

PAYSON CITY  
COUNCIL MEETING AND WORK SESSION  
Payson City Center, 439 W Utah Avenue, Payson UT 84651  
Wednesday, January 15, 2020

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet (6:30 p.m.),  
Doug Welton, William R. Wright

STAFF PRESENT David Tuckett, City Manager  
Mark Sorenson, City Attorney  
Kim E. Holindrake, City Recorder  
Brad Bishop, Police Chief  
Travis Jockumsen, City Engineer/Public Works Director  
Jill Spencer, City Planner  
Daniel Jensen, Planner II  
Kim Lefler, Communities That Care

OTHERS June Jiminez, Nathan Jiminez, Ben Probst – Gilbert & Steward, Senator  
Deidra Henderson, Ann Humpherys – Library Board President, Kyle  
Spencer

A. CALL TO ORDER

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 5:00 p.m. The meeting was properly noticed.

B. ADJOURN TO CLOSED SESSION

**MOTION: Councilmember Christensen – To go into closed session.** Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Doug Welton

1. Discussion regarding property sale and/or purchase

C. ADJOURNMENT OF CLOSED SESSION (5:50 p.m.)

**MOTION: Councilmember Christensen – To adjourn the closed session.** Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Doug Welton. The motion carried.

D. PRAYER & PLEDGE OF ALLEGIANCE (6:00 p.m.)

Prayer offered by June Jiminez.

Pledge of Allegiance led by Nathan Jiminez.

E. CONSENT AGENDA

1. Approval of the December 18, 2019, Payson City Council and Redevelopment Agency Meeting
2. Proclamation – Cowboy Poetry Week

**MOTION: Councilmember Welton – To accept the consent agenda.** Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Doug Welton. The motion carried.

F. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Public Forum

No public comments.

2. Staff and Council Reports (6:05 p.m.)

Staff Reports

No staff reports.

Council Reports

Councilmember Welton reported he met with the Library Board who is very creative and works hard for the community. He appreciates the roads crew for snow removal and cleaning the roads. He appreciates local community involvement in issues at the state level in a productive way.

Councilmember Carter thanked the Library Board for all they do.

Councilmember Christensen thanked the roads crew as well. He appreciated the prayer tonight mentioning this beautiful community and we are all here to work together.

Mayor Wright recognized Senator Deidra Henderson. Cowboy Poetry Week has been held in Payson the last nine years when it was brought to the Veterans Home. There will be a poetry and music event on Saturday, January 18, at 6 p.m. at the Veterans Home. The cost is \$5 per ticket, and he appreciates any support.

3. Scout Attendance Certificates

No scouts present.

4. CTC – Mayor’s Youth Recognition Award (6:09 p.m.)

Mayor Wright and Kim Lefler presented Mayor's Youth Recognition Awards to Amya Fajardo, Payson Junior High, Nathan Jiminez, Mt. Nebo Junior High, and Terrance Bowegen, Payson High School.

5. Chamber Business of the Month

No business of the month.

6. Presentation of Financial Audit for Fiscal Year 2018-2019 (6:15 p.m.)

Ben Probst presented the Fiscal Year 2018-2019 Financial Audit and Statements.

- Page 1, Independent Auditor's Report – *In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for Payson City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.* This is the best opinion and a clean opinion for the financial position of the city.
- Pages 3-13, Management's Discussion and Analysis – This is written by the city with comparisons to the prior year.
- Page 14, Statement of Net Position & Page 15, Statement of Activities – This is the beginning of the audit and summarizes the financial position of the city as of June 30, 2019. It shows the governmental and business-type activities with support from the following pages.
- Page 26, Notes of the Financial Statements (begin) – Page 40, Note 7 covers Capital Assets including a beginning balance with increases and decreases for governmental and business type activities. Page 41 includes the depreciation associated with those assets.
- Page 42-45, Note 9 - Bonds and Notes Payable - Summarizes the bonds and notes payable of government and business-type activities. It includes an increase of two million with the 2019 Water PI Lines and PI Meters.
- Internal controls and state compliance reports are at the end and look at activities in relation to laws. There were no findings, which is an improvement from the prior year.

Council Discussion:

Councilmember Welton questioned the graph on page 8 and why there is a deficit with electric. Most utilities received a CPI increase, but the city opted not to do it with the electric.

Dave Tuckett clarified there was no CPI increase on electric over the last four years for residential, but legal costs were incurred over the year unlike in the past.

Councilmember Hiatt questioned where to find expenses for the RV park at the golf course.

