

ELK RIDGE  
CITY COUNCIL MEETING  
March 24, 2009

TIME & PLACE  
OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for Tuesday, March 24, 2009, at 7:00 PM; this was preceded by a City Council Work Session at 6:15 PM. The Public Hearing regarding consideration of a Declaration of Default for Elk Ridge Meadows PUD, Phase 2, was held at 6:00 PM.

The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

Notice of the time, place and Agenda of these Meetings were provided to the Payson Chronicle, 145 E Utah Ave, Payson, UT, and to the members of the Governing Body, on March 20, 2009.

6:00 PM –

**PUBLIC HEARING – ELK RIDGE MEADOWS PUD, PHASE 2 – DEFAULT DECLARATION**

The City Council consideration of a Default Declaration regarding Elk Ridge Meadows PUD, Phase 2

ROLL

*Mayor: Dennis Dunn; City Council: Julie Haskell, Sean Roylance & Derrek Johnson (Absent: Raymond Brown & Nelson Abbott); City Attorney: David Church; City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Jim Tindall; Public: Kelson Eliot, Jennifer Robinson, Dave Millheim, Paxton Guymon, Bob Peavley, Tom Henriod, Bill & Sherrie Ross, Grant Mines & Alan Thompson; and the City Recorder: Janice H. Davis*

Mayor Dunn opened the Public Hearing at 6:00 PM.

*“Mayor Dunn: (Read from the code regarding defaulting on Performance Guarantees)*

**10-16-6: DEFAULT:**

Where, in the opinion of the city council, a developer fails or neglects to satisfactorily install the required improvements or make required corrections, or to pay all liens in connection with said improvements, make payment to the city for administration and inspections, or otherwise fails in carrying out the activity for which the performance guarantee was required, the city council may, after a public hearing with due notice on the matter, declare the performance guarantee forfeited and thereafter may install or cause the required improvement to be installed using the proceeds from the guarantee to defray the costs; provided, that the city shall not be responsible for work beyond the limits of the bond amount. Any funds remaining after completion of the required improvements will be returned to the developer. (Ord. 97-7-8-8, 7-8-1997)”

This bond is a surety bond; and this public hearing meets a portion of the code requirements that allows the City to actually call on the bond, as in the case of a default.

The items to be addressed:

- The 1” overlay on the roads
- Finishing the trail on the north end of the Development

*David Church (City Attorney): “Notice was sent to the developers, Elk Ridge Managers, at the last address that they have on record with us.”*

*“They have been given notice of what we are alleging is the default in the performance, which you have described as being the minor problem with the sewer, the trails is not complete and then, of course, the one inch overlay that needs to be completed. We don’t want to let another paving season go by...”*

*“This is a two-year bond and it will be up in August. Anyway, they have been given appropriate notice of the public hearing; this is the time and place that they should be here to contest whether or not they are or are not in default. So, I think the procedure is that you would indicate whether or not anybody’s here representing the developers that want to comment on it. If there isn’t, then I think that fulfills the purpose of the public hearing; if there is, then you would hear their comments and then receive the response from the staff...and then, eventually, make a determination based on the information presented at the hearing, whether or not they are or aren’t in default of their subdivision obligations. If they are, then we’ll send notice then to the surety to either repair or “pay over”; and with the surety, I am sure that they will be in contact with you to try and work out the arrangements on what you want done and how.”*

*Mayor Dunn: “That being said, is there anybody here representing the developer that wants to make comment? Anybody at all?”*

*(There was no public present at that time specifically for the Public Hearing; so the Public Hearing was left open, but a non-agenda item was allowed to be presented. Representatives from the Sheriff’s Dept., specifically for the RAD Program, were there to address the Council...the Agenda was to include them, but it did not. )*

6:15 PM -

**CITY COUNCIL WORK SESSION AGENDA ITEMS**

ROLL

*Mayor: Dennis Dunn; City Council: Julie Haskell, Sean Roylance & Derrek Johnson (Absent: Raymond Brown & Nelson Abbott); City Attorney: David Church; City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Jim Tindall; Public: Kelson Eliot, Jennifer Robinson, Dave Millheim, Paxton Guymon, Bob Peavley, Tom Henriod, Bill & Sherrie Ross, Grant Mines; and the City Recorder: Janice H. Davis*

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3 "RAD KIDS" PROGRAM  
4 (NON- AGENDA ITEM)

Mayor Dunn: This is a program the Sheriff and the Mayor have spoken of and they felt the Council should be aware of what it is and how to best make use of it for our Community.

Jennifer Robinson: (Representing the RAD Kids Program)

RAD = "Resistant Aggression Defensively"...RAD Kids is a National Child Safety Program that is one of the largest of its kind in the Country. It is set apart from other National Child Safety Programs by: Kids seem to have an innate sense of "resistance"; this Program makes use of this tendency in a constructive way.

1. They cover a very comprehensive Child Safety curriculum

Focus is on several areas: Recognizing emergencies, strangers, tricks, passwords, school safety, drugs, internet safety, cyber bullying (fairly new, but a growing problem), fire safety, safety in the home, vehicle safety, guns, dog safety (not usual, but needed) & safety in stores.

2. Physically train the kids involved with the Program, besides informing them

People learn better by involving "muscle memory".

Some of the actual drills were discussed and examples of those were given, demonstrating that this is a Program for parents; as well...it is a partnership between parent and child.

The Program teaches kids that they have options, should they be placed in a threatening situation. Perhaps some of the tragedies with kids could have been avoided if they had been given some training and taught that they have options.

"The first time a child practices getting away from danger should not be in real life...let's give it to them in a context where they have the ability to practice it and to develop that self esteem, that self value and that self realization that they can...that they do have realistic choices and options to get away."

How do we do this? Let's give them a reason to want to do that.

Three things that are applied to *all* of the curriculum (3 Things all RAD Kids know):

(Life Skills taught in a safety context)

1) No one has the right to hurt me. (Explanation)

Statistics: 96% of the time, when a child is sexually assaulted or abused, they know the perpetrator; yet we tell our kids that "strangers" are the ones to beware of. She worked in Youth Corrections for 10 years and she witnessed over and over young men and ladies brought into their facility for sexually assaulting another child.

2) I don't have the right to hurt anyone else, including myself

(If someone is physically trying to hurt me, I can stop that person and get help)

3) If anyone tries to hurt me, it's not my fault, and I can tell

(This is empowering to a child or anyone to hear and to understand.)

This teaches the child that even though something bad has happened to him/her, it does not define who he/she is.

Many inmates, whose children have participated in the RAD Program, have expressed that, had they known these things, perhaps they would not have led the lives they have and may have ended up in a different place.

Ms. Robinson has worked with Deputy Tindall in the RAD Program and has been impressed with his ability to work with children. She acknowledged his efforts in bringing the Program to the southern part of Utah County.

Deputy Tindall: There was a "graduation class" from RAD Kids in Goshen (today) at the Elementary School; and there will be another on Thursday.

This is not a "guarantee" but offers options.

*Individuals arrived for the Public Hearing on developer default; so the Mayor interrupted Deputy Tindall to allow the Public Hearing to continue.*

**PUBLIC HEARING – ELK RIDGE MEADOWS PUD, PHASE 2 – DEFAULT DECLARATION:**  
**(CONTINUED)**

The City Council consideration of a Default Declaration regarding Elk Ridge Meadows PUD, Phase 2

David Church (City Attorney): He was out in the foyer bringing the gentlemen up to date that the Public Hearing had opened and reiterating the issue to them of whether they were or were not in default on the subdivision items; and they were reminded of the three items under consideration (as per Corbett Stephens): 1. Sewer trench that needs to be repaired

2. The trail

3. One-inch overlay that needs to be completed

That the purpose of the Hearing is to receive their input on those three items; whether or not they think that they need to be repaired and what the status is with them. Mr. Church mentioned that the developers had brought an attorney with them and introduced Mr. Guymon to the Council.

