

**Heber City Corporation  
City Council Meeting  
January 16, 2014**

**7:00 p.m.**

**REGULAR MEETING**

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on January 16, 2014, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

**Present:**

Mayor	Alan W. McDonald
Council Members	Robert Patterson
	Jeffery Bradshaw
	Erik Rowland
	Heidi Franco
	Kelleen Potter

**Also Present:**

City Manager	Mark K. Anderson
City Recorder	Michelle Kellogg
City Engineer	Bart Mumford
Planning Director	Anthony Kohler
Chief of Police	David Booth
City Attorney	Mark Smedley

**Others Present:** Paul Royall, Devin McKrola, Paul Boyer, Mike Bardole, Mary Bardole, Anissa Wardell, Savanna Wardell, Joseph Silverzweig, Wayne McDonald, Kevin VanTassell, Janice VanTassell, Tracy Emmanuel, Susan Brandt, Greg Grani, Merry Duggin, Tom Fowler, Ted Caldwell, Rachel Kahler, Maddie Kirby, Carolina Moreno, Laurie Wynn, Danny Goode, Tracy Richardson, and others whose names were illegible.

Mayor McDonald opened the meeting and welcomed those in attendance.

**Pledge of Allegiance:** Council Member Kelleen Potter

**Prayer:** Council Member Jeffery Bradshaw

**Minutes:** January 2, 2014 Regular Meeting

Council Member Franco moved to approve the above listed minutes. Council Member Patterson seconded the motion. Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

***OPEN PERIOD FOR PUBLIC COMMENTS***

Mayor McDonald asked for comments from the audience on items that would not be covered on the scheduled agenda. No comments were given.

## *APPOINTMENTS*

**Utah Senator Kevin VanTassell:** Senator VanTassell congratulated the Council on the recent election. He gave an update on transportation issues and stated one goal was to move up the bypass project so traffic on Main Street would be alleviated. Other options were a possible railroad and the creation of other routes out of the basin so that fuel and trucks would not have to come through Wasatch County to reach targeted destinations. He noted the legislative session would begin next week and he was open to all suggestions from the Council concerning Wasatch County.

Council Member Potter stated in a Utah League of Cities and Towns (ULCT) training, she was informed that there was a movement to eliminate justice courts, and she asked if VanTassell had heard anything of that sort. He indicated he had not heard of any movement of the sort. Council Member Franco asked which committees the senator sat on. VanTassell stated he was the chairperson on the standing Committee of Transportation, Government Offices Committee, Appropriations of Transportation and Structures Committee, as well as the Natural Resources Committee. Council Member Franco asked if a railroad or pipeline was being considered in place of the bypass. VanTassell responded that he didn't think the bypass would be put on the back burner. Council Member Franco asked what the estimated bypass cost would be. He said it would be determined in this legislative session. He hoped to get the bypass started in the next two to three years. Council Member Bradshaw stated he appreciated VanTassell's support of Wasatch County and Heber City.

**Rachel Kahler, Heber Valley Tourism and Economic Development, Report on Cowboy Poetry 2013 and Discussion Regarding Special Event Permitting:** Rachel Kahler stated 2013 was Cowboy Poetry's 19<sup>th</sup> year. It was a national event preserving the western way of life. She presented a PowerPoint slideshow. It was noted that almost \$400,000 was spent within the Heber City limits and a total of \$1,800,000 was spent throughout the entire valley during the week of Cowboy Poetry.

Tom Fowler indicated he was the financial man of the tourism and economic development team. He stated the revenue from Cowboy Poetry came in within a six week period. The Cowboy Poetry event made a profit this year in spite of receiving \$25,000 less in revenue than in 2012. In the future, he thought the Cowboy Poetry committee would hold a couple of fundraisers to gear up for the event. Ted Caldwell spoke about marketing and praised the high school facility as being a great venue for this event.

Council Member Rowland stated at first he was not a fan of Cowboy Poetry, but because of Kahler, Fowler and Caldwell, he was won over. He appreciated the detailed report given on this event and felt assured that the City used the taxpayers' money wisely in contributing \$5,000 to this event.

Kahler also noted that she was asked by the Wasatch County Council to organize events coming into the valley. She worked on an application for these events and created an event calendar. She and representatives from the County and each City within the County met to organize a valley-wide event process. She asked the Council to support the event application because it was going to be turned into a permit. The events would not have to get a permit from each entity because this permit would be valid throughout the valley. Her hope was to have a master calendar for the community. Two years ago there were 22 events Kahler tracked in the valley. This year she had

82 events coming to the valley thus far in 2014. Mayor McDonald stated he was in support of having one event application for the whole valley.

