnson and Councilman Adams had a brief discussion about how best to treat the sides of the roads to alleviate poor drainage. During the road meeting they also discussed the energy tax and possibly using some of the sidewalk fund as well.

**Ben Johnson:** Councilman Johnson talked about the Youth Council doing some service projects, selling Parowan T-shirts. In Power Board they talked about the balance fund and also solar power and net metering. Von Mellor is checking into what other communities are doing to regulate solar. The goal is to allow those who want to use solar that right, while ensuring that rest of the city isn't subsidizing the solar use. Councilman Johnson also talked about the branding of Parowan being much more expensive than imagined; to begin would be a minimum of \$40,000. Councilman Johnson also talked about a 5 County meeting a while back where the 60% grant for our new City Office was talked about, because 60% is very unusual. Also, they were singing Shayne Scott's praises, reporting that he is a wonderful City manager, very smart and polished.

Mayor Landes mentioned the Utah League of Cities and Towns meeting in St. George starting on April 6, 2016, and encouraged Council members to attend.

**PUBLIC COMMENT AND DISCUSSION – TWO MINUTE LIMIT EACH:** Linda Lowder asked about the maintenance and water use associated with a splash pad. Councilwoman Hicks answered there are two types, one that doesn't recirculate and filter water, and one that does. If it recirculates the water has to be treated like the water in a swimming pool with filtering and chemicals. Maintenance is a very big issue, especially in our climate. Councilman Johnson added that in recent years splash pads have become a little easier to maintain.

Linda Lowder also let the Council know that when they use acronyms they mean nothing to the public. Mrs. Lowder asked if the Council could explain acronyms at the beginning of the discussion she would be grateful.

**ADJOURN:** Councilman Johnson made a motion to adjourn. Councilwoman Hicks seconded the motion. All members present voted in favor of the motion. The meeting adjourned at 7:38 P.M.



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Donald G. Landes, Mayor



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Heather Shurtleff, Deputy Recorder, Acting Secretary