PAYSON CITY
COUNCIL MEETING AND WORK SESSIONS
Payson UT 84651 – Held via remote conferencing through Zoom Video Communications
Wednesday, May 6, 2020

CONDUCTING	William R. Wright, Mayor
ELECTED OFFICIALS	Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton, William R. Wright
STAFF PRESENT	David Tuckett, City Manager Mark Sorenson, City Attorney Kim E. Holindrake, City Recorder Cathy Jensen, Finance Director Jill Spencer, City Planner Travis Jockumsen, City Engineer/Public Works Director Daniel Jensen, Planner II Brad Bishop, Police Chief Scott Spencer, Fire Chief Nestor Gallo, Development Services Director Karl Teemant, Recreation Director
OTHERS	Roger Timmerman – UTOPIA, Aaron Wade – Gilmore Bell, Thayne Bailey

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 6:00 p.m. The meeting was properly noticed.

A. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Mayor Wright.

Pledge of Allegiance led by Brian Hulet.

B. CONSENT AGENDA
1. Approval of the April 15, 2020 City Council Minutes
2. Approval of the April 29, 2020 Special City Council and Work Session Minutes
3. Proclamation – Police Week
4. Proclamation – National Public Works Week
5. Proclamation – Municipal Clerks Week
6. Proclamation – EMS Week

Councilmember Hulet stated in his report the 1% should be "1% interest rate" not fee.

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

C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Public Forum

No public comments.

2. Staff and Council Reports (6:07 p.m.)

Staff Reports

PUBLIC WORKS – Travis Jockumsen stated the issues with the pressurized irrigation (PI) meters have been fixed as of today. He met with the contractor today and are moving forward in a positive direction.

RECREATION – Karl Teemant met with representative of other recreation departments around the state to discuss programs and facilities. Dance programs will be opened next week according to the parameters set forth by the Governor. He is looking at opening the pool at the low risk (yellow) designation, which would allow 120 swimmers in blocks and open sessions as well as swim lessons and swim teams with limited numbers.

FIRE AND AMBULANCE – Chief Spencer stated the quarterly CPR/First Aid class for the public will be pushed off until June because of COVID-19. The open burn finishes on May 30 and many residents are taking advantage of it. The Department is working on its red-card certification for wild land fires. A few ambulance staff quit or retired so four new employees have been hired. Crews are out testing fire hydrants, which is done twice a year.

POLICE – Chief Brad Bishop thanked the mayor and council for recognizing Police Week by adopting the proclamation. The April statistics included 55 arrests, 126 offenses, 53 citations, 73 violations, 918 calls for service, 1 DUI, 55 traffic stops, and 19 accidents.

Council Reports

Councilmember Carter stated she hears the activity at the skate park and kids are enjoying it. Three boys that she had previously kicked off the park were there and waived at her when she drove by. The pickleball courts are open and being used. She appreciates everyone and the work they are doing.

Councilmember Christensen appreciates the Mayor's efforts to counter what the media has misled the public on with Payson. It is tough to recover from inaccurate information. There were PI problems, which took time to get things back up and running. He is concerned with the installation of curb, gutter, and sidewalk west of the freeway along 400 North; he's not sure why it's being done. He would like to see the street sweeper out. He's excited to see the RV Park is up and running at the golf course, and that domestic violence numbers are still low.

Councilmember Hiatt thanked the staff at the administration desk and Debbie Bushnell for taking all the calls and taking care of people. She is glad people are getting back to work and a normal life. People are more aware of being clean, washing hands, etc. People who have a low immune system need to take steps to protect themselves but shouldn't tell others what they should be doing. People are free to make their own decisions and need to be smart about it. She wished all the mothers a happy Mother's Day on Sunday.

Councilmember Hulet thanked staff and others for working on the PI meters and responding quickly. He thanked Cathy Jensen for preparing the budget. He, Mayor Wright, and Dave Tuckett held a Zoom meeting last week with Carolyn Gonot, UTA Executive Director, and Kent Millington, UTA Board. It was a really good meeting as they discussed FrontRunner in Payson, two stops, and repair stations. Carolyn Gonot will visit Payson shortly to look at the area. Eagle Mountain has A-frame signs up for the census to remind residents to be counted and what it means to the city. He would like to put up similar sign in Payson specially in newer areas.

Councilmember Welton stated it's appropriate to recognized the police, clerks, EMS, public works, this month; they put in a lot of work and time. He gave a shout out to the front desk staff and Debbie Bushnell who take all the calls. Cameron Phillips and Travis Jockumsen answer a lot of calls regarding leaks. They all work really hard. He thanked Mayor Wright and Dave Tuckett for reaching out on the misinformation regarding COVID-19. He has been very frustrated with the type of information, news reports, and conflicting reports on COVID-19. A report stated Utah is the second least restrictive state in the country on COVID-19. We have been given a lot of direction and information; residents need to be responsible. He encouraged everyone to be mindful of others and wear a mask if they have a cough. People need to avoid judgement. With the news report, there is a lot of speculation going around about a specific business. The business is not El Mercadito. People who have addressed them or threatened them is inappropriate. It's not the Payson way and needs to stop. The final word is the sun is shining; go out and enjoy the sun. Get back to work and normalcy but be responsible. Payson has great residents.