Ben Probst clarified page 21 details the cost of electric and the RV park is under parks in the general fund.

7. Discussion regarding issues and potential bills for upcoming legislative session (6:26 p.m.)

Representative Deidra Henderson reported:

- There were over 1,100 bills last year and about 500 were passed. Most bills tweak existing laws and are not new policy. They just started receiving interim committee numbered bills, which have been made public. Over the last 9 months, they have been diving into policy and attending monthly committee hearings. She sits on the Revenue Taxation Committee and Education Committee. She has no personal bills that are of city interest.
- Bill - Prescription Drug Transparency – Over the last 20 years, there has been exponential growth in the price with live saving medications. Many of the issues are federal, but they have been chipping away at the issues over the last couple years. The new bill brings transparency on prescription drug. It seems no one along the prescription drug chain knows how much the medication will cost. Consumers get the bill at the end. There is no price shopping, price comparison, or free market whatsoever. They are trying to inject some of that free market and hopefully drive down some of those prices.
- Tax Bill – This bill passed last December. She loves seeing the citizen engagement on this issue. She voted no on the piece of legislation for multiple reasons. Hats off to those involved in the process.
- Education – The Education Committee, Law Enforcement Committee, and Revenue Taxation Committee has been working on the vaping issue. There is a very big problem and serious health concerns with vaping, especially under age vaping. The Granit School District is taking vaping supplies away from children as young as eight-year-olds. There is nothing in law to direct school officials on what to do when they catch kids with vaping supplies or gives authority to take them away. Parents come to the school and get them back. There will be several bills addressing this issue.
- Mental Health Issues – They are working on bills and appropriation for additional faculty at higher education institutions to get more students to enroll in mental health programs along with tuition incentives to get them to stay in Utah to practice.
- Payson Interchange – She spoke to Mountainland Association of Governments regarding the Payson interchange. The biggest holdout is the property owner. If a deal could be struck with the property owner to get payment upfront and then reimburse that payment if the project is completed with a certain period of time, it would bring it up the list a lot higher. It is an important and critical component to MTEC an Utah Valley University. If it could be negotiated in the next couple years, Payson could have the interchange within five years. Mayor Wright stated the city is approachable to negotiations and would like to talk to the property owner.

Councilmember Hulet questioned where the MTEC building is in the process for funding.

Councilmember Welton stated when he was first elected, the city raised sewer rates from \$15 to \$30 per month because of the state and federal mandates on phosphates, nitrates, etc. Historically, sewer plants have to be upgraded every 20 to 25 years. A smart city would earmark that extra amount for capital improvements that couldn't be touched by anything else. He understands cities can only carry over a certain percentage. Cities would easily go over that percentage trying to plan ahead for capital improvements. Cities need to be proactive and plan for the future and the best interest of the citizens. He questioned what could be done.

Senator Henderson stated she will check on the progress of the MTEC building. There are many things that could be put in place to bring it higher on the list. On the percentage carryover, the percentage was increased a number of years ago for cities to carry an emergency fund. A capital improvement fund would be similar. There is a point where so much money is banked and a tax break

should be given to citizens. She understands putting money aside so a city doesn't have to bond later. She is happy to look into it.

Councilmember Hulet added that impact fees only go out five years. It's difficult to plan ahead for a sewer plant in 10 to 20 years.

Senator Henderson stated it may or may not be too late to do this year, but they could certainly work on it in the interim. The policy discussion behind this would be interesting. Bills and Bagels is February 8th and 22nd at 7:15 a.m. at the Nebo School District offices in Spanish Fork with local representatives present to interact with and give updates. The event is free.

#### G. ACTION ITEMS

1. Resolution – Agreement with JKLMN Investments LC (Kenny Seng) regarding sand and gravel extraction operations (6:43 p.m.)

##### Staff Presentation:

Dave Tuckett stated the lease agreement with JKLMN Investments (Kenny Seng) expires this month. This agreement proposes a 10-year lease. The previous agreement included \$.60 per ton of material extracted; this agreement will be \$.80 per ton. Kenny Seng agreed to pay a lump sum of 2 million dollars upfront for the new ballfields. Once royalties reach the 2 million dollars, Kenny Seng will pay royalties again at \$.80 per ton. The Bureau of Land Management evaluated several gravel pits and this agreement is well in line. He answered questions from the council in that a provision allows either party to request evaluation of royalty payments. Another provision requires fully operational incoming and outgoing scales once power is there. Staff is looking into solar power. If the agreement is terminated, Kenny Seng has the right to take the current scales or negotiate for city to purchase them. The additional scales and scale house will be a cost to the city. The city is looking at moving the landfill sales up to this location so there is one set of scales for both operations. SESD has power that high, but the impact fee alone was \$65,000. Staff could approach them again and are looking at different options. It will be nice to get issue solved.