Dave Millheim: He knows this is an unpleasant thing the City is entertaining; they are certainly not happy with how things turned out with the subdivision in question (Elk Ridge Meadows PUD, Phase 2).

"We no longer own any lots out there. Centennial Bank, Alan's here behind me; they have 52 (corrected himself...66) lots." There is another small bank that owns about 13 lots. About 13 lots were sold; and there are about 4 or 5 homes in there and only two are occupied and the other two are "spec" homes.

Regarding the issues raised by Mr. Church:

- “We believe the sewer failure is the direct fault of Payson City’s faulty sewer installation. If you ask Payson City, they will tell you it’s a direct fault of how our guys connected to the sewer...that is something that will be adjudicated between the ‘warring’ parties, if it gets to that; because we clearly saw the failures
- and took pictures right after they started. So, I’m not here to defend my position, I’m just telling you we don’t think that’s our fault.”
- “The trail is not done; I see no visible way it’s going to get done....and
- I know you’re dealing with the overlay question under warrantee; but we do believe we have claims against the City...we have a pending law suite that’s going no where fast, as it relates to the original exaction of the owner.
- Road Fees: We also have some fees we believe we have to be reimbursed for that we paid on the front end.

“I am pleased...and I can’t speak for the bank...because I no longer own the lots; but I know (Alan, you jump in if I say anything inappropriate)...prior to our foreclosure (and I think this is really important; ‘cause the decision that you make could help or hurt; and I hope you make good ones...and that’s all I can say)...Prior to the foreclosure, Centennial and some other banks had taken a bunch of lots and some homes; this was the Well’s Fargo auction (6 or 8 months ago...before the market was “in the tank”...but it was going down). The Bank did something that I think was very wise...I hope they will be able to maintain that course; but a lot of how they are going to be able to maintain that course is a function of what happens...does anything happen to salvage the subdivision. What I am referring to is, unfortunately these banks were sitting on some lots and sitting on some houses (or spec houses) and the press got hold of it and made a big ‘tadoo’ about nothing...and started talking about how everybody was going to get a ‘great deal’...you know, ‘ten cents on the dollar’...‘come steal a lot’...‘come steal a house’...type thing. So, they had this big auction at the Well’s Fargo building and it was attended by a couple of hundred people and there were about 80 some properties that were bid on. To give you a bench mark, we had no lots in that sale; even though we had thought about it, we just thought it was a ‘death spiral’ and we didn’t really want to be part of it. Lots that were at the time...the market price was say \$100,000 to \$120,000 were bid on at about the \$25,000 to \$30,000 range. So, the next story the next night (the first story was, ‘Come to this great sale tonight’) and the next night it was all these people, ‘Look what I got!’. Well, there was this little clause that the bankers were wise to stick in there that says, ‘We’re not going to agree to any sale, until we see what the offers were’...they had a week or two to reject any sales.

The bottom line is, every bank rejected every bid in that auction. I think that was very noble, correct or wise of the banks; because had they done that, they would’ve just said the new market price for a lot in Elk Ridge is 30 grand or 25 grand instead of the \$120,000 or \$130,000 that it was. I know the Wentworth or Rimrock or whoever is in the Phase next door and maybe they’re not in as precarious a situation as ours. But their best lots are ½ that.

I’m not here to tell you what you want to hear; I’m here to tell you the reality, you know. We have walked away from a lot of projects that were ‘upside down’. As you know, we came before this body and tried to get you to buy that park and use that and make it a public park before it became the headache it’s now become. You wanted to put your monies into other things and chose not to do that; I don’t believe you’ve actually moved forward in the new park effort, but it’s frustrating for us because we’ve lost a ton of money and we have no visible way to finish out that subdivision...not do we own any lots.

“The last thing I would say is...Mayor, I did get your letter inviting us to the meeting of the 19<sup>th</sup>...I got it on the afternoon of the 19<sup>th</sup>. I understand you had a big ‘pow wow’ meeting with a bunch of vested people. We’d have been here had we known about it. I’m not sure when the letter was sent out...”

Mayor Dunn: “We sent three out to you...two came back with ‘wrong addresses’.”

Dave Millheim: “I got one at my old office...I still own the building where you sent it to; but we no longer office in that building. We’ve down-sized, we’ve been laying people off; so, I only go into the office to collect mail once a week. I actually went in and saw it the day...that afternoon of the meeting. (Mayor: I’m sorry.) Dave (David Church) gave us a brief report on what you did there and I understand that Salisbury would like you to rescind or modify or tone down your sprinkler ordinance. If you recall, we went on the record and said, ‘Bad idea. Don’t do it. It’s going to hurt builders’...but, you did it anyway.”

“That’s where we are, and any more questions than that...we do believe we have some claim against the City. What I would propose...it is your decision, it’s not mine...is that my attorney and your attorney get together and see if some of the solutions are workable as a way to mitigate some of the claims we have and some of the claims you have against us. I will also tell you that ‘calling bonds’ is a ‘nightmarish’ project; and if you think that it’s as easy as sending a letter to a bond company and telling you to send it; I can tell you that the only bond I’ve ever been a part of where I tried to “Call it” was when I picked up a “defunked” subdivision the city wanted to call the bond and I spent three years in cooperation with the city trying to help that city get its bond monies back so that we could finish some of the stuff that had been left undone; so I don’t know if this bond company is even solvent right now...because every developer I know right now is “in the toilet” and they’re all just trying to survive and not declare bankruptcy. That should shed some light on where we are; it’s not what you want to hear, but thank you for listening.”

Mayor Dunn: He thanked Mr. Millheim and his part for being in attendance. He asked if there were any other comments.

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Mr. Guymon (Attorney to Mr. Millheim) “We know that there’s this overlay issue that needs to be taken care of in terms of completing the overlay on some of the streets in the subdivision; and there is a “maintenance bond” (is what it is called)..it is basically a “surety”. We’ve received the noticed of the intent to assert a claim under that bond, and I would like to share my views. That might seem like an easy solution; but it often turns out to be prolonged...I mean insurance companies don’t like to really write out checks; and if they can find a way to avoid it, then they do. So, what Dave said is correct; we would like to have the chance to, you know, have Mr. Church and I meet and see if we can’t come up with some sort of a solution that would avoid the calling on that bond; resolve the claims that are going back and forth...and allow the City to move on and address other items. I know how to get hold of Mr. Church and I think that’s something that we’ll proceed to discuss. Thank you.”

Mayor Dunn: “One of the things we’ve wrestled with, here...in looking at not the surety bond, itself...but in the contract to reimburse impact fees that are collected on the properties that now belong to the Bank...the contract says they come to you (*directed at Mr. Millheim, representing Elk Ridge Managers*). Is there need for an amendment to that, or does it still go to you? Or is that something that goes to the Bank? That’s a question we’ve asked several times...we just don’t have an answer for it. If you don’t have an answer now for it, it’s probably something that you and Dave (*Church*) should discuss because that’s one of our big concerns in returning that...”

Mr. Millheim: “It is certainly one of ours too; because you have a lot more money than that bond has and I know I had to write a lot of checks to get advanced to get my subdivision approved...now the Bank would want to get whatever they are entitled to get...but we know that we put a lot of money into the project to get the financing. We know how the development leads all the attorneys argue through the legalese...because I believe we are entitled to those funds that we paid on the front end, because we paid that...obviously the Bank may feel differently because they would like to see it...”