## ***PUBLIC HEARINGS***

**Public Hearing to Consider Potential Projects for Which Funding May be Applied Under the Community Development Block Grant (CDBG) Small Cities Program for Program Year 2014:** Mayor McDonald indicated the nature of the public hearing and read the following:

*“The hearing is being called to consider potential projects for which funding may be applied under the 2014 Community Development Block Grant Program. The grant money must be spent on projects benefiting primarily low and moderate-income persons. The Mountainlands Association of Governments (MAG) in which Heber City is a member, is expecting to receive approximately \$400,000 in this new program year. All eligible activities that can be accomplished under this program are identified in the CDBG Application Guide and interested persons can review it at any time.*”

*Several of the eligible activities include construction of public works and facilities such as water and sewer lines, fire stations, acquisition of real property, provision of public services such as food banks or homeless shelters. Also eligible are loan programs for private businesses which would then hire low-income persons and the program can also pay for housing rehabilitation for low income homeowners or for persons owning rental housing for lower income persons.*

*Since 1982, Heber City has received 18 CDBG grants totaling over \$1.8 million, with most of the projects for water and sewer, ADA corners, storm drain, and a fire truck. Also shown is Heber City’s Capital Improvement Plan 2012-2013, which was adopted by the City Council as part of Mountainland’s regional Consolidated Plan. This list shows which projects the City has identified as being needed in the community.”*

Mayor McDonald opened the meeting to the public for comments.

Paul Royall asked if sidewalks along Main Street from the north boundary to the south boundary could be added to the list of items. Anderson stated there were two transportation enhancement grants used to beautify parts of Main Street but they were not CDBG funds. There were certain criteria for CDBG funds, for example the project had to create jobs for low income people or eliminate blight.

With no further comments, Mayor McDonald closed the open portion of the public hearing and turned the time over to the Council.

Council Member Rowland moved to proceed with the grant application using the project list specified in the Council packet. Council Member Patterson seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

Anderson noted that Kohler felt there were two projects the City could apply for. Anderson asked if Kohler should only apply for one or should he apply for both, those being the waterline and the industrial park project. After some discussion, it was determined to only apply for the waterline project.

Council Member Rowland moved to apply for the 500 South Waterline Project with CDBG. Council Member Patterson made the second.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

Council Member Franco asked when the Council would know about the CDBG grant awards. Tony Kohler indicated the funds would be awarded in May and funded in June or July. Usually the awards were \$100,000-\$150,000. The total cost for the 500 South Waterline Project was estimated at \$400,000.

Maddie Kirby asked what strings were attached to the grant. Kohler stated the grant money had to be applied to low to moderate income persons. The neighborhood along 500 South between Main Street and 400 East was comprised of primarily low to moderate income persons, thus meeting the requirement. Also, the City would be required to have a low income housing plan, which it did. The wages for the project would also have to meet the Davis-Bacon Act standard.

**Public Hearing to Amend the 2013-2014 Fiscal-Year Operating Budget Which Will Include Discussion on a Proposed 7.6% Increase in Culinary Water Rates:** Anderson reviewed the reasons for the need to amend the current budget. He stated the City budgeted \$375,000 for the Veterans Memorial but that project was not going to happen, so he wanted to amend the budget to reflect that. Other needs had also arisen since passing this year's budget, including hiring a senior accountant and hiring an outside contractor to help with building inspections. A complete list was included in the Council packet. One item not on the list was that Council approved staff using a payment processing center for utility bills. The cost would be \$400-\$500 per month beginning in February, 2014. Also, credit card payment fees had increased with the increased use of credit cards in making payments to the City.

Mayor McDonald opened the public hearing to the public for comments. No comments were given. Mayor McDonald closed the public portion of the hearing.

Anderson stated the culinary water rate increase was also included in the budget amendment. Mayor McDonald opened the public hearing for water rate increase discussion to the public for comments.

Maddie Kirby asked why the City needed the rate increase since there was a rate increase last year. Council Member Bradshaw explained the Water Fund was in the negative by \$400,000, and the auditor counseled the City to raise rates yearly for the next few years. Kirby asked how the City got to the point of having such a high deficit. Council Members Rowland and Bradshaw explained that former Councils were reluctant to raise water rates to address the deficit. Now was the time to address the problem so it would not become a catastrophic event. Council Member Bradshaw also commented that Heber's water rates were among the lowest in the state. Council Member Franco explained the budget to Kirby.