Councilmember Hulet stated it needs to be spelled out that if Kenny Seng doesn't extract the value of the 2 million, he doesn't get a refund. Also, after the 2 million is met, there needs to be a minimum due each year. He doesn't understand the \$.50 royalty for single jobs exceeding 250,000 tons. If it's the same as the last agreement, it should be raised to \$.60.

Dave Tuckett clarified if over the 10 years, Kenny Seng take less than the 2 million there is no credit. The \$.50 is because of increased volume on a single job and is higher than the previous agreement. Kenny Seng would have to approach the city showing a contract to get the \$.50.

Councilmember Christensen questioned using a methane-powered generator.

Kent Fowden stated there are four methane wells, and they don't generate enough to power anything.

**MOTION: Councilmember Hulet – To approve the (resolution) agreement for the gravel pit operations with JKLMN Investments LC with the following changes or additions. At the end of 10 years if the 2 million is not covered, the obligation goes away with no credit and a 100,000 per year minimum amount after the 2 million.** Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Doug Welton

2. Resolution - Appointments to the Library Board (6:54 p.m.)

Staff Presentation:

Ann Humpherys introduced BriAnne Zabriskie for a position on the Library Board. BriAnne moved to Payson about a year ago and has been a part of the Library Friends. She raised Facebook hits to over 1,000 and has been a big impact on library sales. She will be a great addition to the board.

**MOTION: Councilmember Welton – To approve the resolution appointing members to the Payson City Library Board including term dates.** Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Doug Welton

3. Public Hearing/Ordinance – Request to extend the municipal boundaries to encompass the parcels included in the proposed Riding Annexation. The annexation consists of two parcels owned by Payson City and Riding Siding Construction LLC containing approximately 1.76 acres located at approximately 600 West and 2000 South. (6:56 p.m.)

Staff Presentation:

Jill Spencer reported state code requires a public hearing with the city council. The annexation is a small sliver of land on the southern end of Payson. It is a portion of the Springside Meadows Subdivision, Plat N, which has already been recorded at the county. The R-1-12 Zone is consistent with zoning. The planning commission recommended approval. Staff will work with the developer to complete the final steps.

**MOTION: Councilmember Welton – To open the public hearing.** Motion seconded by Councilmember Hulet. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

Public Hearing:

No public comments.

**MOTION: Councilmember Hiatt – To close the public hearing.** Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

**MOTION: Councilmember Hulet – To (by ordinance) extend the municipal boundaries for the proposed Riding Annexation at approximately 600 West and 2000 South.** Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Doug Welton

4. Amendments to Ashlee Ridge Subdivision, Plat A, Lots 10 and 11, including the vacation of public utility easements and the creation/approval of the preliminary plan and final plat of Ashlee Ridge Subdivision, Plat D, along with new easements located at approximately 1400 East and 550 South (7:00 p.m.)

Staff Presentation:

Jill Spencer stated this is the second phase of the Ashlee Ridge Subdivision located on the south end of Payson. She reviewed the existing site conditions, unique features of the project site that are being completed, and the Condie Annexation approved in May 2019. At the time of annexation, the city determined to follow the traditional neighborhood for this development instead of the Township neighborhood because the property was split between the two neighborhoods. Lots 10 and 11 in plat A are being modified to allow the road to extend to the south to Salem Canal Road. Affected entities were contacted for any concerns with the modification. Dominion Energy responded stating there was no negative impact. Staff is working on the development agreement for the next council agenda. The final plat has 13 lots including the existing home. The applicant met with the Haskell family regarding fencing, transition, drainage, etc. to minimize impacts to the agricultural operations to the east of this proposed development. A public hearing was held with the planning commission. Craig Haskell voiced concerns that the East Side Comprehensive Plan (ESCP) was not being followed. The process was explained to Mr. Haskell and that a decision was made to not transition from traditional to township with this property. Mr. Haskell hopes the council will continue to follow the ESCP. The Allred family requested a note on the final plat relative to a state code requirement. The state code requires specific language on a plat that is within 300 feet of an agricultural protection zone. This note will be placed on the plat. The planning commission recommend approval with staff recommendations and conditions. The developer is addressing the final approval items with staff.