The tragedy, Mayor, is that it may be ten years under your existing ordinance that those monies would be matriculating back in...that “sticks in our craw” and it “bugs” us because you are getting free use of those funds in the mean time...you probably already spent them and used them...”

Mayor Dunn: “Oh, we did...it’s up there on the hill, buried under the dirt...”

Mr. Millheim: “I’m not expecting it to be sitting in an account somewhere; but...you know, certainly that’s one of the claims that we believe is still out there, unresolved...and I would let the “legal guys” figure it out.”

Mayor Dunn: “It’s been utilized and the water storage tank and improvements to the well that service the needs of that neighborhood are in line and in the ground now...so it’s there.”

David Church: “And you should know that the Mayor and I both emphasized at the meeting the other day, that our agreement is with you (*Elk Ridge Managers*) and as far as we’re concerned, that’s who the agreement is with until some court or judge or you tell us otherwise. And so the individuals there know that is our position...that we have a contract with you and we’ll honor the contract the way it’s written. Others can make their claims against the contract.”

Mr. Millheim: “We also know there is unhappiness with some of the neighboring property owners in that meeting, that want to see things progress quicker. I can’t speak for what Salisbury is going to do, or when they’re going to do it, or how they’re going to do it. I also can’t speak to the other phases of the Project that had some early approvals. We made a conscious decision; we got scared...and I think it was the right thing, because we had a chance to do all of those phases and we chose only to do the one that we’re in. Frankly, we would be in a much bigger pickle if we had bitten off 300 or 400 lots concurrently than just the 80 or so we’re struggling with.”

Mayor Dunn: He asked for any other comments or questions...there were none.

At 6:40 PM, the Mayor closed the Public Hearing.

The Mayor further commented that one of the reasons for this Public Hearing was to take a necessary step if needed, without losing the time line that’s associated with the surety bond, which has a deadline to it. He said he appreciated the developers showing up to the meeting. He asked when the two attorneys would be getting together.

David Church: He responded that they would get back in touch with the Mayor before the next City Council Meeting and to plan on placing the decision on whether or not to authorize calling on the bond or not, on the Agenda for the next City Council Meeting. “As they do say, it is a surety bond and we’ll want to at least...I don’t think anyone has put the surety on notice of the issue...so we’ll want to do that as early as possible and not wait until the last minute.”

Mr. Millheim: He asked if he could assume that no action would be taken that night, other than postponing action until the next Council Meeting, and until the attorneys have a chance to meet.

Mayor Dunn: He affirmed that when the action item came up in the Regular Session, that action would be postponed.

**CITY COUNCIL WORK SESSION AGENDA ITEMS (CONTINUED)**

“RAD KIDS” PROGRAM  
(NON- AGENDA ITEM)

(Continued) Deputy Tindall: The RAD Program does not claim that it is a “guarantee”; but reports indicate that when there is some sort of resistance shown on the part of a child, the chances are better that the planned act will discontinue. This is not a class that teaches children “how to fight” or to be aggressive...it is a Program that teaches children to defend themselves and to get away. The curriculum is geared toward those goals.

On “graduation day” they actually have to defend themselves against a “would-be” attacker (Officer Tindall dressed up in padded “attack suit”) and practice some of the techniques they learn during the class. At this point, Deputy Tindall told of some actual incidents involving local children and their attackers. These things DO happen in our Community and surrounding areas and prevention should be addressed. There have been incidents of children being approached as recently as February, 2009. In these incidents, the children who struggled and resisted in some way got away or the would-be attacker left the scene and any further incident was avoided.

He wants to bring this Program to Elk Ridge. So the question remains as to when to present it to the residents? He knows that the children are taught the “Nova” Program in school (noveprinciples.com) by Officer Gurney (Salem); that Program teaches taking responsibility for one’s own actions. He spoke to Officer Gurney to be sure the RAD Program does not conflict with what they are taught during the school year. Officer Gurney feels the two Programs go hand-in-hand and that they compliment each other. He proposed dates: Beginning on June 2, 2009 and with the Council’s support, he would like to conduct the classes on a Tuesday and Thursday mornings from 9:30 to 11:30...graduation would be on June 25, 2009. Where: the Park Pavilion (weather pending)  
Class size: 15 children

Jennifer Robinson: There are two different age groups: 5-7 years old and 8-12 years old.

Deputy Tindall: He would like to address the 8-12 year old group first.

*(Mayor Dunn interrupted Deputy Tindall again to allow those attending for the scheduled Agenda Item, “Elk Ridge Meadows PUD” to be heard; as the RAD Kids Program was a non-agenda item.)*

After discussion about Elk Ridge Meadows PUD, the Council came back to the RAD Kids Program presentation:

Deputy Tindall: We talked of the times and ages of those participating. The first session will be for ages 8-12 years old...probably one child from each family to give many families the opportunity.

Utah County has all the equipment; the contract with the City should cover costs of pamphlets, etc.

Donations are accepted for the Program.

He would like to just schedule the 1<sup>st</sup> session and then see what the interest is in Elk Ridge. Perhaps the second session could be in August, ending the week before school starts.

Advertising:

- Newsletter for April
- Announcements at school
- Sign up at the City Hall

The Council agreed that this is a worth-while Project and should be pursued.

ELK RIDGE MEADOWS PUD

Tom Henriod: He and Alan Thompson (Centennial Bank) were present to address some of the issues regarding the PUD and how to best move forward. (Mayor Dunn had passed out a copy of the email he received from Mr. Henriod on 3-23-09):

“I have not heard back from all the interested parties today, but I think the following are issues that need to be discussed Tuesday:

Relative to the Covenants, it is my belief that the owners are in agreement about amending them in the following ways:

1. Eliminate the minimum size restriction and note that the minimum size restrictions shall be in harmony with Elk Ridge City code requirements regarding building size and that in no event shall they exceed those minimum requirements.
2. Eliminate the obligation of the HOA to maintain the parks/open spaces and state that those areas will be dedicated to the City as public open spaces to be maintained by the City by separate agreement.

Relative to other items that we request that the City discuss and decide on are:

1. Necessity of Fire sprinklers
2. Use of the park impact fee assessed at building permit / omission of the fee.
3. Other potential stimulus efforts to promote building activity.

Thanks for your help.”

Mayor Dunn: He referred to the memo from the City Planner to the City Council, dated 3-24-09 (included in the Council packets):

**“Background**

The Elk Ridge Meadows PUD has many issues regarding ownership, required improvements, park and open space neglect and ownership, and the ability for units to be sold in the current environment. The mayor and staff met with the land owners of the development including, the banks, the school district, and Rick Salisbury on March 26 to talk about the issues in the development to see if the city can work with the land owners to help make the development succeed.

**Meeting Discussion Points / Options for the City Council**

1. **Assurance Bond** - Land owners present (including the largest-bank) were ok with the city declaring the phase 2 of the development in default and working toward gaining the funds to finish up the one inch asphalt roads overlay, road settling problems, and installation of trail.
- Option** - City should move forward to gain funding from the bond to make the needed improvements.
2. **Park** - Centennial Bank wants to work with the city to see what landscaping can be salvaged in the development, reestablishing the landscaping, and to see what options are available for park ownership.