Mayor Wright reported Payson was identified as a hot spot for COVID-19, but the numbers are a culmination from March 1 to present date. These are not all active cases, and some of the information has to do with more intense testing. He and Dave Tuckett spoke to the hospital and reached out to the Daily Herald to correct some of the information. They prepared a letter to go out on social media. The state and county are taking steps to investigate. According to the Utah County Health Department, there has not been a business shut down in Payson due to the COVID-19; some businesses have voluntarily shut down. He and staff are working very closely with the Utah County Health Department. This is a virus all around us and some information is kept private. He thanked citizens for watching out for each other. The meeting with UTA was very good, and are looking at some dates in June for Carolyn Gonot to come down.

3. Update/Discussion regarding UTOPIA Fiber

Roger Timmerman presented an update on UTOPIA in Payson. The demand and growth in Payson have been very strong. Overall, UTOPIA will exceed 30,000 customers. Payson currently has about 1,300 customers. The current project to get fiber throughout Payson is under construction with a project deadline of November 2021. The Payson/UIA Service Agreement is covered by subscriber revenues at $30 per month per residential subscriber. This totals $5,422 per month. Payson is on track to exceed the debt obligation. There are close to 1,300 addresses that within the next week will be able to sign up for services. Residents can check www.givemeutopiafiber.com to see if UTOPIA is available. Flyers are sent to the addresses once fiber is available and information is put out on social media. UTOPIA can use the funds to pay for capital expenses such as wireless access points and installation work at parks, etc. They have to charge the city for services. The current take rate is 32.34%.

MOTION: Councilmember Hulet – To amend the agenda to address the RDA budget after item D2. Motion seconded by Councilmember Hiatt. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

D. ACTION ITEMS

1. Public Hearing/Resolution – Amendments to the Fiscal Year 2019-2020 Budget (7:05 p.m.)

Staff Presentation:
Cathy Jensen reviewed the amendments to the budget including $2,485 in revenue for Communities That Care to be expensed in capacity building to expand programs and an adjustment of $7,000 out of seasonal employees – cemetery to seasonal employees – parks.

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

Public Comments:
No public comments.

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

MOTION: Councilmember Hulet – To accept the resolution for the amendments to the Fiscal Year 2019-2020 Budget. 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	-	Brian Hulet
Yes	-	Doug Welton

2. Resolution – Review and Adoption of the Tentative Budget for Fiscal Year 2020-2021

Staff Presentation:
Cathy Jensen reviewed the tentative budget for Fiscal Year 2020-2021, which is a conservative budget until staff can see how the economy is going. Staff is cautiously optimistic and will monitor the economic conditions. Many capital projects and other fund items will be evaluated during the upcoming months. Traditionally, the city has raised utility funds by the CPI index. Mayor Wright and the council are sensitive to the economy and residents and have decided not to raise utility funds this year.

- Taxes: Sales tax is down from last year so it is a tentative $3,000,000. Sales tax is 50% direct point of sale and the other 50% is sales tax allocation by population. The city receives the same property tax revenue as the previous year plus growth. The collection rate may be affected as the economy goes down and may affect cash flows in the short term.
- General Items:
  - The city now recognizes utility franchise fees and Onion Days in the General Fund.

- With SB 136, transportation taxes originally budgeted in the General Fund will now be recognized in the B&C Road Fund.
- Charges for services in the General Fund include recreation and pool admissions, snack shack revenue, parks rentals, Communities That Care, plan check fees, and cemetery fees.
- Miscellaneous revenues in the General Fund include Miss Payson, Onion Days, donations, senior citizen fees, and interest revenue.
- Payroll includes some merit increases, health insurance increase of 4.2%, and dental insurance increase of 2.1%. The police payroll has been adjusted; but for the balance of employees, COLA adjustments will wait until January, if allowed.
- The administration budget includes general liability insurance, which will need to be adjusted because the numbers aren't in yet.
- Staffing budget decreases include engineering now has no assistant engineer; and parks, cemetery, etc. has no consolidated management position.
- New positions, pending the economy, related to general growth include a storm drain/landfill position and a utility inspector for power, water, and sewer.
- The Mapleton contract for prosecution is not continuing, which was about $36,000.
- The RDA Business Park had a land repurchase this year of $215,000.
- The Payson Community Theater raised ticket prices.
- The current CPI from April to March was 1.5%. The March CPI alone was a negative .4%.

