

PAYSON CITY
CITY COUNCIL MEETING
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, September 7, 2016 6:00 p.m.

CONDUCTING Mayor Richard Moore

ELECTED OFFICIALS Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton

STAFF Dave Tuckett, City Manager
Sara Hubbs, Finance Director/Recorder
Travis Jockumsen, Dev. Serv. Director/City Engineer, PW Director
Kim Holindrake, Deputy Recorder
Brad Bishop, Police Chief
Karl Teemant, Recreation Director
Tracy Zobell, Golf Pro
Ron Crump, Electrical Superintendent
Kyle Deans, Planning/Zoning Specialist
Kim Lefler, Communities That Care Coordinator

OTHERS Kim Hadcock, Rhett Huff, Janey Jacklin, Bradlee Wharton, Katrina Judd, Lou Balamis – Chamber, Randy Walton, Kevin Stinson, Kathy Marzan, Lori Jones, Adrian Walton, James Yeates, Justin Irvine, Kelly Carter, Willa McLatchy, Shannon Bergquist

This meeting of the City Council of Payson City, Utah, having been properly noticed, was called to order at 6:10 p.m.

A. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Councilmember Hardy

Pledge of Allegiance led by Councilmember Phillips

B. CONSENT AGENDA

1. Approval of August 17, 2016 Payson City Council Meeting Minutes
2. Resolution – Amendments to the Personnel Policy Regarding Vehicle Allowance
3. Resolution – Interlocal Agreement between Utah County and Payson City Regarding Major Crimes Task Force
4. Resolution – Interlocal Agreement between Payson City and Utah County Regarding Communities That Care Program

MOTION: Councilmember Hardy - To approve the Consent Agenda. Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Public Forum

Kim Hadcock stated he staked out a place for all his family for the parade on Monday. His entire family attends. His niece and husband from Orem recently bought a home this summer in Payson to rent. Each said in all the work they have done they have never had a city staff as accommodating as Payson City. Every time they needed help, there was someone there to help and answer questions. They were put on the city email list and phone list. Each one commented, can you imagine a city so in touch they would tell them about the garbage cans being late. The staff stands so high in the service they give. He is thankful for them.

Rhett Huff stated the Payson Lions Club has been working on the one million pennies project. It has been very successful and has raised over \$2,000. They have had success with the hotdogs sales on Monday nights in front of the library, which will be extended through September. The funds will create a teen space in the library.

Councilmember Carter stated a gentleman, who doesn't live in Payson, mentioned to her that this is the best celebration in the county. Staff did such a good job. It was a wonderful weekend.

Public forum closed. (6:18 p.m.)

2. Council and Staff Reports

Staff Reports

PUBLIC WORKS – Director Travis Jockumsen stated last week the council discussed the East Side Plan. He has since spoken to Aqua Engineering who is the engineer for Elk Ridge. Aqua Engineering said water could be serviced in that area and for the Haskell subdivision. A sewer lift station would be required whether the property was in Payson or Elk Ridge. The council needs to decide whether to set up a meeting with the Elk Ridge City Council and to move forward on that issue. There is a possibility that the pressurized irrigation water will be shut off before the end of the month because of the issue between High Line Water and Strawberry Water. If the canal is shut off, we're done. He will put out a notice once he receives a confirmed date.

RECREATION – Director Karl Teemant reported that the centennial dance program and extreme tumbling started this week. There is still room in both programs if anyone is interested. There is a softball tournament this weekend with 27 teams attending. The number of tournaments coming in is about the same as last year. The holiday tournament was cancelled because there weren't enough teams. Next year he will get word out during other tournaments.

Councilmember Welton heard from several runners requesting if the marathon could be put off a week so they could participate in the 5K and 10K events.

Karl Teemant stated he will look into it and possibly do the 5K and 10K a week before the celebration. A marathon and half marathon bring in double to triple the number of participants than the 5K and 10K.

POLICE – Chief Bishop stated there were about 1200 calls in August with 123 arrests, 260 offenses, 305 citations, 428 violations, 4 DUI's, 391 traffic stops and 24 accidents. Payson days went well. There was one stolen car and a few fights. He appreciated the assistance from other department staff.

ADMINISTRATION - Dave Tuckett reported that United Way is having a day of caring tomorrow throughout the county. Breakfast will be served in the morning at Nu Skin. Notice was sent to citizens that there would be cleanup done between 8 a.m. and noon at Hollow Park. Hopefully there will be good participation. The city employee appreciation dinner party is tomorrow from 4 p.m. to 8 p.m. at the city pool. He asked if the city council could come help cook. He appreciates all the employees for help over the weekend and throughout the year. Following the employee party, the pool will be closed for the remainder of the year.