Council Member Franco asked how much funds the City should have in reserve. Anderson stated it was recommended to have 265 days of operating costs in reserve.

Anissa Wardell stated she was at the presentation last year and it was evident that the City was concerned about how much revenue it wanted to recoup. She was opposed to the rate increase because everyone in the County was raising taxes. She felt the City was more focused on what

revenues the City wanted to receive from each citizen instead of what the City needed in revenue to operate.

Danny Goode asked how long the City knew it had a deficit. Anderson indicated it was approximately seven years ago. Goode asked how many years the City would need a rate increase to get out of the deficit. Council Member Rowland stated there was a chart from the Water Rate Study that had been done a year ago that indicated needed income and also scheduled bonds that would need to be taken out by the City. The study recommended that rate increases would need to continue for another seven years. It was noted that the total water rate increase would be 50% higher. It was discussed that if there was substantial growth and revenue that offset the deficit, another study would be needed. Anderson noted it would be reasonable to re-address the study in another five years to make sure the City was on track.

Paul Royall asked how much was in the depreciation fund. Anderson indicated there wasn't a separate fund for depreciation but revenues went to operation costs. Royall asked the Council to fund the depreciation with the surplus and not raise rates. He said during the election, the candidates said they wanted Heber to be more business friendly and raising rates was not business friendly. He also expressed that charging by meter size shouldn't be a consideration when figuring water rates.

Mayor McDonald closed the public hearing and turned the time to the Council for discussion. Council Member Potter asked about the different rates for different meter sizes. Anderson stated it took more resources and bigger infrastructure to support bigger meters. Council Member Rowland stated the City tried to fund the water from the General Fund but then realized the General Fund would need to fund water every year. Royall stated he felt the City should have millions of dollars set aside in a depreciation fund. Council Member Bradshaw gave an example of depreciation to illustrate where the depreciation funds went. There was discussion on depreciation.

Council Member Rowland moved to amend the 2013-2014 Fiscal-Year Operating Budget as outlined. Council Member Bradshaw seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

#### *ACTION ITEMS*

**Adoption of the Updated Consolidated Plan Capital Improvement List and Identification of Project to Apply for Community Development Block Grant Funding:** See motion from the Public Hearing to consider potential projects for which funding may be applied under the Community Development Block Grant (CDBG) Small Cities Program for Program Year 2014 (above).

**Approve Resolution 2014-01, a Resolution Amending the Heber City Culinary Water Rate, and Allowing the Amendment of the Consolidated Fee Schedule:** Council Member Rowland moved to approve the 7.6% water rate increase as outlined and to amend the Consolidated Fee Schedule to reflect the rate increase. Council Member Patterson made the second.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, and Potter. Voting Nay: Council Member Franco.

**Election of Mayor McDonald Pro Tempore:** Council Member Patterson moved to elect Council Member Bradshaw as the Mayor Pro Tempore. Council Member Potter seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

**Approve City Council Board Assignments:** Mayor McDonald indicated he went through the board assignments and wanted the Council members to experience being on several boards throughout their terms. Council Member Franco expressed concern that she would not be able to attend the meetings of the Wasatch Irrigation Board. Council Member Bradshaw noted Wasatch Irrigation had an annual meeting, but it also had monthly meetings. Council Member Bradshaw stated he agreed with most assignments, but had concerns with the Airport Advisory Board changes and thought the Council needed to be represented on that board. He was concerned that some of the committee members didn't live within the City limits and didn't have the City's best interest in mind when making decisions. Council Member Franco asserted the makeup of the board had many conflicts of interest including hangar owners that were voting members. She stated she would like to see a balance of pro-expansion board members and anti-expansion board members and have a Council member as a neutral balance. Council Member Potter agreed. Mayor McDonald felt all the committee members had the best interest of the City at heart. He reminded the Council that the Airport Board was an advisory board and the Council had to approve all decisions. Council Member Rowland indicated that there had been requests from the board members that there should be Council participation. He indicated he could not support the recommendations of Mike Duggin or Kelly Jarvis until the Airport Advisory Board met and the bylaws were changed.