- General Fund:
  - The General Fund rolls up at the end of the year. The tentative budget shows a total of $14,014,655. The 25% limit equates to $3,273,087, but the projection is 21% with $3,179,467.
  - Changes in the General Fund since the last presentation include increased expenses of $430,907 in the General Fund for salary increases. A decrease in anticipated B&C Revenue removed one project. Specification for a fire water tender vehicle funded through wildland fires were received, which was in this year's budget for $183,000. This may require a budget adjustment next year because of the delay. $40,000 was added for the self-contained breathing apparatuses for the Fire Department for five years.
  - Sales tax is the largest revenue source, and the police department is the largest expenditure of any municipality because of personnel and service costs.
- Transfers and indirect service charges are the non-reciprocal movement of funds from the Enterprise Funds to the General Fund to offset the cost of many services such as public safety, public works, and parks and recreation to help keep taxes low. These also act as dividends to investor-owners of an operation to defray costs, and help recoup funds that would be collected from nonprofit entities. Historically, Payson has had a policy of making transfers to the General Fund in the amount of 9% of the Enterprise Revenue. A notice of all the transfers will go out to the citizens in the next utility billing. There will also be a public hearing on the Enterprise Fund transfers in June.
- Indirect Costs: These are overhead expenses and not transfers; they are reciprocal in nature. Departments are charged through the General Fund to offset the cost of services. Enterprise Funds would have to contract to provide these services separately. Indirect assessments also cover the cost of internal services such as information technology and vehicle maintenance. Indirect costs are assessed to most of the departments.
- Water Fund: Funds of $250,000 were transferred from 300 South Project to fix the dam at McClellon Lake. This budget totals $7,961,070 using $1,208,670 of fund reserves. The PI

meters expense of $3,000,000 may come in less and is part of the bond so only the revenue left in the bond will be expensed.

- Landfill: Landfill includes an additional position split with storm drain, a new garbage truck, and no gravel royalties because Kenny Seng prepaid funds to the new ballfields. The collection truck is necessary because of the expanding city. This budget totals $3,141,740 using $448,103 from fund reserves.
- Electric Power: There are now two general categories instead of four - General and Warehouse and Powerplant Dispatch and Substation. This budget totals $14,108,758 using $713,621 of fund reserves. The largest expense is the purchase of electricity at $8,000,000.
- Sewer: This fund reserves $300,000 for bond requirement for the sewer plant upgrade. This budget totals $4,925,800 using $554,867 of fund reserve.
- Ambulance: This budget totals $901,712. The largest expense is payroll/benefits because this is a service department.
- Golf Fund: This will be the first year for the RV Park. The driving range is being redone for $8,000, a new vehicle was funded in the 2020 budget, and staff would like to look at a budget adjustment for a large mower later in the year. This budget totals $1,103,000 with a transfer of $325,000 from the General Fund. Payroll/benefits is the largest expense.
- Storm Drain: Staff requested a VAC truck (5-year lease) and additional position split with landfill. This budget totals $837,900.
- Internal Service Funds: This includes a vehicle maintenance budget of $366,739 and IT budget of $461,252.
- Impact Fees: The city assesses five impact fees. Staff has predicted revenues just over the 2019 revenues. Expenditures include Park $498,074, Power $1,134,000, Public Safety $156,200, Water $549,400, and Sewer $557,205.
- Employee positions requested but not filled include Fire Marshall, development engineer, children's librarian, part-time seasonal water employee, full-time irrigation employee for the cemetery, and a part-time employee for senior citizens.
- The next steps in the budget process include completing the PARC Tax Budget after the committee meets and updating general liability and workers compensation amounts.

Council Discussion:
Councilmember Hulet questioned gas expenditures being the same as last year. He would like to look at cemetery expenses verses fees charged for lots to see if they are in line. The Tour of Utah and PCT Community Theater are still in the budget, which were cancelled. The city helps sponsor events such as the Scottish Festival, Payson City Band, and PCT; he loves these events and wants them to be funded. He questioned if it would be a good time to have these events go through the PARC Tax because that's its purpose. About $7,000 is being moved to Fund Balance from the Salmon Supper; he thought these excess funds went back into Memorial Park. If correct, he would like to plan something in Memorial Park. The library checkout system says grant; the unused funds from the Tour of Utah and PCT could pay for the checkout system. There is no proposed budget for the solid waste bond request on page 47 for $185,000. He questioned if funds have been set aside to purchase the equipment and power poles when the SESD issue is resolved. He questioned how depreciation works, which isn't a cash item. He hopes the RV Park makes more than $10,000. He would like to see the bond rates in the table, and the Sewer Revenue Bond has an origination date of 1905.

Discussion – The PARC Tax doesn't cover seasonal expenses but only hard costs such as capital-type projects. Expenditures such as gas were kept about the same because the funds flow to fund balance if not expended. The PCT is under the city umbrella so they can use the high school auditorium under

the city's interlocal agreement. The PCT will not be doing a play for Onion Days so those funds won't be needed. The last project in Memorial Park was the pavilion. Typically, funds are accrued and spent later on a larger project. The library received a grant this year for the checkout system but cannot get another grant for the security gate. The city needs to budget about $20,000 for the library gates. The suggestion is to wait until January and address the budget for the library gates. The solid waste bond is in the wrong line item and will be corrected. SESD is difficult to predict; but once resolved, the city will have a number of years to pay it off. The budget will need to be opened when that time comes. The RV Park revenues are a conservative projection, which can be modified later or flow into the golf fund balance.