- Option** - Work with the bank to revive/restore the park and deed the park over to the city. Would recommend that the agreement require that the developer restore the park and keep ownership for at least 2 years until the park is well established. Could require a certain percentage of homes built before it is signed over to the city. The bank has stated they would be willing to restore the park and deed it over to the city if park impact fees are waived. This would bring the city up to the general plan standard of 1.5 acres of park space per 1,000 residents.
3. **Open Space** - The open space area in phase two directly north of the park and east of the phase 4 (townhome project) was allowed as natural grass and wildflowers. This has not worked. Phase 4 has come to the planning commission with a concept that would include landscaping and keeping up this portion of the open space. The details of this still need to be worked out between the bank, city and Rick Salisbury before the planning commission would approve the preliminary plat of phase 4. Phase 1 open space is also in disarray and will need attention. The issue of the trail system and should the city try to require a public easement on it needs to be addressed.
- Option** - Continue to work with Rick Salisbury and the bank on phase 2 open space and work on getting a public access easement for the trail system. Should require an open space plan of attack before more units are approved.
4. **Impact Fees** - Developers want to know if the city can relax some of the fees to help make their development more marketable. Since the development is providing park and open space (though private) it was thought that the \$1385 park impact fee could be waived.
- Option** - Park and water are the only two that should be addressed. Park should be waived in lieu of the park being deeded to the city. Water will have to be addressed in court.
5. **Fire Sprinklers** - Developers want to discuss with the city council the need for fire sprinklers in all homes. Ok with it on hillside and in townhomes, but not single family homes. Would aid in bringing the price point for selling homes in this development down by 6 to 8k.
- Option** - The original discussion on fire sprinklers was to require them in the wild land interface zone (hills), rural Gooseneast area, and in homes over 4,000 sq ft. If the city council is willing to reduce the requirement these original areas should be held. Also, multi-unit buildings (townhomes) should also be required to have sprinklers.
6. **Rambler Size** - Currently the CC&Rs in the development require that rambler have 1,400 sq ft finished on the main floor. City code requires 1,200 sq ft. The owners would like to change their CC&Rs to be 1,200 sq ft. Not really anything here for the city council to do. CC&Rs are between the owners. The city code allows down to 1,200 sq ft.
7. **Water Impact Fees Reimbursement** - This issue is a bit muddy. The agreement was entered into with Elk Ridge Managers, which has turned the development back to the bank. Our contract is with Elk Ridge Managers. This issue will most likely have to be determined in court.

**City Council Discussion**

1. Many of the owners and developers have given interest in attending this meeting. Should allow them to give input.
2. How best can the city work with the owners/developers to get the development moving and improved?
3. What can the city do to facilitate owners/developers while preserving safeguards that the development standards promised when the PUD was approved aren't lowered (varying home styles, siding types, street trees, etc.)?
4. What are the pros and cons of the city acquiring the finished park?"

The Mayor asked Shawn Eliot to review his memo with the Council and those present.

Tom Henriod: (In the interest of time, since he had to leave; Mr. Henriod asked if he might address certain issues: The main thing they wanted to emphasize to the Council was that they knew from the start of their subdivision (Elk Ridge Meadows PUD, Phase 1) that Elk Ridge City is a unique Community and they knew it would cost a little more to develop here. They had a perception of Elk Ridge as being a slightly "nicer" place to develop. He went over some of the points made in his email to the Council:

- He does not feel there is a problem with reducing the minimum sizes down to City code; that seems to make sense.
- The parks: that is something for the Council to weigh and discuss; that could potentially remove a burden from the HOA and make building a bit more affordable.
- There are concerns they have had with exterior materials: they want them to stay "respectable" at the very least...something that is complimentary to the surrounding areas..."keeping it nice". (This is one of their biggest concerns; they feel Elk Ridge is a nice place..."and just because the market is bad, doesn't mean that Elk Ridge stops being a nice place. We're going to be here; we're Phase 1 owners...we will be there. We realize Phase 1's landscaping, which was supposed to be natural landscaping, with drip systems to trees and some shrubs, hasn't been laid down and we apologize for that. It would be in better shape if there were some residents that cared; but we will hold our landscapers' feet to the fire on that. Her needs to make it...it needs to look nice; and it will...we assure you of that."
- They would not like to see Elk Ridge get compromised too much as a result of this rough market. "That is the spirit of what I would want to say to you as the owners of Phase 1."
- Fire Sprinklers: Even though that is up to the City, they might be able to find examples where other cities do not require them...but that is for the Council to discuss.

Shawn Eliot: He felt the meeting with the various developers and owners of the Elk Ridge Meadows PUD was a good and productive meeting. (He wondered if the owners had been told that the Council discussion was to be at 6:15; many had expressed interest in being at the Council Meeting.)

*Elk Ridge City Council Work Session – 3-24-09*

Mayor Dunn: He commented that Mr. Henriod was the only Owner he had talked to as a result of the meeting.)

Mr. Eliot started with the last part of his memo, entitled, "City Council Discussion". He read items 2-4 of that section.

Those owners in attendance: School District, many property owners, 2 banks and Rick Salisbury (currently either owns or has an option on Phase 4). Mr. Salisbury is talking with Centennial Bank about the possibility of acquiring more of the PUD.

Review of the memo:

1. *Assurance Bond*: Already discussed earlier in the meeting (The letter sent to Elk ridge Managers went out in plenty of time and they also called to check on the address.)
2. *Park*: The Mayor went out to check out the park (Phase 2) and saw that all that is left of the sod and seeding is the mulch. Many of the trees appear to be dead; or partially alive. It is in the Bank's best interest to try to salvage as much of the park as they can.

It would be better for the City and for future homeowners to have the park re-furbished. A dead park does not aid sales.

The discussion also included the idea of the City taking over the park. The City needs more park space; but this park was designated as a "private park" for members of their HOA. When finances became difficult, Elk Ridge Managers asked if the City would be interested in purchasing the park; then, when the City did not buy the park, it was allowed to die and "now we're here". If there is a way to work it out with the owners to get it back and restored, then the City take it over...he feels this would be a "win/win" situation. The City is behind in its acreage of parks per person; the General Plan calls for 1 ½ acres per 1,000 in population. When Park Impact Fees are collected, the fees can only use that toward established parks until we get caught up in acreage of park space. The fees can be used to establish new parks when we are above the established threshold. "This puts us in a bind...for instance with the City Hall property, if we wanted to start that park, we can't use impact fees to do it.

Options:

There could be "conditions" placed on development; he listed "The Ranches", which is a large PUD in Eagle Mountain with a large city park in the middle of it...but, they also have a HOA for all of the smaller "pocket parks" and the open space areas in the PUD. On the large city park; the development owned it for the first 5 years and then they turned it over to the city, once the city signed off on it.

Another option would be to require a certain number of homes before the City takes over a park; this would allow a greater tax base to build up to assist in paying for the maintenance of the park.

3. *Open Space*: Mr. Eliot indicated on the wall map the open space included in Phases 1 & 2...both of the open space areas were approved with natural grasses and wild flowers, with some trees. It has not been maintained. In the discussions with Rick Salisbury regarding Phase 4, Mr. Salisbury has proposed single family dwellings with townhomes...and part of this proposal would have homes located right against the open space in Phase 2...and with negotiations with the Bank, he could take over the open space to claim it part of his townhome development...he would also improve it more than just the grasses and wild flowers.

The proposal is for fewer town homes and more single family homes on smaller lots; this drops the number of units from 74 to 68.

Alan Thompson: (Centennial Bank)

1. "In our discussion the other day, we talked about the impact fees that are charged the building permits; and there is a park fee as part of the impact fees...and maybe using those impact fees to restore the park and put it back into working order...that is just one suggestion.
2. The second thing is, I would think that Dave (*meaning Dave Millheim*) is still on the hook for the warrantee period for the park. I know you mentioned the overlay and the sewer; but I think part of his responsibility is the park, too. Isn't that still part of the Warrantee?