Council Reports

Councilmember Phillips stated they had over 100 cars at the car show during Onion Days. The monster truck event was good. He would like to see dust control with this truck event in the future. It was a great celebration.

Councilmember Hulet said Onion Days went well. The soap box derby was fun with about 10 soap boxes, which were mostly adults riding. Intermountain Nutrition is purchasing the Cal Ranch building. They checked out Payson quite a bit and had lot of good comments about the city staff. There is a company in the business park that is growing all the time, but they are looking at not growing in Payson because they can't find employees. If you know people who need jobs, they are here in Payson. The council, mayor and staff need to figure out and find ways to entice people to work in Payson.

Councilmember Carter stated she was excited to help with children's parade. It was fun to watch all the kids who were so excited to ride bikes or ride in a wagon. They enjoyed popsicles after and prizes. She judged the onions, which was a new experience. The celebration was fun.

Councilmember Welton thanked staff; it is a huge undertaking to pull off the celebration. Staff was smiling, helpful, and excited to be there. It was a good event, and he appreciates all the time and work by staff. He handed out medals at the 5K and 10K runs. The times for the Payson Community Theater were not accurate so that needs to be addressed next year. He asked about the traffic light on 1400 South. Travis Jockumsen has a meeting next week to review the plans again. It could be awhile because it's still at the plan stage. Councilmember Welton asked about the traffic protections in the area by Wilson. Chief Bishop stated that 300 South has been striped and stop signs installed. Councilmember Welton requested that an employee conduct policy be addressed for employee actions that are detrimental to the city. The school district has a policy that even outside of employment he could lose his job if acting inappropriately. It's a conversation the council should have. There were some incidents that involved an off-duty employee. There were many positive things from those doing business in the city. It has been discussed to put together a meeting with stakeholders and developers. This needs to move forward. Lay perceptions aside so the City can improve and move forward in a positive manner.

Councilmember Hardy echoed everything said about Onion Days. Janeen was everywhere. It was well done. The play, In the Woods, was good. It was a well thought out celebration. The chamber had two movies last month and one this month. They have a lot on the agenda for Fall. The parade had more people than he has ever seen. He has liked what he has seen with the roads and the work the street department is doing. He welcomed Sara Hubbs back. The hospital did a tremendous job with the concert, and they should be given a formal thank you.

Mayor Moore stated Labor Day was great. He made most of the events. Into the Woods was a great show. Staff did an outstanding job with the celebration. The park was very busy.

3. Scout Attendance Certificates

No presentations.

4. CTC – Mayor’s Youth Recognition Award

Kim Lefler presented the Mayor’s Youth Recognition Award to Bradlee Wharton who attends Payson Junior High. He received the medal of merit scouting award due to his quick thinking by saving a man from drowning. The next award goes to Janey Jacklin who attends Mount Nebo Junior High. She teaches younger children at a local dance studio and is an advocate for her school. She is respectful to everyone, a natural leader, and always maintains good grades. The last award goes to Katrina Judd who attends Payson High School. She is involved in the dance company and is the National Honor Society Vice President over service.

5. Chamber Business of the Month

Lou Balamis reported the last film will be in Santaquin on Friday and will be Hotel Transylvania II. Next month is the annual great pumpkin hunt along the businesses. The business of the month is Weed Man. Weed Man has been in business 4.5 years and has been making the community look better working in landscaping. They do a lot of service in the community. Nick and Alice Miller do the fund raiser at the rodeo for the chamber. Alice Miller thanked the chamber and council. They are happy to be a part of the community.

D. PUBLIC HEARINGS/ACTION ITEMS

1. Conditional Use Permit for a Drive-Through Facility at Approximately 1040 West and 800 South

MOTION: Councilmember Hardy – To go into the public hearing. Motion seconded by Councilmember Hulet. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

Staff Presentation:

Kyle Deans reported that The applicants, Heather and Steve Wallentine, have submitted an application for a conditional use permit requesting that a drive-thru be allowed at 1025 W 800 S in the S-1, Special Highway Service Zone. The location is east of the Payson Fruit Growers and the Blackhawk Business Park Condominiums. The building will house a Farr’s ice Cream & Dexter Gourmet Dogs restaurant. Drive-Thru facilities are allowed in the S-1 Zone, but must receive

approval of a conditional use permit from the City Council, when the proposed facility is adjacent to a residential zone.

Farr's Ice Cream & Dexter Gourmet Dogs is the first phase of a larger planned development on the parcel located adjacent to the Blackhawk Business Park Condominiums. The site plan has been reviewed by staff and feedback has been provided to the architect. Feedback includes what additional items are necessary or require modifications in order to receive site plan approval. The proposed building is to be located toward the east side of the property, oriented to 800 S and a parking lot to the west.