Cathy Jensen explained depreciation is only recognized in Enterprise Funds. When looking at cash reserve, depreciation is added back into net income because it is a book-only entry and not a cash item. The State Auditor recommends budgeting for depreciation but taken out of the projected calculation for cash reserve. She can add the bond rates to the tables and fix sewer bond date.

Councilmember Welton would like to bring life to the community with some sort of celebration since so many events are being cancelled. He questioned how revenue decreases were projected. He wants to find money for the library gates

Dave Tuckett noted that the Salmon Supper and Onion Days haven't been cancelled yet, which will be addressed mid-July. The budget can be readjusted from those events that have been cancelled. Projects are being pushed out until revenues can be assessed.

Councilmember Hiatt questioned why the $325,000 expenses in the golf course fund was so high and if it included depreciation or was it part of the RV Park.

Cathy Jensen stated this transfer from the General Fund is an offset amount to ensure the course is able to run. It has gone down about $6,000 from last year. The Golf Fund is divided into three general areas; maintenance, restaurant, and pro shop. Personnel is the biggest area of the Golf Fund. It is an Enterprise Fund so depreciation is recognized. For 2019, the Golf Fund made 1.285 million dollars and the projection this year is 1.144 million dollars, which includes a transfer from the General Fund. The golf course is doing really well, which is the surprise for this economy. Tracy Zobell and the golf course crew have been very busy. If revenues go down, cuts would need to be made.

Dave Tuckett finalized that the council adopts the tentative budget, which can be tweaked and adjusted until the public hearing on June 3. The budget can be adopted on June 3 or postponed until the next meeting in June. He will email the council all the department plans to cut expenses, if needed.

MOTION: Councilmember Hiatt – To adopt (resolution) the Tentative Budget for 2020-2021.
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

E. ADJOURN TO REDEVELOPMENT AGENCY

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

1. Public Hearing/Resolution – Review/Adoption of RDA Tentative Budget for Fiscal Year 2020-2021 (8:00 p.m.)

Cathy Jensen reported the only activity in the RDA Park is for revenue of $14,000 from the sales tower lease, which is expensed to Fund Balance. The RDA projected ending Fund Balance is $1,851,960.

MOTION: Director Hiatt – To accept (resolution) the Tentative Budget for the RDA for 2020-2021. Motion seconded by Director Hulet. 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

F. ADJOURNMENT OF REDEVELOPMENT AGENCY

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

D. ACTION ITEMS (Continued)

3. Resolution – System Improvement Reimbursement Agreement for Pine Ridge Apartments (8:06 p.m.)

Staff Presentation:
Nestor Gallo stated this Agreement applies to the Pine Ridge Apartments, which has been approved and is located south of the Depot Apartments. There is an 18-inch sewer line crossing the parcel diagonally and goes under the freeway. During plan review process, the applicant videoed the line and commented that the pipe is not in good shape. It was determined the pipe needed to be replaced. Because the pipe serves the community at large, it qualifies for a system improvement. When the city teams up with developers for system improvements, the city saves in the long run. On this project, the city didn't have to pay for consultant fees of about $20,000 or a surveyor for $5,000 to $10,000. Bidding this project out would cost $200,000 to $250,000. The city saves on engineering fees and construction costs such as mobilization, project management, and trenching. The agreement sets a specific amount not to exceed for reimbursement to the developer, which is $49,000 instead of spending about $250,000 as well as upgrading a system that is deteriorating. New line will not run through the middle of the property.

Travis Jockumsen clarified that this line is being replaced and is not a new line so impact fees can't be used.

Cathy Jensen stated this project is not in the budget so some projects could be moved around to fund it.

MOTION: Councilmember Hulet – To approve the resolution for the System Improvement Reimbursement Agreement for the Pine Ridge Apartments. 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. Resolution – Development Agreement for Villages at Arrowhead Park, Plat K (8:15 p.m.)

Staff Presentation:
Jill Spencer stated this project is located at the very northern portion of the city at 1750 South, which is the division between Payson and Salem. It consists of 90 condo units with three and four-story buildings and a mixture of unit sizes. The applicant has been refining the colors and materials so the elevation colors are different with additional brick and stucco areas. The design still meets the requirements of the RMF Zone. The new elevations will be replaced to the agreement. There is a 2.25 parking stalls ratio to each unit with one covered stall per unit.

Council Discussion:
Councilmember Hulet likes the angles of the buildings and the additional brick, but he liked the previous colors.

Councilmember Carter likes having some color; other condos in the area are all very white.

Councilmember Welton likes more color because it adds personality.

MOTION: Councilmember Christensen – To approve (resolution) the agreement for the Villages at Arrowhead Park, Plat K. Motion seconded by Councilmember Hulet. 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

5. Preliminary Plan for Arrowhead Ranch, Plats A, B, C, & D located East of Arrowhead Trail Road on Utah County Parcel 30:009:0071 including a mix of single family, twin homes, and multifamily residences (8:23 p.m.)