**MOTION: Councilmember Hulet – To approve the amendments to the Ashlee Ridge Subdivision, Plat, Lots 10 and 11 and approve the preliminary plan and final plat for Ashlee Ridge Subdivision, Plat D, including new easements and staff recommendations, conditions, and findings.** Motion seconded by Councilmember Welton. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

5. Request for use of the Senior Living Overlay to allow a 55+ community including two 45-unit apartment buildings, four stories in height, and amenities for seniors located on Utah County Parcel 30:030:0085 at approximately 1300 East and SR-198 (7:13 p.m.)

Staff Presentation:

Daniel Jensen stated last year the council and staff visited a similar senior housing project in Lindon. The elevations and layout of this project are similar to the Lindon project. The project includes two

buildings with 45 units each, four-stories in height, with 1, 2, and 3-bedroom units. The concept plan includes a future assisted living building in the center and office space to the east. There are 1.4 parking stalls per unit as required by the overlay. The buildings are street fronting with pedestrian walkways between units and vehicular access points to SR-198 and 50 South. There is no perimeter fencing; but fencing around a proposed private dog park. Other amenities include community garden boxes, fruit trees, and a covered pavilion with BBQs for outdoor gatherings. Interior amenities include an exercise room, game room, living room with kitchenette for family gatherings, theater room, and storage lockers for tenant rental. The planning commission liked the colored exterior materials, but there are other options available. The planning commission recommended approval. This is a legislative approval by the city council. He clarified this overlay is specific to this product, layout, and property. Chief Spencer has reviewed this proposal to meet fire regulations.

#### Applicant Presentation:

Kyle Spencer stated they reached out to residents of Lindon and feedback was a little more visitor parking not necessarily assigned parking. This has been incorporated as well as covered parking. He believes it is overparked from what was recommended. UDOT has very rigid and strict access points. They worked with UDOT early in the process and placed access points exactly where UDOT wanted them between 1400 and 1500 east. It is critical to have the access point to SR-198. He feels the project is very well laid out.

#### Council Discussion:

Councilmember Hulet stated the project cannot condominiumize and must have one owner so the city can make sure it stays as 55 and older. He likes the 55+ community and assisted living in one complex.

Councilmember Christensen questioned if the council approved up to 30-units per acre. The 1.4 parking stalls per unit is low. There could be 180 cars and only 135 parking stalls. The bylaws allow for those under 55 to live there even age 18. He questioned on-street parking. Payson doesn't have mass transit like other cities. He doesn't see people relinquishing cars this far south as the northern cities.

Councilmember Welton stated there is a responsibility of the project owner to address parking as well as those renting. If they only get one parking spot, they choose to live there or not. This is in the nodal development, and he likes the alignment and preserving the mountain corridor. He is concerned with overbuilding the 55+ areas in the city. There is a demand now, but what happens in 20 years.

Daniel Jensen clarified the area to the south was approved at 20-units per acre. This area was approved as part of the professional office and assisted living center at 30-units per acre. At that time, the overlay wasn't part of the code, which has since been approved. The assisting living project will require additional approvals as well as its own parking requirements. The medical offices will include parking and landscaping requirements. He believes there are limits and special circumstances are limited. The east and south on-street parking is not limited. The ordinance caps the number of residents in a unit to three regardless of family relationship or circumstance. Under special circumstances, they may be able to have an adult child with special needs, etc. The ordinance addresses walkability and proximity to other amenities. The design is intended to create a medical campus to the west, assisted living, 55+ community, hospital in close proximity, and commercial to the east. The amenities are within a short drive or walk.

**MOTION: Councilmember Hulet – To approve the Senior Living Overlay allowing a 55+ community including two 45-unit apartment buildings, four stories in height, and amenities at approximately 1300 East and SR-198 along with any staff recommendation, conditions and findings.** Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

6. Ordinance – Request to amendment to the Payson City Zone Map from A-5-H, Annexation Holding Zone to RMF-15, Multi-Family Residential for property located on the southeast corner of the intersection of 1130 South 1700 West (7:47 p.m.)

Staff Presentation:

Daniel Jensen stated this project is part of and consistent with the South Meadows Specific Plan. The proposal is to change from the A-5-H, Holding Zone to the RMF-15, Multi-Family Residential Zone. The plan includes a base density and university-TOD density. This project is consistent with the base density, and is a nodal development. The developer has worked with staff to meet the FEMA requirements because it's located in a flood plain. Amenities include basketball/sports court, clubhouse, pool, picnic areas, lawn area, and 10-foot trail. The elevations include a mix of materials and wall articulations. The floor plan includes storage areas for tenants with a mix of 1, 2, and 3-bedroom units.