The request for approval of a conditional use permit has been reviewed in accordance with Chapter 19.13 of the Zoning Ordinance (January 6, 2016). Although a request for a recommendation for approval of a conditional use permit does not require a public hearing before the Planning Commission, the request for approval of a conditional use permit does require a public hearing before the City Council following a recommendation from the Planning Commission. The applicant must appear before the City Council to discuss the proposed Conditional Use Permit in a public hearing. The applicant appeared before the Planning Commission on July 27th and August 8th, and the Planning Commission forwarded a recommendation of approval to the City Council, based on the below recommendations.

In accordance with Chapter 19.13 of the Zoning Ordinance, the following factors need to be weighed and considered when determining whether a Conditional Use Permit application should be approved, approved with conditions or denied:

1. Harmony of the request with the general objectives of the General Plan, Zoning Ordinance, Subdivision Ordinance, any other City ordinance and the particular zone in which the request is located.
2. Harmony of the request with existing uses in the neighborhood.
3. Development or lack of development adjacent to the site.
4. Whether or not the request may be injurious to potential development in the vicinity.
5. Present and future requirements for transportation, traffic, water, sewer, and other utilities.
6. Suitability of the specific property for the proposed use.
7. Number of other similar conditional uses in the area and the public need for the conditional use.
8. Economic impact on the neighborhood.
9. Aesthetic impact on the neighborhood.
10. Safeguards to prevent noxious or offensive omissions such as noise, glare, dust, pollutants and odor.
11. Attempts by the applicant to minimize other adverse effects on people and property in the area.
12. Impact of the proposed use on the health, safety and welfare of the City, the area, and persons owning or leasing property in the area.

A Conditional Use Permit can be approved to run with the land in perpetuity, or the City Council may place time limitations on the Conditional Use Permit.

Following a review of the proposed Conditional Use Permit, staff would suggest that the City Council recommend the following conditions of approval based on criteria found in Chapter 19.13 of the Zoning Ordinance. Upon review of the application, staff did not find inconsistencies with all of the criteria, but would suggest conditions to address the following:

Criterion #2 - Harmony of the request with existing uses in the neighborhood. In accordance with City Code Chapter 19; Section 8.5.2.2.c., to maintain the existing residential environment, commercial and industrial development adjacent to residential uses shall incorporate masonry walls, landscaping, berms, building orientation and activity limitations. A six-foot masonry wall must be constructed along the east side of the parcel. The applicant has indicated that the east side of the parcel, adjacent to Phase I (Farr's Ice Cream) will have a 6' masonry wall, and the wall will continue the entire length of the parcel, as future phases are developed.

Criterion #9 - Aesthetic impact on the neighborhood, criterion #10 - Safeguards to prevent noxious or offensive omissions such as noise, glare, dust, pollutants and odor, and criterion #11 - Attempts by the applicant to minimize other adverse effects on people and property in the area. The original site plan proposed a five-foot sidewalk along the east side of the property. Staff recommended that in order to address criterion 9, 10, & 11, that the applicant work with staff to relocate the pedestrian sidewalk to a location within the site that will more effectively accommodate foot traffic. Also that the proposed sidewalk be replaced with landscaping, including trees and shrubs, in accordance with City Code Chapter 19; Section 8.5.2.2.e. stating, in order to provide a visual barrier between commercial and residential uses, evergreen trees should be planted no further apart than thirty-feet on center, depending on species, to screen parking lots and large commercial building walls. Landscaping will help to absorb light and sound that may be emitted from the drive-thru facility and the planned ingress egress on the east side of the property. The sidewalk has been relocated to the west side of the project, adjacent to the ingress/egress between the Farr's Ice Cream and the Blackhawk Business Park Condominiums, and the east side of the parcel, along the masonry fence will be landscaped in accordance with City Ordinance. The site plan indicates that the building will have no east facing windows. City Code Chapter 19; Section 8.5.2.2.d - Window orientation in non-residential buildings will preclude a direct line of sight into adjacent residential private yards or open spaces within one hundred feet. The applicant has indicated that this will not change. He will sit down with the architect and owner to address lighting. The architect has proposed that the east access be right-in and right-out only.