City Recorder: It was not part of the bonding process; because it was part of the Home Owner's Association and they were to maintain it.

Shawn Eliot: *Open Space*: We do have a trails system as part of the City's Master Plan; and there is the "Bonneville Shoreline Trail that goes along the Canal. As part of Phases 1 & 2, the trail is in and stubs at Salem's City limit and at the other end of their development. One of the things that Mr. Henriod brought up at the meeting was: If this is a private trail, why would it be stubbed for future connections to it? We need to determine if any public easements are needed along this trail. Currently it is included in a HOA and is considered "private". If we are serious about having a trails system, then we don't want part of it private and part public.

4. *Impact Fees*: (Review of the memo to the Council) The developers wanted to know why the Park Impact had to be paid by those building in the PUD, since they are providing park space. The response at the time was that the park in the PUD is a private park and they received in return a much denser development.

Mayor Dunn: As a resident of the City, they have access to the City's public parks and property.

Shawn Eliot: At those public areas and parks, the City provides City-wide sports programs that they also have access to. Again, we can't use impact fees to add more park space at this point.

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The developers suggested that if they could fix up the park and then give it to the City, taking the park impact fee off would assist in the "bottom line" for marketing those lots/homes.

1 Mr. Eliot feels that it makes sense: if they are fixing the park up and deeding it to the City, then the City  
2 could "relax" the Park Impact Fee in that area. Having this park space would bring the City to the required  
3 acreage per person for park space.

4 City Recorder: In the past, when impact fees were paid up-front at the time of development, developers did  
5 have the option of either putting in installing park space or paying the impact fees...they did not have to do  
6 both. This would support Mr. Eliot's suggestion, though this option is not in the City's code currently.

7 Shawn Eliot: He believes that the code does state that impact fees can be waived.

8 Sean Roylance: He wanted to know how many units would be affected if the impacts fees were either  
9 waived or lowered.

10 Corbett Stephens: Phase 2 (5 permits have been issued out of the 82 lots = remaining 77 units); Phase 1  
11 (50 units) & Phase 4 (74 units or 68 units)

12 Shawn Eliot: This would need to be discussed:

- 13 - Phase 1 - the developer just said he is going to fix up the landscaping to be able to sell lots;
- 14 - Phase 2 – our options are to have Mr. Salisbury said he would fix up that one open space area and  
15 getting the park fixed up
- 16 - The Park; this can be looked at in two ways:
  - 17 1. It is a benefit for the entire PUD
  - 18 2. The park will be done and the Park Impact Fees could be waived for that park
- 19 - Phase 3 (School District) – there is a lot of open space in that Phase. We have seen some plans that  
20 show the main open space on the west side of Elk Ridge Drive improved with grass; but other plans  
21 have shown "natural wild flowers". Perhaps Impact Fees would remain for that Phase.

22 Mayor Dunn: He feels that may be the way to go, since that Phase was also set up with the density bonus  
23 with the open space. If the open space is gone, that would change the layout of the properties.

24 Shawn Eliot: Phases 1, 2 & 4: All of the open space requirement is self-contained within those 3 Phases.  
25 Currently, we are up to the 25% with the three Phases. Phases 3, 5 & 6 could come in on their own merits  
26 and be fine.

27 Corbett Stephens: The total is 283 units that could be affected by impact fees; and at \$1,385 per unit, over a  
28 period of time; the City would pay almost \$392,000 for that park. The City would give up \$392,000 in impact  
29 fees to obtain that park.

30 Shawn Eliot: Those 3 Phases + the Bank would like to do anything they can to "shave" the over-all cost and  
31 that would help them market houses and get things moving in those Developments. They feel that \$1,385  
32 less would make the units more marketable by being able to "hit the certain price point that the market is  
33 supporting right now.

34 So, "if we get a new park out of it, it would make sense to waive the impact fees. Basically, they're not  
35 paying us to go back and fix it later; and we can't fix it later anyhow because we're not up to that threshold  
36 that we would need to be before we could use it for those types of things."

37 Derrek Johnson: If we didn't take the park, what other options would they have? He wanted to know if they  
38 could plow it over.

39 Corbett Stephens: They can't plow it over, it must be maintained.

40 Shawn Eliot: The benefit to them would be that their HOA fees could be much lower, because they would  
41 not be paying to take care of a park. The benefit to us is that we have a City park that we can use for the  
42 public and for sports. The City would also have the added expense of maintaining the park; which is why he  
43 suggested waiting a few years before the City takes over the park, so that the landscaping is well-  
44 established and there is more of a tax base to water the park. He asked the Mayor if the costs to water the  
45 park are available. *(The Mayor responded that it is not over a couple of hundred dollars per month. The cost*  
46 *was higher for the establishment of the park in Phase 2 because they were watering new lawn, plants trees.)*  
47 It must be weighed and decided if the cost = the benefit to the City.

48 4. Fire Sprinklers: The owners and developers want the City to re-consider the sprinkler requirement,  
49 particularly with the land north of town. They agree that the hillside and the townhomes should still have  
50 them, but the elimination of this requirement would aid in furthering to bring the cost of a home down.  
51 Originally the proposed ordinance was to be for the Goosenest area and the HR-1 areas (mountainous  
52 areas) and homes over 4,000 sq. ft. Corbett Stephens came to the Planning Commission meeting and  
53 showed a "convincing" video supporting sprinklers in all homes. The Planning Commission and the  
54 Council had a joint work session to discuss this. The decision became one in which the requirement  
55 would apply to the entire City.

56 The developers felt that since most cities do not require sprinklers city-wide and perhaps that regulation  
57 could be relaxed. Mr. Eliot recommended keeping the regulation for town homes with common walls.  
58 This would cut off \$6,000 to \$8,000 from the building permits.

59 Derrek Johnson: (Directed to Mr. Thompson from Centennial Bank) In reviewing the list of concessions for  
60 the Council to consider and he has some concerns:

- 61 - Fire Sprinklers: He does not want to re-visit this issue
- 62 - "What is the Bank going to do? How much are your lots going to be? Are you going to cut dramatically  
63 the cost of your lots, or are we going to take all the concessions so your homes sell better...so you can  
64 continue to have high-priced lots?"

65  
66  
67 *Elk Ridge City Council Work Session – 3-24-09*

68 Alan Thompson: "We have cut our lot prices dramatically...\$65,000 to \$70,000...we've cut them in half.  
69 That's why when Dave got up and addressed the Council...he's walked away from a ton of money that he  
70

owes us. So when he talks about you refunding money back to him...all those checks he gave to you...I think the checks he gave to you came out of our pockets.” (*Councilmember Johnson thanked him for his answer.*) “We want to make it a good place to live. I came here with Rick Salisbury and a couple of other developers that are interested in buying some of our lots; if we can’t find some builders to come in and build on those lots, that’s just going to be a weed patch...we will have to keep it maintained, obviously...and I’m not saying this threateningly in any way...but it’s just going to sit there as a ‘ghost town’ for another 2 to 5 years, if we can’t get things to where we can build affordable (I don’t mean just ‘track homes’, but nice homes...but in an affordable house range.”

Derrek Johnson: He feels the cost of these lots is still high when one considers the size of the lots (8,000 to 10,000 sq. ft.).

Mr. Thompson: The lots appraised at \$170,000.

Derrek Johnson: “I’m sure they did then, but what the market goes for now, that seems awfully high for that size lot. That’s just my feelings” He said he feels like when times were “booming” the developers want to get all they can...”and now they’re coming back again and asking for more favors. You know, they took the risk.”

Mr. Thompson: “Sure; and the Bank took the risk, too.”