Staff Presentation:
Daniel Jensen reviewed the preliminary plan for Arrowhead Ranch, Plats A, B, C, & D located on the east side of town, which is part of the DAE Annexation. The proposal meets the requirements of the Arrowhead Ranch Specific Plan. It includes densities of low, medium, and high at 5.81 units per acre. This preliminary plan includes additional access points to the north and connections to the south. There is a mix of lot sizes with bike lanes along the major roads. The multifamily in phase 1 and single-family in phase 5 have not been designed. The wetland delineation has to be determined prior to designing the open space locations. This may push the open space to different locations. Open space dedication will need to meet city code at 7.09 acres per 1,000 residents. The housing product submittal includes a 900 square foot minimum above grade with an 80% cap on the second story and no basements. Siding must be brick, stone, LP, or fiberboard; there is no vinyl or aluminum siding. Additional architectural features are required with a mix of materials at 30% minimum brick/stone on the front elevation. There is a variable front setback to create variation between units. Side setbacks are at eight feet including twin homes. Architectural elements include columns and material wrapping. Fencing includes wood, vinyl, wrought iron, or masonry. Wrought iron could be required along the open space, which can be addressed in phase 5 along with privacy concerns. The planning commission recommended approval as long as the applicant addresses certain items including red lines. The planning commission did not review how the open space may shift or the new design standards so the council needs to address those.

Discussion regarding the open space, locations, uses, etc.

Jill Spencer stated the open space corridor can be refined more and the mechanism to dedicate it to the city. It's important to discuss what the city is responsible for and what the developer is responsible for with the open space. Staff can prepare some options for the council to consider with the final plat.

Council Discussion:
Mayor Wright stated this is a very nice community.

Councilmember Christensen stated he is concerned taking the open space property from phase 1 to phase 2 and then to phase 3. He questioned if it is beneficial if it all ends up in phase 5; just allocate the land now. He's not opposed to wetlands being open space if amenities enhance the wetlands.

Councilmember Hulet stated he would be okay trading some of the open space for wetlands at 9 to 1.

Daniel Jensen stated at this time the wetland delineation isn't complete so we don't know what land is available. Once allocated and it's found to be wetland, the developer has no incentive to move it off wetland onto buildable land. There are certain times when land can be exchanged for amenities, but that is not being proposed now. Open space needs to be useable land such as parks and trails; not wetlands that can't be disturbed. Only a small percentage can be a walkway through the wetlands. This can be addressed in phase 5.

MOTION: Councilmember Hulet – To approve the preliminary plan for Arrowhead Ranch, Plats A, B, C, and D, with the conditions and findings, making sure all red lines are addressed, that we approve the method of layout to address the open space dedication, approve the design standards, and also before final plat approval we look at amenities that need to be done in phase 5 and see if we need to bond for those or come up with a way to ensure those amenities

will be completed. Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

6. Request by Chase Adams for use of the I-O, Infill Overlay to reduce the frontage requirements in the R-1-7.5, Residential Zone to create a two-lot subdivision located at 345 North 700 East (9:00 p.m.)

Staff Presentation:
Daniel Jensen addressed items 6 and 7 together. The Infill Overlay allows a flag lot and is a legislative action of the council. If approved, the plat becomes an administrative action. The project includes an existing house with an access on the north side to the property to the west and is all zoned single-family residential. Any animal rights, if any, would be vacated. The proposal locates the new home to the center of the flag lot to be visible from the street, and the access on the south side of the home is moved to the north side with any required easements. He will double check the north property line, which is a concern of the Furniss family. There is a large slope between the cul-de-sac to the west and the proposed lot 2 so access was not established. The cul-de-sac property owners were not interested is selling property to create an access from the cul-de-sac. Staff addressed various layouts and feel this property is good for a flag lot. Parking was a concern at planning commission especially in the winter so the flag stem allows access for both owners of lots 1 and 2. This allows the owner of lot 1 to access the rear for additional parking. There is curb, gutter, and sidewalk along the street; there are no redevelopment options in the neighborhood.

Council Discussion:
Councilmember Christensen stated he isn't a big fan of flag lots.

Councilmember Welton questioned the winter parking at the back of lot 1. If we hope it takes place, it won't take place. Mr. and Mrs. Furniss have concerns with trailers and vehicles being parked in the north right-of-way.

Daniel Jensen clarified it means there could be parking in the back. It grants the owner of lot 1 the use of the flag stem. The flag stem cannot be used for parking because of fire access. No parking can be added to the plat on the northern right-of-way. There is a one car driveway on lot 1. The plat name, Lone Pine, has already been used at the county so the new name is Paige Acres.

Kim Holindrake stated the name change problem causes issues when searching for plat approval information. The name should have been addressed prior to the project being addressed at any public meeting. The new name should be mentioned in the motion.

Scott Spencer asked that "fire lane – no parking" be added on the flag stem.