Public Comment:

Randy Walton stated his home is in direct alignment to the south of the proposed development. Everybody likes ice cream and hot dogs, but not everybody wants to live next to a drive through. Every car will shine right into his house. He and his wife would vote no if taking input from citizens. Do not give this conditional use for a drive through. He has lived here for three years and loves it. It's a fun city. He wants his family to grow up in Payson. There is a quality of life. He understands development will come. He researched the zoning for his home prior to purchasing. The S-1 zone is for professional businesses with office hours. It is not specifically for a drive through. He has now received a notice that there will be a drive through. He is not excited about it. The discussion mentioned limiting with conditions so there should be conditions. The S-1 zone states limited business hours of operation, restrictions on lighting, emissions, noise, and other potential impacts, design and placement of structures, and appropriate screening. He will be directly

impacted, and doesn't want it in his back yard. It is his quality of life. This is phase 1, and where will it lead. He questioned if there would be more drive through. He is concerned about his property value. There is no wall proposed on the south. The six-foot wall should be higher with a drive through.

Kyle Deans stated the S-1 zone is primarily retail. All the areas around Walmart, McDonalds, and Rite Aid are in the S-1 zone as well as IHC next to Costa Vida.

Kevin Stinson stated he lives at the corner of phase 1 and at the middle of phase 2. He has big concerns. One, 800 South is State Road 178, and there are regulations that need to be followed. UDOT has design requirements to protect the integrity of the highway, maintain traffic mobility, provide necessary access, and protect the health, safety, and welfare. The regulations also address the distance between accesses for safety in order to reduce the frequency of accidents. This road is a category 8 and states the distances between accesses need to be 150 feet apart. The proposed accesses are in violation of UDOT's rule R930-6. He is concerned with the visibility around the fence. It is already difficult to see around the corner entering 800 South. The design should attempt to put all accesses in alignment. Semi's will be coming in the project area and how will they fit. The site plan shows a very tight turn, which will cause beeping and diesel smells. The design is a potential for many hazardous conditions with traffic entering 800 South. There needs to be left and right turn lanes depending on the traffic. He feels 25 or 50 vehicles per hour requires conditions. The proposed evergreen trees along his property line will shade out his garden. The Blackhawk parking stalls are being removed so there are very few parking stalls. People will walk through his yard to get to the restaurant, which is currently done already. The diesels will create noise from gunning it around the corner. He is not opposed to growth in Payson, but the codes need to be followed and approved from UDOT. He doesn't know what types of businesses he would like to see in the next phases. He is happy with the current surrounding businesses.

Kyle Deans stated the owners have to get permission and work with UDOT for approval. The project cannot go forward if UDOT says no.

Kathy Marzan stated she lives in the area. She is all for progress and wants the tax revenue but has concerns. Whatever is built, vehicles from 1050 West will shine directly in her back yard. She would like a fence to protect her property.

Kyle Deans stated the initial phasing plan shows a potential assisted living facility on the west with some retail in the middle. Phase 2 will require the remainder of the fence to be installed.

Lori Jones stated her mother Anna Jones is a current resident for over 20 years. There is a lot of walking traffic coming through the property. There is a fence but people jump over it. She feels it will get worse. She has concerns about run off from the project. She grows a garden, and the trees will inhibit her self-sustaining opportunity. She is concerned about light pollution. Her mother is very sensitive to light and it will affect her quality of life. Everyone has a diesel in Payson and the noise and fumes are a concern. She is in favor of growth, but she would like to see a sit down place and not a drive through. She is concerned about her property value. She questions if they will now want to move. She lives in Orem and an ice cream drive through is very common. Iceberg makes it very convenient.

Adrian Walton stated there is a big difference between a drive-through restaurant and a sit-down restaurant. The current society doesn't want to get out of their cars. Many people will come from the freeway to get to a drive through. The entire neighborhood crosses the busy street to get to the elementary and junior high schools. If they can only make a right turn, then the next opportunity to turn is right at the cross walk to the junior high. It is a very congested area already, and vehicles don't stop at the cross walk. She is concerned as a parent of young kids. She loves the concessions that are being suggested, but it is leaving many out. Four homes will get a brick wall and rest don't who will have to put up with the lights, etc. for the next 6-8 years. She asked that the entire wall be built now. She wants to see businesses there. She knew something would come, but she thought they would be businesses operating from 8 a.m. to 5 p.m. and low impact. She thinks things are being violated with the ingress and egress.

James Yeates stated he owns the building at the corner. He understands all the concerns. As the owner of the building, his concerns are different. The parking runs east to west and parallel north to south. The parallel stalls will have to be moved. He would like to see an agreement between him and the owners regarding the common area of the Blackhawk Condo Association. He has safety concerns with the additional development and parking. He has seen the overall site plan and in total the building square footage is over 40,000 feet. With that much square footage, the north access will be the primary access point. He is concerned the drive-through vehicles will back up to access a point causing safety concerns and parking issues. He is not opposed to the development as long as the interest of the property owners are protected.