Council Discussion:

Councilmember Hiatt stated she has been down there at 4:30 p.m. and sat in traffic for 15 minutes. With only half the townhomes and condos filled, traffic doesn't move. She questions how people will get across the freeway. The diesel trucks need to be rerouted.

Councilmember Hulet stated the traffic isn't from the condos but those getting off work at the business park.

Councilmember Christensen stated the overpass needs to be upgraded with five lanes. He questioned if the city can create the truck route. It's frustrating that the roads have to reach a breaking point before UDOT will fix them. Future development will complete the main thoroughfare from 800 South down 1950 West. This will not be the main thoroughfare.

Daniel Jensen clarified there is stacking for vehicles. It's the chicken and the egg scenario. The city engineers have been out there looking at the stacking.

Mayor Wright agreed with the chicken and egg scenario. If the development isn't allowed, then the roads won't be upgraded. No development is no change.

**MOTION: Councilmember Hulet – To approve (ordinance) the amendment to the Payson City Zone Map from the A-5-H, Annexation Holding Zone to the RMF-15, Multi-Family Residential Zone at 1130 South and 1700 West.** Motion seconded by Councilmember Christensen.

Further Discussion:

Councilmember Welton questioned if there were any studies on anticipate costs to the city for infrastructure. It's not all being footed by the developer.

Councilmember Hulet stated the impact fee studies would show that information.

Travis Jockumsen stated there is no impact fee for roads.

A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Doug Welton

7. Preliminary plan for Payson Court Apartments consisting of 135 residential apartments and various project amenities located on the southeast corner of the intersection of 1130 South 1700 West (8:10 p.m.)

Staff Presentation:

Daniel Jensen stated the proposal meets the ordinance for parking at 2.2 stalls per unit as well as the covered parking requirement. The developer will install a separation wall between the complex and I-15. There is a request to waive the RV parking, and the lots are not designed to accommodate RV's. This was discussed at length with the planning commission. There is no overnight parking on the streets. The elevations include a mixture of materials and wall relief.

Council Discussion:

Councilmember Hulet stated the building fronts have more relief and look better, and he wants the best part facing I-15.

Daniel Jensen clarified buildings have pretty much the same elevation on both sides.

**MOTION: Councilmember Carter – To accept the preliminary plan and final plat for Payson Court Apartments consisting of 135 residential apartments and various project amenities located on the southeast corner of the intersection of 1130 south 1700 West and consistent will all staff redlines.** Motion seconded by Councilmember Hiatt. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

8. Resolution – System Improvements Participation/Reimbursement Agreement with Saints Peter and Paul Orthodox Christian Church (8:17 p.m.)

Staff Presentation:

Travis Jockumsen stated this is the utility upsizing for the Orthodox Church to take the water line from an 8-inch line to a 12-inch line. The cost to the city for the up size and materials is \$39,625. The impact fee reports should be done soon; he will make sure this is covered. The line extends to the Spring Creek Townhomes.

**MOTION: Councilmember Christensen – To accept the resolution for System Improvements Participation/Reimbursement Agreement with the Saints Peter and Paul Orthodox Christian Church.** Motion seconded by Councilmember Hulet. A roll call vote was taken as follows and the motion carried.

Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Doug Welton

9. Ordinance – Amendments to Title 16, Traffic regarding on-street parking and overnight parking in municipal public parking lots (8:21 p.m.)

Staff Presentation:

Mark Sorenson stated the proposal amends an old ordinance and addresses the issue behind the library. It will be illegal to park in city parking lots overnight between the hours of midnight to 5 a.m. There is an exemption for residents that live in the area such as those living above the library to receive yearly permits. Government vehicles are exempt as well. Parking lots could be posted, and Enforcement can be suspended for events.

**MOTION: Councilmember Welton – To approve the ordinance amending Title 16, Traffic regarding on-street parking and overnight parking in municipal public parking lots.** Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Doug Welton

H. WORK SESSION

1. Overview of General Plan, Master Plans, and Strategic Plan

No work session held.

I. ADJOURNMENT

**MOTION: Councilmember Welton – To adjourn.** Motion seconded by Councilmember Christensen. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

The meeting adjourned at 8:30 p.m.

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