Derrek Johnson:

“Yeah, and I don’t have a whole lot of sympathy for it, personally.”

Mr. Thompson: “That’s fine. When we met the other day, it was at the request of the City; we didn’t come here asking for concessions...the City called us to say, ‘What can we do to make this thing work out?’...these were some of the suggestions that came out of that work session. It wasn’t us coming to the City saying, ‘You’ve got to do this to make this work’; the City invited us in saying ‘What can we do to work together to make this work? So, if you are thinking that we came to you asking for all these things, it was just the other way around.”

Shawn Eliot: He wished that David Church could have stayed around the meeting a bit longer, because he had talked of the benefits of working together on this...and if we do let it just sit...if infrastructure is not used, it helps it to decay quicker. If we have all these water lines and sewer lines...they have to be used. That, and obviously, the City is “hurting” right now because we aren’t getting any income. So, that’s why we called the meeting, was to try to work together on this.”

David Church’s comment was that when things are good, when we are busy...sometimes “bad” as well as good decisions are made; now we have the “luxury” to take our time on some of this...and we are simply trying to be proactive to see if there is anything the City can do to facilitate things.

We asked them for concessions, like the park; getting the landscaping re-done was an important point. If the City could take it over and if the City can afford to maintain it; that would be a benefit. Mr. Church also feels having a large public park in the middle of the City would be a good thing.

5. *Rambler Size*: The request was to lower the minimum size from 1,400 sq. ft. to 1,200 sq. ft. (what the City code allows). The size requirement is within their CC&R’s for their Development; the City has no authority over those. There was a concern that the quality of the rambler could go down with a smaller sized home. The only guarantee is through the CC&R’s...which the City is not involved with. There was concern with what Mr. Salisbury has proposed; since some of his developments are not as nice as others...some are nicer, like one that is in Spanish Fork. That is something that needs to be discussed with Mr. Salisbury.

6. *Water Impact Fees – Reimbursement*: The up-front money used on our water system, is being paid back through water impact fees to the developer. The Agreement is with the developer, Elk Ridge Managers, but he Bank has taken over the majority of the lots. It is likely that the decision as to who gets the reimbursement will go to the courts.

Mayor Dunn: Either an amendment to the original Agreement will be drafted or the City simply submits the money to an escrow account to be held while the courts work it out.

The Mayor commented that the meeting on 3-19-09 with the property owners and developers was very well-attended, with the exception of representatives of Elk Ridge Managers, as discussed earlier. The meeting was open discussion and went well. The issue with sprinklers and rambler size came out of the meeting as possible options in considering the current economy; they were not on the agenda for the meeting. The options came out if Mr. Church’s encouragement that something needs to be happening down there...it needs to “come alive” and get back on track.

The Mayor asked what the Council thinks of the various issues discussed.

Julie Haskell: She is concerned about the City being able to afford the maintenance of the added park; as well as providing security to the area.

Sean Roylance: The price to the City in impact fees would be about the same as what the Council said no to last year.

Shawn Eliot: The difference was that the City would have had to come up with the actual money to purchase the park last year. He recommends determining what the actual costs would be to maintain the park before any decisions are made.

Sean Roylance: As he has listened to all of the issues, a couple of thoughts came to mind:

- There is the CC&R issue: He is not sure, but when the agreements were originally made, the developers were promising buildings at 1,400 sq. ft.; and exteriors of a certain quality...and in return, they could negotiate certain concessions from the City. Now that we are past that, the

*Elk Ridge City Council Work Session – 3-24-09*

developers are taking the attitude of “We’re not sure we really want to do those”...and there seems to be nothing we can do about it regarding the control over the CC&R’s.

- He would perhaps be willing to waive the Park Impact Fees, if we had a way to come to a more formal agreement some of those agreements, like the quality of the exteriors. His biggest worry is that we may loosen standards and make things “easier” right now...and in the future those same things may not be good...he is concerned about the “long run”. If we can take into consideration the future as well as the current situation, he might be interested, but he does not want to sacrifice the “long run”.

Mayor Dunn: There are several areas in town where CC&R's were in place when the development first went in, but eventually the code has replaced those CC&R regulations. The City has been warned repeatedly about not getting involved with CC&R's, even to the point of not keeping copies on hand in the City's records. The only thing the City can enforce is the City code. CC&R's are upheld by the HOA associated with a particular subdivision.

City Recorder: (Question directed to Alan Thompson of Centennial Bank) Are the by laws of the HOA associated with Phase 2 being re-written? If no one to enforce the regulations, what good are the CC&R's?

Shawn Eliot: Typically, when there are no HOA fees collected, the CC&R's are useful in establishing the subdivision...not for on-going enforcement.

Mayor Dunn: (Referring to Jodi Hoffman – ULCT) She is an authority on homeowner's associations; she says that when the architectural committee (enforcement body) fails or is inactive for two years, the courts do not recognize the HOA as being in existence, because it has not been functioning for 24 months. The question would be if we are comfortable with our own code being applied in that area? If it works for the rest of the town, it should work for them, too.

Shawn Eliot: Perhaps he (Mr. Eliot) should contact Mr. Salisbury to see if he is still heading toward purchasing those properties; and if he is, to see if he is at a point of presenting to the City what he is actually proposing. If he is willing to stay with the CC&R's, perhaps they could be written into the development agreement so there is more of a guarantee.

Sean Roylance: That is what he was referring to.

Alan Thompson: (In response to the Recorder's question) The CC&R's would ordinarily maintain the common area; “if the common area is deeded over to the City, really, the need for a homeowner's association goes away...in my mind.

“The second part to that...just like the Mayor said, and I am familiar with several other homeowner's associations...if someone is out of line and decides they want to build a house that doesn't conform with the CC&R's, and they build it...and they have enough money to sue the homeowner's association, sue the architectural committee of that homeowner's association...the homeowner's association has no money to fight that law suit. So, what happens? Typically, the homeowner's association will back down.

I am not saying I don't want to see the CC&R's enforced; I have just seen it in two different neighborhoods where people with money came in and built what they wanted to build; and then they sue the architectural committee and they end up getting what they want...because the homeowner's association couldn't fund the law suit.

Sean Roylance: He is hesitant about the fire sprinklers...he is not sure the amount of money quoted to install a sprinkler system; therefore, the amount of money to be saved. For all the reasons already discussed about the sprinkler systems, he would be very hesitant to “go back on that”.

He understands that six to eight thousand dollars is a lot of money; on the other hand, on \$150,000 to \$200,000 over-all cost, he hates to see 3% to 5% of the price to forgo the fire sprinklers”. The City does not have much money to add to the Fire Dept.

Derrek Johnson: He brought up a further issue: the homes could be as close as 10' apart.

Bill Ross: (Mines & Ross - One of the original developers for Crestview Estates, Plat A) He realized the issue of fire sprinklers has been discussed thoroughly at the City level; but they have not been a part of those discussions. He just found out about this requirement as they are thinking about building a couple of homes. “We have found, with the sprinkler systems, is that it is pricing us right out of building here.”

He went on to make the point: The fire sprinkler system where you do have adequate fire hydrants...where you do have adequate spaces between the homes and where you do have a fire system in place...it should be the homeowner's choice to put the sprinklers in. Where it is forced onto us after we have already developed the land, and got it back (which we didn't want)...now we are trying to build and salvage it; it's put a hardship on...we've had sales that when they found out about it, it's gone. We've lost the sales; because of the six to eight thousand dollars...it's just too much for a smaller home to bear. I just hope the City would consider certain areas like...right there (indicating across Park Drive to their development). I know that one day in may be mandated through the Building Code...but I know they put it in; but it looks like it's going to go down and be rejected again...right now it still will be Elk Ridge City that is mandating that. It's priced us out; they can go elsewhere and buy the land and build cheaper”. He added that it is also whether they can qualify for the loan...“that \$6,000 to \$8,000 puts them over the limit for a lot of people that they can't qualify...where the banks are so tight with the money”.