Justin Irvine questioned how solid is the deal with the business owner. The restaurant could change.

Kyle Deans stated the business has purchased the franchise and building.

Kelly Carter stated he lives five houses down at the end. Many residents are woken up from people at the cherry plant with their subwoofers. Teenagers will go through the drive through with their subwoofers on. There will be a trash issue. It took him 20 years to pay off his mortgage. This project will decrease the value of his home. He is opposed to the project. There were meeting discussions years ago with other entities in that a fence had to go up along all the residential sides with further development and there would be no drive through allowed.

Willa McLatchy stated she lived by a parking lot for a church. She knew it was there before she bought the house. She found that people do donuts in the parking lot. She is sensitive to light and has dark shades on her windows. She sees light from cherry farm and from Walmart. She is also sensitive to noise. She can hear the train going by. She hears the cherry people getting up and banging around. She is against the project because of the noise and pollution. It will be a safety issue for the children. The people going to the step program is already a concern for kids in the area. A drive through would be great when the weather is bad because people don't have to get out of their cars. She is against it.

Shannon Bergquist stated a fence or wall needs to go up all around phase 1 and 2. She is worried about the garbage. Payson needs to grow but the rules need to be followed. We need to work together. There are concerns with the residents, and she is concerned too.

Kyle Deans read an email from Lynn Wright who is one of the owners of the Blackhawk Condos and is concerned and there needs to be a shared parking agreement. An email from Kathryn Roberts stated concerns with increased traffic south of 800 South as well as increased noise, car lights, overhead lights, and criminal activities. Some of these issues could be reduced with a wall around the property. An email from Whitney Durrant stated she is against the conditional use and she lives on 1000 East. She already struggles turning on 800 South.

MOTION: Councilmember Phillips – To close the public hearing. Motion seconded by Councilmember Hulet. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

Council Discussion:

Councilmember Phillips requested staff to get the record of the council meeting where the fencing was discussed to surround the entire property. Dave Tuckett will work on it. Councilmember Phillips asked if there was a better alternative to work with neighbors to align the access with the show house. Travis Jockumsen stated the owners are required to work with the Blackhawk owners because it is a shared access. If there isn't an agreement, the layout will have to be changed. Councilmember Phillips would like to table the item in order to get more information. He suggested that the developer work it out and present a better plan. The residents moved next to a vacant field, and it will develop.

Councilmember Welton stated the fence needs to be put all the way around. He noted that previous councils can't hold a current council hostage so statements made may have no bearing. He knows how the city has changed. Development will happen, and the city will change. The council needs to make sure it is wise, but it will happen. He would like to be in conversations with the state in putting a traffic light at the corner of Alexanders and 800 South. Travis Jockumsen stated 930 West at 800 South doesn't even qualify for a signal light so that intersection won't qualify.

Kyle Deans reported that one issue came up in Planning Commission regarding the sight view when going out to the east egress if there was a six-foot wall. No public hearing was required with Planning Commission, but the agenda was noticed properly. The property is one parcel, and the owners will develop the entire parcel.

Councilmember Hulet stated because the property is owned by one owner, the fence could be required to go all around. He is concerned with the access coming in at the condos and taking out parking. He wondered if the east side could have one ingress and egress. Kyle Deans stated that all projects of this size require two points of ingress and egress according to code. It does make more sense. Councilmember Hulet stated maybe something could be worked out with the orchard. Regarding the trees shadowing gardens, trees cover light and reduce noise. The concerns mentioned tonight gives the council things to think about.

Kyle Deans stated that the options for council are to remand the project back to staff for further review and address things with the architect and developer. The council can recommend approval with conditions or recommend approval based on the staff conditions with added conditions. The council could recommend denial or send it back to the Planning Commission.

Mayor Moore stated the entire fence may not make it viable. The owner needs to be in attendance.

MOTION: Councilmember Phillips – To table the item to do more research, have the owners speak to the neighbors, and bring it back in a couple meetings. Motion seconded by Councilmember Hulet.

Councilmember Welton would like to see a stacking diagram.

Councilmember Hulet stated he wants new businesses in Payson but wants to address the concerns.

Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

Kyle Deans stated staff will send out another notice to the property owners.

E. RESOLUTIONS, ORDINANCES, AGREEMENTS

1. Resolution – Approving an Interlocal Agreement between Utah County and Payson City Regarding the CDBG Program 8:00 pm

Staff Presentation:

Dave Tuckett stated the city has participated with CDGB in the urban project. The county needs a new signed agreement. The city wants to continue to get CDBG funds, and funds are applied for every year. Funding has been received in the last two years. He recommended signing the agreement.