MOTION: Councilmember Hulet – To approve the I-O Infill Overlay to reduce the frontage requirement in R-1-7.5 Residential Zone to create a two-lot subdivision at 345 North 700 East that was Lone Peak Subdivision and now Paige Acres Subdivision. Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

7. Preliminary Plan and Final Plat approval of the Lone Pine Subdivision located at 377 South 400 West

MOTION: Councilmember Hulet – To approve the preliminary plan and final plat for the Lone Pine Subdivision now Paige Acres Subdivision at 345 North 700 East with the stipulation that the flag stem has no parking and reserved for a fire lane and that the ingress/egress on north also has no parking and that will be shown on the plat and recorded and making sure we use the most current right of ways. Motion seconded by Councilmember Hiatt. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The motion carried.

8. Resolution – Deferral Agreement for the Wall Property located at 1034 South 1130 West (9:25 p.m.)

Staff Presentation:
Daniel Jensen stated this property will be part of a future development, which is moving forward. Mr. Wall wants to build an accessory structure and ensure it fits into the future development. Building the structure now would require Mr. Wall to install all the infrastructure along 1130 West. The agreement defers the infrastructure until the subdivision is approved; it's just an issue of timing.

MOTION: Councilmember Hiatt – To accept (resolution) the deferral agreement for the Wall property located at 1034 South 1130 West until the other person comes in start building so Mr. Wall doesn't have to do the improvements. 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

9. Resolution – Deferral Agreement for the Witt Property located at 2092 E Gladstan Dr (9:28 p.m.)

Staff Presentation:
Daniel Jensen reviewed the proposed agreement that defers the installation of curb, gutter, and sidewalk until it is brought within 100 feet of the property. Currently, three 1.25-acre lots are being developed.

Council Discussion:
Councilmember Christensen questioned why this is being deferred; he is not in favor of a deferral. He's not opposed if the Witts understand they will have to install the infrastructure when it comes close to their property. He would also like to see a sign saying "Welcome to Payson" on that road. The Gladstan Golf Course needs to stand out as property of Payson City.

Dave Tuckett stated there aren't a lot of plans for the area and the road width is unknown as well as where infrastructure would be located. It makes sense to defer.

Travis Jockumsen clarified that the Witts would have to put in curb gutter, and sidewalk plus a sump so water doesn't drain onto the neighbor. If neighbor puts in the infrastructure, then the Witts would have to install their infrastructure.

Councilmembers Welton, Hulet, and Carter agreed with Councilmember Christensen on placing a sign on the road.

MOTION: Councilmember Welton – To accept (resolution) the deferral agreement for the Witt property located at 2092 E Gladstan Drive. 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

10. Resolution – Agreement with Central Utah 911 Agency (9:35 p.m.)

Staff Presentation:
Scott Spencer stated the agreement updates Payson being part owners in the Central Utah 911 Agency. Pleasant Grove City was their own dispatch center for some time and bought into the Agency. This amendment also updates Section 10 to allow the board to add new participants.

MOTION: Councilmember Welton – To accept (resolution) the agreement with the Central Utah 911 Agency. 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

11. Ordinance – Amendments to the Payson City Code Title 19, Zoning and Appendix A, and Development Guidelines (9:33 p.m.)

Staff Presentation:
Jill Spencer reviewed the amendments to the Payson City Code Title 19, Zoning and Appendix A. Appendix A amendments clarify utility uses by adding "high pressure" to gas pipeline right-of-way, adding "systems" and deleting "channels" to irrigation distribution, and removing "property" from public and private maintenance and utility facilities - public and private. The design standards are amended by adding a new Section 12 for garbage containers for commercial, industrial, and large multifamily projects. A utility disclaimer is added to notify applicants, engineers, and contractor that the location, size, and condition of all utilities and infrastructure must be field verified including utilities, ditches, culverts, etc.

Daniel Jensen stated the amendment changes the allowed projections into setbacks. Patios can come within 10 feet of the rear lot line and five feet of the side lot line. Any covered patio outside the setback cannot exceed 12 feet in height. If a patio is enclosed, it has to fit in the setback area.

MOTION: Councilmember Hulet – To approve (ordinance) the amendments to the Payson City Code Title 19, Zoning, Appendix A, and the Development Guidelines. 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	-	Brian Hulet
Yes	-	Doug Welton

12. Ordinance – Amendments to the Streets Master Plan for roadways in the Payson Business Park (9:44 p.m.)

Staff Presentation:
Jill Spencer stated the road alignment in the Business Park has been discussed previously and the amendments are based on discussions with owners in the Business Park. The proposed alignment runs along the I-15 frontage road from Utah Avenue south to approximately 400 South then west crossing American Way to 1700 West and then south. Temkin Way will end at 400 South and not extend to the south. A road (approximately 1400 West) will extend off American Way straight north to Utah Avenue, which is a dedicated right of way. The Planning Commission recommended an alternate connection from Utah Avenue to the frontage road at approximately 900 West because of the difficult angle the frontage road connects to Utah Avenue.