Grant Mines: “I would have agreed with you (meaning the City) six months ago...yeah, it's only 3% or 4%; but our experience with buyers is that...it actually made the difference...it actually kicked them over the line where couldn't afford it. I was as surprised as anyone that it makes that much difference.”

“In terms of the set-backs; if they were 10' apart, I wouldn't even dare ask for this, but in our development, the homes are going to be 50' to 60' apart...we've got 20' to 30' set-backs on the side-yards. So we are just asking for that consideration.”

*Elk Ridge City Council Work Session – 3-24-09*

Corbett Stephens: (He was asked by the Mayor where the IBC is regarding this topic) He responded that currently it is in the State Legislature.

1 Grant Mines: It was passed last week as House Bill 211 and is on the Governor's desk.

2 Bill Ross: It will be the cities' choice.

3 Grant Mines: But, it's not a mandate from the State...it is in the IBC for 2009.

4 Bill Ross: "If it were mandated everywhere, then it would make an equal playing field. But, right now, it's not  
5 equal. It is creating a burden on us to where we have literally lost sales because people are shopping the  
6 lots. Our prices on our lots...these prices were at \$135,000 when we first started (wholesale price). Right  
7 now we can't even give them away for \$60,000. That's how bad it is...that's the hardship. We're into it more  
8 than that; so we've lost. Now we want to try to build our way out of it; and to build the homes at 'rock bottom'  
9 prices; and we're still not getting them. But that's our risk and we took that risk...and we were 21 when we  
10 did it..."

11 Grant Mines: "We understood the risk, and we took it and it's a hard thing; but the point is...from your side of  
12 it, we're on the same side. We want to develop a Community that is a thriving vibrant Community that's an  
13 asset; which you've already got here." He agrees that Elk Ridge is a "step up" from some of the surrounding  
14 communities. It is difficult to see the various developments in an abandoned state. They want to do what  
15 they can to "fix" what they can, without sacrificing the integrity of the homes. They have done their economic  
16 studies and they can't go as small as 1,200 sq. ft. or 1,400 sq. ft...their minimum house is 1,700 sq. ft. They  
17 are trying to maintain the Community at that status, but they feel like they keep hitting these obstacles...then  
18 the fire sprinklers..."just consider it for us, if you would".

19 Alan Thompson: "There is one other fee the City has no control over; but it is a fee and that is with  
20 Strawberry Power (SESD)...and that is \$4,000 or \$5,000."

21 He recognizes that is not the City's fee, but they all add up to about \$20,000 to \$25,000 in fees before one  
22 can even begin to build.

23 Mayor Dunn: Without the fire sprinklers, the fees add up to about \$12,000.

24 Grant Mines: He feels we are partners in building a Community...we want to create a "partnership attitude".

25 Mayor Dunn: The purpose is to examine these discussion points in this Work Session; and hopefully, with  
26 the input from those that have taken the time to be here, to come to some solutions. The City Attorney has  
27 commented that this is one of those situations where a bedroom community (like Elk Ridge) that depends on  
28 growth to "keep us alive", needs to understand the market and what homeowners are facing regarding their  
29 limits in obtaining financing...all of this to avoid leaving areas in a "blighted" condition.

30 We have a trails system designed across the City; but perhaps trails would be an additional cost to the City  
31 in order to maintain the trails and keep them open all year...and accept the liability if someone gets hurt.

32 He would prefer sidewalks in the City. Sidewalks can be the homeowner's responsibility; they make the  
33 Community look nice. Communities are not perfect, particularly with our economy.

34 He could not recall Mr. Church's exact words on the topic, but his overall intent was that you've got to do  
35 something to keep these things alive without compromising your integrities and your standards.

36 He feels there could be some "wiggle room" on the issue; he thinks it should be an option to the home  
37 owner.

38 Bill Ross: HE agrees. What if the City decided to require that all existing homes have to be retro-fitted with  
39 fire sprinklers? How would the residents feel? Where do we draw the line on requirements? He asked if any  
40 of the Councilmembers have sprinklers in their homes.

41 Derrek Johnson: He answered that he does not, but it was not a requirement at the time he built his home.  
42 Things do progress and change.

43 Bill Ross: It was not required when they started their project. They felt they had done everything the "right  
44 way" and according to code; the improvements were inspected and passed and after the fact, they have had  
45 this added onto it. His is a "hard ball" we can't quite take.

46 Derrek Johnson: He said he could see Mr. Ross's point of having it "thrown back" at them.

47 Mayor Dunn: He said the Council would not be taking action on this in the regular session; but it has been a  
48 good discussion and he would like the Council to "ponder" the things that were brought up.

49 The subject will be discussed at a future Council Meeting.

50 Derrek Johnson: He added that he appreciates the way Mr. Ross and Mr. Mines approached the matter; and  
51 that he has respect for them.

52 \*Shawn Eliot: He will contact Rick Salisbury and see if amending the Development Agreement is negotiable.

53 Derrek Johnson: He asked about the lots sizes in Crestview Estates and the selling price.

54 He also needs to find out the projected costs of maintaining the park, should it be deeded to the City.

55 *(The lot size = 1/3 to 1/2 acre; priced at \$60,000 to \$100,000.)*

56 Shawn Eliot: He reminded the Council that there are amenities that come with the PUD lots; which would  
57 add to the price of the lots.

58 Sean Roylance: (Directed to Mr. Mines and Mr. Ross) He asked about people actually walking away from  
59 purchasing lots when they found out about the sprinkler systems.

60 Mr. Ross: It is not that they minded the sprinklers, it's that the price had to be raised to cover the added cost;  
61 but, yes they could not afford the added cost. The same house located elsewhere would cost that much  
62 less, so they choose against Elk Ridge.

63 Mr. Mines: They had qualified out at a maximum of a certain amount that did not allow for the added cost.

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65 Mayor Dunn: He asked that the suggested lists of topics to discuss with the Payson City Counsel be  
66 submitted as soon as possible; to be compiled by Jan Davis.

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ADMINISTRATIVE  
PRIORITY LISTS

ELK RIDGE  
CITY COUNCIL MEETING

1  
2  
3 TIME & PLACE  
4 OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for **Tuesday, March 24, 2009, at 7:00 PM**; this was preceded by a **City Council Work Session at 6:15 PM. The Public Hearing regarding consideration of a Declaration of Default for Elk Ridge Meadows PUD, Phase 2, was held at 6:00 PM.**

The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

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9 Notice of the time, place and Agenda of these Meetings were provided to the Payson Chronicle, 145 E Utah Ave, Payson, UT, and to the members of the Governing Body, on March 20, 2009

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12 **ELK RIDGE CITY COUNCIL MEETING – REGULAR AGENDA ITEMS**

13  
14 ROLL

*Mayor: Dennis Dunn; City Council: Julie Haskell, Sean Roylance & Derrek Johnson (Absent: Raymond Brown & Nelson Abbott); City Planner: Shawn Eliot; Building Official: Corbett Stephens; and the City Recorder: Janice H. Davis*

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18 OPENING REMARKS  
19 & PLEDGE OF  
20 ALLEGIANCE

An invocation was offered by Corbett Stephens and Mayor Dunn led those present in the Pledge of Allegiance, for those willing to participate.