Council Discussion:

Mayor Moore would like to see more applications submitted by the city such as 4-5 applications. The city can apply in areas of parks, trails, master planning, and senior citizen needs. It will save money.

Councilmember Walton stated he is reluctant because of the matching funds and higher payroll costs. He doesn't want to waste time if the city isn't jumping in.

Dave Tuckett stated the city can qualify for several things the city has to qualify for and more strings attached. Overall it is a good thing to go for. The city doesn't have to accept the funds if awarded. There are several areas the city can apply for funds.

MOTION: Councilmember Carter – To approve the resolution approving an interlocal agreement between Utah County and Payson City regarding the CDBG program. Motion seconded by Councilmember Phillips. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Mike Hardy
Yes	-	Brian Hulet
Yes	-	Scott Phillips
Yes	-	Doug Welton

2. Resolution – Development Agreement Regarding the Sterling Grove Subdivision

Staff Presentation:

Travis Jockumsen stated this is to approve the development agreement for Sterling Grove Subdivision so they can begin construction. The first phase is just five lots. The CCR's will be done at a later time prior to receiving building permits.

MOTION: Councilmember Hulet – To approve the resolution for the development agreement regarding the Sterling Grove Subdivision and authorize the mayor to sign. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter
Yes - Mike Hardy
Yes - Brian Hulet
Yes - Scott Phillips
Yes - Doug Welton

3. Resolution – Deferral Agreement Regarding Gateway Town Center Plat E

Staff Presentation:

Travis Jockumsen reported there were a couple of minor changes to the agreement and resolution after it was put in the council packet. The developer will be doing the first part where the building is located and then a few sewer laterals on the empty lot. No water line will be installed until the use is determined on the empty lot. The sidewalk on the empty lot will be done.

MOTION: Councilmember Hardy – To approve the resolution authorizing the mayor to sign the amendment to the agreement. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter
Yes - Mike Hardy
Yes - Brian Hulet
Yes - Scott Phillips
Yes - Doug Welton

(five-minute recess)

F. ADJOURN TO REDEVELOPMENT AGENCY

1. Discussion Regarding an Exclusive Sales Listing Agreement with Coldwell Banker in Business Park

MOTION: Councilmember Hulet – To go into the Redevelopment Agency. Motion seconded by Councilmember Hardy. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

Staff Presentation:

Dave Tuckett presented that Coldwell Banker would like to contract with the city to have the redevelopment property listed with them so they can actively market the property. The council still will have the last say on whether to accept an offer.

Council Discussion:

Councilmember Hulet stated that the help they have given the city on the RFI's and the 6% is lower for land. Many companies charge 10%.

MOTION: Councilmember Hulet – To approve the sales listing agreement with Coldwell Banker in the business park for properties that are not under contract. Motion seconded by Councilmember Hardy. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet. Doug Welton abstained. Scott Phillips not present. The motion carried.

G. ADJOURNMENT OF REDEVELOPMENT AGENCY

MOTION: Councilmember Carter – To go out of the Redevelopment Agency. Motion seconded by Councilmember Hulet. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

H. OTHER

1. Discussion Regarding Purchase of Garbage Truck on Next Fiscal Year Using Revolving Loan Funds (8:12 p.m.)

Staff Presentation:

Dave Tuckett stated a new garbage truck on the list to purchase next year. It takes nine months to get a truck in. He asked if the council was okay ordering it now. He noted that two garbage trucks went down over the weekend before Onion Days. One has been repaired, and this new truck will replace one truck.

MOTION: Councilmember Hardy – To approve the purchase of a garbage truck using the revolving loan funds. Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

2. Discussion Regarding the Reception Center at the Gladstan Golf Course (8:21 p.m.)

Staff Presentation:

Tracy Zobell stated he put together some options for a reception center through people he knew. There aren't actual plans drawn at this time so the figures come from two construction companies who put in bids as if they were going to do the project. The total square footage is 2,800 for the new space and then to make the kitchen bigger and redo one room. The new area could be divided into three rooms. The seating capacity with tables is 160; partial seating gets up to 200 people. There is an outdoor area as well. The pros are city image, economic development, non-golf revenue, more tournaments, city usage, and cart storage. The cons are cost, parking, subsidy, and timing. He wants it understood this is separate from the golf course. Most events such as receptions are in the evening so there isn't a conflict with the golfers. Golfers can be shuttled back and forth if there is an event during the day to accommodate parking. It comes down to making money. The city needs to use the golf course as a focal point in Payson. There needs to be a nice place to host people when they come

to the city. The reception center at Cedar Hills schedules 125-166 events per year. He presented local current prices at other facilities. He did receive a call for a wedding and luncheon this month. The cost of \$1,500 per event is conservative. Fifty events would give an operating revenue of \$10,250 and a loan payment of \$92,000. One hundred events would give an operating revenue of \$57,400 and a loan payment of \$92,000. One hundred thirty-five events would give an operating revenue of \$98,005 and a loan payment of \$92,000. One hundred fifty events would give an operating revenue of \$118,750 and a loan payment of \$92,000. The operating revenue increases considerably if the event price is increased to \$2,000. He was asked to bring this back to the council for review. He believes the city should fund the project.