Council Member Patterson stated the most important boards needed to have Council representation. He asked why Tom Melville left the Airport Board, and Mayor McDonald stated that he had recommended Melville for the Wasatch County Health Board. Council Member Patterson indicated he was also in favor of having a Council member on the Airport Advisory Board. Council Member Rowland indicated there was a need for Council presence on this board because the last few times items were brought to the Council for approval, they were denied. The board members felt if more Council members came to the board meetings, there would be a greater understanding of the issues and the recommendations made.

Paul Boyer stated he owned Daniel Hangar 19, and noted if two Council members were on the board, they would control 30% of the vote. He suggested having the Council as nonvoting members.

Mayor McDonald asked if any Council members would support Kelly Jarvis or Mike Duggin as Airport Advisory Board members. None of the Council supported those names for the board. Council Member Rowland expressed regret that Tom Melville was no longer on the board because he had no property ownership interest and had experience in aviation, making him an impartial asset to the board. Mayor McDonald asked for a motion to accept the board assignments with Council members.

Council Member Bradshaw moved to deny the appointments to the Airport Advisory Board and recommend that the Airport Advisory Board change its bylaws to allow a voting member and a nonvoting member from the City Council to sit on the Board. Council Member Patterson seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, and Potter. Voting Nay: Council Member Franco.

Council Member Bradshaw moved to approve Dave Hansen to the Airport Advisory Board. Council Member Rowland seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

Mayor McDonald asked for discussion on the Heber Light and Power Board assignments. Council Member Rowland thought the current Council members that were on that board should remain at least a year in order to maintain continuity, and then have new Council members transition onto the board. Council Member Patterson noted there were big projects that were being discussed, and it took a long time to get adjusted to the terminology. Mayor McDonald indicated he spoke with Blaine Stewart who felt new members would adjust fine. Also, the Heber Light and Power Board bylaws indicated that the Mayor didn't need the consent of the Council in order to assign other Council members to the board. Council Member Rowland asked to seek clarification on that section of the bylaws. Mayor McDonald read from the bylaws. Mark Smedley stated that language would hinge on what the rules of the City Council were with regard to committees. Smedley indicated he would like to review that before giving his opinion.

Anissa Wardell stated the two Council members currently on the Heber Light and Power Board should be removed because of issues that had happened in the past. Paul Royall reminded the Council that the bylaws were changed by the previous Mayor. He wanted to see a change in the way Heber Light and Power Company was run.

Mayor McDonald suggested going through the board assignments at the next Council meeting. He indicated he would hold off on the appointment of Dave Hansen as well.

**Approve Appointments of City Recorder, Treasurer, Chief of Police, and City Attorney:**

Council Member Patterson moved to approve Michelle Kellogg as City Recorder, Mindy Kohler as Treasurer, Dave Booth as Chief of Police, and Mark Smedley as City Attorney. Council Member Franco seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

**Approve Appointment to the Airport Advisory Board:** See above comments under the City Council Board Assignments item.

**Approve Appointment to the Board of Adjustment:** Mayor McDonald brought the names of Dennis Roberts and Dallin Koecher, with Duane Edgington being the alternate, for the Board of Adjustments.

Council Member Bradshaw moved to approve those recommended as members of the Board of Adjustments. Council Member Patterson made the second.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

**Approve Appointment to the Planning Commission:** Council Member Rowland moved to approve Stacie Ferguson, and Clayton Vance as an alternate, to the Planning Commission. Council Member Potter made the second.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

Anderson asked if Kohler could change the City Code to allow for an alternate on the Board of Adjustments. The Council agreed there should be one alternate on the Board of Adjustments and one on the Planning Commission. Because the Board of Adjustments falls under Title 18, the change would have to go through the Planning Commission before coming to the Council for a vote.

**Approve Recommended Appointment to the Wasatch County Housing Authority:** Mayor McDonald recommended Cathy Carr and Danny Goode to be recommended to the County as members of the Wasatch County Housing Authority. Council Member Rowland expressed a concern and asked that the Council hold off on those appointments as well, since Council members had historically sat on that board.

Council Member Rowland moved to continue this item. Council Member Patterson seconded the motion.

Voting Aye: Council Members Patterson, Bradshaw, Rowland, Franco and Potter.

Mayor McDonald indicated the Council could work through these concerns at the next Council meeting. He clarified that Council Member Bradshaw and Council Member Patterson would no longer participate in the Heber Light and Power Board meetings.

With no further business, the meeting was adjourned.

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Michelle Kellogg, City Recorder