MOTION: Councilmember Hulet **– To approve (ordinance) the Street Master Plan for roadways in the Payson Business Park with the addition of the road that was left off (1400 West) and the recommendation of the Planning Commission.** 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	-	Brian Hulet
Yes	-	Doug Welton

13. Resolution – Establishing Public Infrastructure Guidelines (9:50 p.m.)

Staff Presentation:
Dave Tuckett stated this establishes guidelines for a Public Infrastructure District (PDI). Attorneys with Gilmore Bell presented information at a work session. This document sets forth the guidelines if someone wants to apply for a PID. The fees were left blank in the document. The recommendation is $2,000 for a letter of intent initial review and an additional $4,000 to proceed to a governing document. Subsections D. 4. and D. 5. were added to read; *4. The city reserves the right to adjust these fees with the respect to applications requiring additional time and resources of the City in the review process. 5. In the event the applicant proposes to create more than one Public Infrastructure District with respect to the same project, the city may modify the above fees to account for overlapping work in the review and creation of such Districts.*

Council Discussion:

Councilmember Hulet questioned the District Advisory Committee and if this could be the Development Review Committee (DRC) that the city has already established. He suggested adding a reason for allowing a PID such as something for economic development such as bringing in a big business to make it feasible for the city.

Aaron Wade stated the language is intended to be for what the city feels is the best way to accomplish the review process. The DRC may already be able to accomplish this task. The policy is to serve as a protection for the city to have some concrete criteria when forming a PID. This way no favoritism is shown for one developer over another. It does not bind the city to create a PID; this is the process the city will follow in reviewing all application for a PID. Creating a PID is at the discretion of the city. Economic Development would fall under Part II, B. Evaluation of Applicant, stating *regional or overall benefit to the City*. It could state, *regional economic development or benefits to the City*.

Councilmember Christensen stated he has major concerns with a PID and isn't sure if this is the document to clarify his concerns. The property is improved, sold by the developer, and the person purchasing the property essentially pays for the improvements twice with the purchase and then through property taxes. It feels like the developer walks away with fists full of money. He questioned why the property sales don't go back into the development to bring the costs down. A purchaser can resell the property at a higher value. The buyer pays more for the property because the improvements are there. It's dipping out of the homeowner twice.

Councilmember Hulet stated it's a good concern, but the people buying will know about the taxes, which decrease the value of the property.

Councilmember Welton stated it's market forces. It's the freedom of the purchaser to make that decision for themselves to buy or not buy.

Councilmember Hiatt stated she has the same concern as Councilmember Christensen. She brought it up at a DRC meeting. The developer is looking at a higher density because of the wetland areas. When they sell the property, they will sell it for more; and the buyers will have to pay the added tax for 30 to 40 years.

Mayor Wright stated that scenario happens with any development whether publicly or privately funded.

Thayne Bailey explained it is different on this project because they are selling the product (housing and retail) to investors. The investors look at the capitalization rate and take into account the tax levy. When you look at what the taxes are on the PID, you have to adjust the capitalization rate. This means when someone buys the property, they are paying less for the property because of the tax on the property. He appreciates the city working with them on the development so they can have a higher density and donate 13 acres to MTECH. They also want to contribute to the community. They are also looking at putting in a larger sewer line to help those down the line as the city expands.

Aaron Wade stated this is why the disclosure is very important. The governing document has a separate document to be signed by the purchaser acknowledging that this is in a PID and disclosing the tax information. The information available should adjust prices to account for the tax. In evaluating a PID, the city wants to see a PID that is doing something more than just putting in its needed infrastructure such as the mentioned sewer line or a product that isn't otherwise feasible.

Councilmember Hulet stated the city is looking at this because they are donating 13 acres to MTECH.

Discussion regarding taxes verses fees and what entities can create a tax. This is a separate tax assessed on the property taxes and not a fee. The State Legislature passed the statute making it possible for cities to create PID's.

Dave Tuckett stated the document also needs to set the mill levy, and the state statute sets the high at 15 mills. Gilmore Bell recommends 10 mills. It is then up to developer to justify making it higher. If the council is inclined to adopt this policy statement, staff will add the fees, the two paragraphs, and recommended 10 mills.

Mayor Wright stated this is a good tool for certain circumstances but not for all.

MOTION: Councilmember Hulet – To approve the resolution establishing the Public Infrastructure Guidelines with fees that were outlined, the 10 mill levy for the tax, changing the District Advisory Committee to the Development Review Committee being in charge of it, and adding to the Evaluation of Applicant for an economic development improvement area. 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

14. Resolution – Model Governing Document for the creation of a Payson Public Infrastructure District (10:20 p.m.)

Staff Presentation:
Dave Tuckett stated this is the Model Governing Document (template) if the city wants to pursue a PID. The blanks are filled in when the council determines what it wants in the Governing Document.

Aaron Wade stated one of the purposes of this document is to make the review by the city easier by giving a starting point instead of creating a new document for each case.