21  
22 AGENDA TIME  
23 FRAME

**MOTION WAS MADE BY JULIE HASKELL AND SECONDED BY DERREK JOHNOSN TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 8:25 PM**  
**VOTE: YES (3) NO (0) ABSENT (2) NELSON ABBOTT & RAYMOND BROWN**

24  
25  
26 PUBLIC FORUM

Sean Roylance: (RE: Fire Sprinklers)  
1. He is hesitant to change the code again.  
2. Perhaps he would consider it across the street (Park Drive or Crestview Estates).  
3. He would not consider changing with a 10' clearance; *perhaps* if the set-backs were wider.  
4. He would want to consider the requirement on a case-by-case basis.  
He is willing to consider these things; however he is not sure he would change the code due to the compelling information that was discussed when the requirement was adopted into code.  
Corbett Stephens: When circumstances change; perhaps the need arises to "re-group". There is no argument that fire sprinklers save lives; but is it the right time? Woodland Hills has had that code in place for 17 years; Trees do not really make the difference...90% of reason that this is in place is to put the fire out before it gets out of control...within the structure. If it were for the outside, the requirement would be for the outside of the structure.  
Sean Roylance: It is for that reason that Crestview Estates makes a bit bore of a compelling argument because their homes are separated and closer to the Fire Station.  
Corbett Stephens: One of the concerns he has with "case-by-case is how to regulate it? Who is going to decide which case? (Councilmember Roylance clarified his statement in that he meant case-by-case...by development; not by lot.)  
Julie Haskell: She agrees with the case-by-case basis.  
Corbett Stephens: Currently, the County requires fire suppression...sprinklers in the structure and you have to have a "reservoir".

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47 ELK RIDGE  
48 MEADOWS PUD,  
49 PHASE 2 - DEFAULT

Postponed until 4-14-09, to allow the attorneys to get together.

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51 PLANNING  
52 COMMISSION  
53 MEMBER  
54 APPOINTMENT

Mayor Dunn: He interviewed John Houck for the position on the Planning Commission; he would take Scot Bell's place.  
**MOTION WAS MADE BY JULIE HASEKELL AND SECONDED BY SEAN ROYLANCE TO APPOINT JOHN HOUCK AS AN ALTERNATE PLANNING COMMISSION MEMBER**  
**VOTE: YES (3) NO (0) ABSENT (2) NELSON ABBOTT & RAYMOND BROWN**

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57 BID APPROVAL –  
58 WELL #7

*(This is to replace the wood-framed roof on the well house)*  
Mayor Dunn: The safety representative from Utah Local Governments Trust (ULGT) was here and brought up the need to replace the roof on that well house; because the wood is rotten. This well will be shut down for now; but we still want to protect it. The cost is or \$1,639.27 or \$1,533.17 without the metal deck. This project will be "in-house". Corbett Stephens feels it would be worth it to take the time to do it without the "B" Decking (it rusts over time).  
The Council felt the long-term option would be better.

**MOTIOIN WAS MADE BY SEAN ROYLANCE AND SECONDED BY JULIE HASKELL TO APPROVE REPLACEMENT OF THE WOOD-FRAMED ROOF ON WELL #7; WITH CONCRETE, AS OUTLINED ON**

**THE BID PROVIDED...ELECTING TO NOT USE THE "B" DECK AND USE PLYWOOD INSTEAD...AT A COST OF \$1533.17 (NOT TO BE CONCERNED IF THE COST ALTERS SOMEWHAT)  
VOTE (POLL): JULIE HASKELL-AYE, DERREK JOHNSON-AYE & SEAN ROYLANCE-AYE (3)  
NAY (0) ABSENT (2) NELSON ABBOTT & RAYMOND BROWN**

*Passes 3-0*

2009-2010 FISCAL  
YEAR TENTATIVE  
BUDGET

*(Discussion and Schedule Public Hearing)*

A draft of the budget figure for this year + a blank space following each account was provided to the Council to review. Each Dept. Head is to provide figures for the Tentative Budget.

Sean Roylance: The finances for the City (current and future) are a priority for him.

City Recorder: The Council needs to decide about the possibility of a Truth in Taxation Hearing in August.

Will we have one? The reservations for a date to hold the Hearing must be made with Utah County as soon as possible. The Hearing must take place prior to August 17<sup>th</sup>.

Mayor Dunn: In talking to other Mayors in the County, about ½ the cities will have these Hearings this year. The advertising is expensive...over \$2,000.

Nine Mayors were at the Elk Ridge City Hall on 3-19-09. One of the tax related topics was the issue of Nebo School District will entertain an election bond in June, 2009; for \$165,000 for three new Jr. High's and a couple of new grade schools. This would be a vote for all the residents within the District. All nine mayors were concerned with what this would do to property taxes and to the cities' needs. The property tax that the City gets off of the entire assessment is 12% in Elk Ridge; State-wide, it is 18%. All of the mayors expressed their concerns about the tough times we are in and what this could do to city budgets...and how the School District can do what they want. The Mayor feels that if this bond goes through, people will blame the city government; when we have no control over this aspect. It is a vote by the people. There will be more information available. And he will keep the Council informed.

City Recorder: Since the main well will shift to the Loafer Well to save the City money in pumping costs, she suggested that the Council consider reviewing the tiered rate structure for water rates; and the possibility of lowering those rates to off-set the possibility of raising property taxes.

Julie Haskell: Asked for clarification of the "high-end users" and the rates they pay.

Mayor Dunn: He gave an explanation of tiered structuring in rates. It keeps the Enterprise Funds in the "black" and also assists rationing water by price...the more you use, the more it costs. Some places add on a third tier during hot months. Elk Ridge does not do that. Again, many cities give nothing for their base-rates.

City Recorder: Former Councilmember Harward submitted a proposal for a change in water rates that had some very good point to it; for instance, he suggested allowing more gallons for the base rate.

\*(The Recorder is to see if that proposal can be located.)

Sean Roylance: If he were to consider raising property taxes, he would be in favor of lowering water rates.

EXPENDITURES

General:

*Fire Extinguishers:*

Mayor Dunn: He informed the Council that all of the fire extinguishers in the City Hall are expired. They cannot be serviced if they pre-date 1984; and these do. They must be replaced.

A bid was given for over \$800 to replace 14 extinguishers.

Perhaps the old ones could be sold off.

**MOTION WAS MADE BY DERREK JOHNSON AND SECONDED BY JULIE HASKELL TO APPROVE THE PURCHASE OF 14 FIRE EXTINGUISHERS TO REPLACE THOSE THAT ARE OUT-DATED; AT A COST NOT TO EXCEED \$900**

**VOTE (POLL): DERREK JOHNSON-AYE, JULIE HASKELL-AYE & SEAN ROYLANCE-AYE (3)**

**NAY (0) ABSENT (2) NELSON ABBOTT & RAYMOND BROWN**

*Passes 3-0*

MINUTES

*City Council Minutes of 2-24-09:*

There was a question on Councilmember Johnson's intent on what was said regarding the subject matter discussed in a meeting he had with the Mayor; discussed on page 2, lines 32 & 33. He was referring to the water tank, rather than the purchase of the city property. The wording is to change: add..."RE: the water tank and the future of the economy"

Julie Haskell: Pg 7: line 33: change "lots" to "lost"

**MOTION WAS MADE BY JULIE HASKELL AND SECONDED BY DERREK JOHNSON TO APPROVE THE CITY COUNCIL MINUTES OF 2-24-09, AS CORRECTED**

**VOTE: YES (3) NO (0) ABSENT (2) NELSON ABBOTT & RAYMOND BROWN**

ADJOURNMENT

Mayor Dunn adjourned the Meeting at 9:05 PM.

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City Recorder