Sara Hubbs stated she has spoken to different people who said it isn't a great revenue maker. It is more of an asset for the city. The city will subsidize it. There would need to be 135 events annually. She doesn't see it making money in the first three years. The funding options is the money in the revolving loan fund. Even with the 2018 purchases, there is about \$350,000. It would be recorded as a loan, not a transfer. There would be a 2% interest, and it is legal. Then there is \$450,000 available from other funds such as the general fund, storm drain fund, electric fund. All of these would be paid back. She showed the unrestricted fund balances available, i.e. Solid Waste \$362,676, Storm Drain \$786,720, General Fund \$1,493,268. Staff needs to know if this is something the council is interested in doing.

Dave Tuckett stated there are investors who are interested but then the city doesn't receive any revenue.

Council Discussion:

Mayor Moore stated he is all for it but feels the citizens need to vote on it and make the decision.

Councilmember Carter stated she is a golfer and has visited many places with a building accommodating events. She has asked a lot of questions at those facilities. Everyone has said they wished they had done it sooner. She spoke to the caterer at Fox Hollow in American Fork who said they wished it happened a long time ago. The Gladstan Golf Course is more beautiful than any place in the county with a beautiful view. She was there at the golf course the first time when Josh Red came in. Mr. Red went on and on with wonderful things. Then he comes and it's completely different than what he originally said. That's why she sent him packing.

Councilmember Phillips stated he would be in favor of going into a partnership with someone. It would be a great asset. He doesn't want to pay \$800,000 in taxpayer's money. The partnership would include the city using the facility because the city owns the land. He wants to help the golf course have big tournaments, but he doesn't want the city to be in the reception center business. He is not comfortable using city funds unless the citizens vote on it. He would rather spend the money to cover the pool.

Councilmember Welton stated it needs to be done right. The swimming pool doesn't even have a competition lane and wasn't done right. He would like to see someone willing to take the risk and not put on the shoulders of the citizens. Some residents golf and some residents shoots why not build a shooting range. He agrees this will bring an economic benefit to the city. If a private investor will do it, the city still gets the economic benefit. This way the city isn't picking a sliver of the population to benefit. When the city builds a park, there is an understanding that there won't be

any revenue. With a business, there is an inherent risk factor. He doesn't believe it's the city's job to be a business. There are residents who are upset because they don't have storm drain. He does believe the city could charge \$2,000 for an event. He isn't against the city funding the project but would like to check out other options, and then make a decision.

Councilmember Hulet voted against the Red proposal because they wanted to put certain things in and wouldn't negotiate. He noted that generally on loan payments, a 10-year payback is pretty quick. If he were to put in a plan, he would use a 20-year payback. In the real world, it's looking at proforma; and then the interest rate would be 5% to 6%. He feels it would be positive for Payson to have a reception center whether it is financed by the city, it goes to the public for a vote, or it is a partnership with someone. He wants to keep moving forward and not let it die. There are several options to look at. He would also like to readdress the RV park because it will make more money than this with a lot less risk. If this project doesn't make money, then you've raised taxes.

Tracy Zobell will bring back another proposal from private investors to compare the two options. He doesn't think he could sell it on a citizen vote. If everything had to go to a vote, then nothing gets done. The council was voted into office to make decisions. He doesn't want to raise taxes in any way, and this doesn't raise taxes. He will also work on the RV park as well.

3. Discussion Regarding the Proposed Power Line in High Line Canal Corridor (9:05 p.m.)

Staff Presentation:

Ron Crump stated that on August 12th, he met with Dan Ellsworth to discuss the joint line along the east side to get to the new substation site. SESD has a different vision for this corridor. He asked Dan for his proposal, but he hasn't received it. He believes SESD's proposal is to build a transmission tie into the SUVPS system at 600 East before it goes up over the mountain, go all along the canal, all the way down to the Spring Lake area, and then across up to substation site. Mr. Ellsworth wants that line to be owned by the Bureau of Reclamation (BOR) just like the SUVPS system. If done this way, there are no fees charged. Hal Christensen with the BOR has stated there would be an encroachment permit needed with a fee if kept in the city's name. The SESD's proposed route would become a lateral, a dead-end line, and would belong to the BOR. The city would pay the full cost. His proposal is to start at the race track substation where the current transmission line ends, build along the canyon road, then hit the canal right-of-way, cross private property, then right-of-way passed the school, then UDOT right-of-way, who has already given permission to cross. The benefits of this route gets the city closer to a loop system with the transmission line. The SESP proposal is about 2.5 miles, and his proposal is just over 2 miles so the cost would be a little less. He needs direction on ownership. Either way maintenance is done by the city. The difference is there isn't an encroachment permit fee from the DOR. He will find out the cost of the encroachment fee. Another item is the west side transmission loop. The appraisals are two years old. With the current interlocal agreement and looking to a merger with Heritage Power, he needs to know if the council wants to pursue that or hold off. He does not have all the right-of-ways obtained. There is only one area with Agricultural protection. There are other options on the west side to parallel the freeway and then cross. He tried working with Rocky Mountain Power, but they want the same agreement of owning the line. The railroad track area in undesirable property anyway and doesn't interfere with building. The cost for the west side is about five million and is close to five miles. No easements have been acquired.

Council Discussion:

Councilmember Phillips stated the best option is a looping system. It makes sense to work together even if there are two separate systems. He doesn't have a problem the DOR owning it if it saves money. Dave get a cost from Bro.

Mayor Moore stated he would like to see the line to the substation completed first.

Councilmember Welton stated he would like to see cost comparisons between the options. He likes the idea of running a line along the train tracks. Also there continues to be rumblings from Heritage Power. He would like to take a look at that and put it to bed. The council needs to decide and get it out on the table.

Dave Tuckett stated staff will get some answers from the Bureau of Reclamation and bring the item back to the council. The concentration will be on the east side.

4. Discussion Regarding Christmas Decorations (9:24 p.m.)

Staff Presentation:

Dave Tuckett stated he and Councilmember Carter met with Bright Nights. There have been comments that the city's Christmas decorations aren't the best. Some wreaths were purchased a couple years ago. The company is willing to put up the Christmas decorations as well, but the city has crews that can do that work. The idea is that once the lights are paid for, then the next year the company just installs them for a fee. The city has some old candy cane frames from previous years that could be repowdered and recoated. Bright Nights submitted a bid of \$8,941.06 for four new candy cane frames, redoing the existing eight candy canes, and decorating three trees in historic downtown. These funds are not budgeted. It could go into the budget amendment for the next meeting. Banners could be purchased for 800 South, which is less expensive.

Council Discussion:

Councilmember Hardy stated he is all for getting new Christmas decorations.

Councilmembers Phillips and Carter agreed.

MOTION: Councilmember Phillips – To go with the proposal. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Mike Hardy
Yes	-	Brian Hulet
Yes	-	Scott Phillips
Yes	-	Doug Welton

5. Discussion Regarding UTOPIA (9:31 p.m.)

Staff Presentation:

Dave Tuckett stated there is a lease purchase agreement with UTOPIA for fiber that was just paid off in July for about \$90,000. There have been some problems with fiber lines in business park. The

city never participated with their off X program even though they have asked and billed the city. They are asking the city to pay for a portion to fix the problem in the city so the citizens using UTOPIA don't go down. They are asking the city to refund \$18,000 of what they paid toward fixing the problem. He doesn't think the city is setting a precedence; it is a good faith gesture. If the system goes down, it could cause problems. If there are other problems, they could ask for help again. The council could say no.

MOTION: Councilmember Phillips – To pay for it. Motion seconded by Councilmember Welton. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Mike Hardy
Yes	-	Brian Hulet
Yes	-	Scott Phillips
Yes	-	Doug Welton

6. Discussion Regarding Refinancing of Bonds

Staff Discussion:

Dave Tuckett stated the council approved the parameters resolutions to refund three bonds. The sales tax bond annual savings is \$43,794. The water revenue bond saved \$27,175.75 annually. The sewer bond saved \$9,048 annually. It doesn't save time and doesn't add any years. The overall savings is about \$80,000 per year.

I. ADJOURNMENT TO CLOSED SESSION

1. Discussion Regarding Property Sale and/or Purchase (9:48 p.m.)

MOTION: Councilmember Hardy – To go into Closed Session. Motion seconded by Councilmember Phillips. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

MOTION: Councilmember Phillips – To reconvene to the City Council meeting. Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

J. ADJOURNMENT

MOTION: Councilmember Hardy – To adjourn the meeting. Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Mike Hardy, Brian Hulet, Scott Phillips, Doug Welton. The motion carried.

The meeting adjourned at 9:55 p.m.

/s/ Kim E. Holindrake
Kim E. Holindrake, Deputy City Recorder