MOTION: Councilmember Carter – To accept the resolution approving the Model Governing Document for the creation of a Public Infrastructure District (PID) within the municipal limits of Payson City. Motion seconded by Councilmember Hulet. 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

15. Resolution – Memorandum of Understanding between Payson South Meadows, LLC, and Payson City (10:24 p.m.)

Staff Presentation:
Dave Tuckett stated this is the Memorandum of Understanding (MOU) with Payson South Meadows to use as a guide map of where the 800 South development project is heading. It has been reviewed by staff, the developer, and Gilmore Bell. It talks about specifics and the MTECH property donation. Section 9 states, *Final approval of the PID will occur simultaneously with phase 2 and 3 overlay approval. City staff review and approval of the Horrocks engineering study is required before PID bonding can be taken to market. Payson City Council will need to review the terms of the PID, including the best estimates of the financial structure and liabilities against properties within PID boundaries. Once this is approved, PSMP may apply for a new plat, reflecting the areas of each phase, with improvements deferred as outlined in the PID and engineering study. To create this plat, PSMP will provide security via the 13.31-acre MTECH parcel and the three parcels identified on the site plan attached as Exhibit "C" to the City. The city will simultaneously convey the 10.25 acres currently owned by the City to PSMP. The 13.31 acres will be held in trust for future donation to MTECH. The three parcels will be part of future phases…* At the time the other portion is developed, the developer pays the city for the property. The city would control the property to ensure MTECH builds on the property. The next step is to have a development agreement in place. The density and infrastructure issues need to be worked out. The parcels deeded to the city ensure security to allow the developer to start on phase 1.

Council Discussion:
Councilmember Hulet stated his concerns with Section 9 is they are trying to include the MTECH land as a value to offset the city's 10 acres. The MTECH property doesn't have any value to the city so there needs to be more property for collateral to exchange the land. Plus, there are road right of ways included. The exchange is dollar for dollar, and you don't exchange something dollar for dollar.

Thayne Bailey stated the analysis was done by someone with year of commercial appraising experience and real estate. He is open to different ideas. Since this is a nonbinding document, they are just coming to an understanding to move forward. He wants to make sure the city is given sufficient collateral, and there are different options that can be addressed. If the MOU is approved tonight, he and city can work together to make sure the collateral is sufficient before binding both parties.

Dave Tuckett stated the city adopted the PID Guidelines. If there are questions on this, it can be tabled to work out those questions.

Nestor Gallo stated staff reviewed the document. It's not 100% perfect because there are so many unknowns. Councilmember Hulet's comment is very valid. Staff is working with the developer and Horrocks Engineering to define the buildable area. He hopes to get to that point soon so everyone is working with defined and accurate numbers. He questioned who will be signing the MOU because there are multiple landowners and decisions are being made on their behalf.

Daniel Jensen stated he had the same concerns with paragraph 9 as Councilmember Hulet so he added, *However, if the fair market values (as determined by recent comparable sales) of the three lots are insufficient collateral, the City will withhold placement of a proportionate amount of the 13.31 acres in trust for MTECH, with the portion being kept as collateral outside the trust.* This isn't

a perfect solution. A previous line in a draft recognized that the land for 800 South was encumbered. The fair market value of the properties can be assessed at a later date as needed. Throughout the document he tried to reflect the understanding that this isn't a contract by using term such as intent.

Thayne Bailey stated we need to take this into account with discussions. Also, the city parcel narrows a lot further west, which also affects the value. He hopes the city takes that into account. He is happy to bring in an appraiser approved by both the city and them. He wants to make sure everyone is treated fairly and their concerns are covered, which includes the donation to MTECH.

Councilmember Hulet reiterated that there is no right of way to that property. No right of way is no value. He wants to move this forward as well as protect the taxpayers of the city.

Thayne Bailey clarified that the intention is there would be right of way there. No document is perfect, but he likes the way it is phrased. As far as signing, most of the land is under contract and some has been closed. They have been approached by other property owners asking if they could participate in the PID. This MOU give a direction to move forward and will be signed by his partnership. Portions of this MOU apply to other property owners, but his partnership is bearing the weight of the PID. It is crucial to his partnership that this passes tonight.

Mark Sorenson stated there were several items brought up as good points, but everyone isn't necessarily in agreement. He suggested tabling the item for two weeks to work out the details. There really needs to be an understanding of the items to be addressed.

MOTION: Councilmember Hiatt – To table this a couple weeks to give everyone more time to study it. No second. Motion dies.

MOTION: Councilmember Hulet – To approve the Memorandum of Understanding between Payson South Meadows LLC and Payson City with the understanding that we will be looking at the properties for exchange in lieu of them paying $2,009,205. No second. Motion dies.

Discussion on what other information is needed. A development agreement will address the specifics. There is a lot of work to make this project viable. This MOU is a starting point, which was proposed by the developer's attorney instead of just creating a development agreement.

MOTION: Councilmember Hulet - To approve the resolution for a Memorandum of Understanding between Payson South Meadows LLC and Payson City realizing it's just a road map to the development agreement and that we look at the exchange of properties for the non-payment right now of the two plus million the development would owe Payson City. 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

G. ADJOURNMENT

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

The meeting adjourned at 10:55 p.m.

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