

**ELK RIDGE
CITY COUNCIL MEETING
August 11, 2009**

TIME & PLACE
OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for Tuesday, August 11, 2009, at 7:00 PM; this was preceded by a City Council Public Hearing at 6:00 PM, on consideration of the 2009 Tax Rate and the 2009-2010 Fiscal Year Budget.
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 August 7, 2009.

6:00 PM –

PUBLIC HEARING – PROPOSED 2009 TAX RATE (TRUTH IN TAXATION) & 2009/2010 FISCAL YEAR BUDGET

Public Hearing/To consider the proposed 2009 Tax Rate and proposed Budget for the 2009/2010 Fiscal Year, for the Operation of Elk Ridge City (Interested persons were given an opportunity to be heard.)

ROLL

Mayor: Dennis A. Dunn; *City Council:* Nelson Abbott, Raymond Brown, Julie Haskell & Sean Roylance & Derrek Johnson; *Scout:* David Bell; *Public:* F. Lucretia Thayne, Neil Dykstra, Ken Lutes, Ray Osburn, Dennis Jacobsen, Eric Ault, Robert Goodwin, Jim & Jamie Towse, Cindi Ellis, Chris Jorgensen, Linda Jones, Nathan Jones, Chris Salisbury & Scot Bell; and the *City Recorder:* Janice H. Davis

Mayor Dunn: (Explanation of the Taxation process) When there are changes in the Tax Rate, a Truth in Taxation Public Hearing is required. The reasons for the proposed tax rate change are discussed; concerns are heard and the Council has a chance to answer questions and review the proposed figures. One of the main duties of the Council is to create a budget for a fiscal year. A budget is established by using proposed figures for the following year. *He reviewed the various sources of General Fund revenue.*

One of the sources of revenue is "Sales Tax":

Some of the sales tax revenue is generated from the "point of sale" (the city)...1/2 of the sales tax collected is called "point of sale tax". The other 1/2 of the collection goes into a fund at the State level; this fund is divided on a quarterly basis by the population of the State...then they use that factor to multiply that money...then each community receives a return based on its population. Since there is no commercial base here in Elk Ridge, most of the City's return is based on population.

With the sources of revenue, a budget is formulated based on past years' estimates and current needs.

The original budget is adopted at the beginning of the fiscal year and may be adjusted (or modified) throughout the year.

There was a further summary of other sources of revenue in the General Fund.

He reviewed the "Enterprise Funds: They are the Water, Sewer & Storm Drainage Funds. They are set up more as "businesses" and they are designed to sustain themselves.

Cities are in the business of providing services. These services could be: law enforcement (contracted with the Utah County Sheriff's Dept., garbage collection, Fire Protection, snow removal (costs are high), water and sewer services, etc. The City does not provide electricity, natural gas, telephone, cable, etc.; these are private companies that serve the Community. Some cities do provide other services.

The Mayor described the water rates and how the billing process works. Most of the neighboring communities do not have water associated with their base rates and the charges begin with the first gallon used.

He reviewed the City's Bonds:

1. Sales Tax Revenue Bond: This was used to purchase property to build a future City Park & City Center. It was also used to tie four parcels of land together that the City owned. (Total of about 10.35 acres of ground at the corner of Gooseneck Drive and Elk Ridge Drive). The Bond was for \$1.5 million; with \$900,000 going to the purchase of the property...with \$600,000 left over. The City was contemplating another piece of property from Payson (former hole #7) for a park...there was no purchase in this case.

The \$600,000 balance is restricted to the City Center and Park of "facilities attached to that property...like a public works building. If not used within 36 months, then it is returned to the bank and takes about 1/2 years off the back end of the note.

2. There are two Water Revenue Bonds (\$500,000 in 2007 & \$350,000 in 2002) based on the water rates and the ability to pay the debt service.

A major water project was funded mostly by the City in the re-assignment of water rights and up-front money from developers in the PUD north of town. This was about a 2.2 million dollar project and only \$500,000 had to be funded through a bond...all of this without raising water rates.

The income in the Water Fund is affected by whether we have a "wet" year or a "dry" year. This past June was very "wet"...not much water revenue was generated.

When the end of a fiscal year comes (June 30), the budget has to be finalized; but there is still money coming in from the State and bills to come in (the final financial report if the Audit).

To help balance the budget, the Council was committed to cutting all of the expenses possible:

- 3 employee positions were eliminated (work was brought in-house to the current employees);
- Froze all the employees' wages & bonuses;
- The Fire Dept. cut down their budget by about 33%;
- Road Repair was cut;
- No transfers out of the General Fund to other Funds to save for future improvements.

City Recorder: The General Fund for 2009/2010 Fiscal Year is currently balanced, with a little over \$8,000 counted as excess; however this is based on an "untrue" picture of what it takes to operate the City.

At the end of the 2008/2009 Fiscal Year (ending June 30, 2009), the budget ended in about a \$250,000 deficit. The General Fund was "balanced" because it has to be; however, the difference was made up with two large transfers into the General Fund from Capital Projects Funds. One of the Capital Projects Funds was to accrue money for the construction of a City Center and/or to build out the Fire Dept. The other Fund is made up of Fund Balance that has accrued over the years.

Property Tax was discussed for both last year and the current year. Last year \$234,439 was budgeted for collection; this year the proposed amount is \$26,036. Last year the City only collected about \$210,000 out of the budgeted amount...some residents do not pay taxes.

This year the "Administration Fees" from the Water and Sewer Funds have increased to assist in covering costs in the General Fund. The Water and Sewer Funds actually contract administratively with the General Fund and pay a certain amount to the General Fund, based on time spent in those particular Funds. The Water Fund is not quite covering its costs in this area. The time spent in the Fund is about 35% to 40%; the Water Fund is only paying about 25% of its administrative obligations to the General Fund...and even at that, the Water Fund may not meet this level...depending on revenue generated in Water and cost savings.

One savings in Water was to be the result of switching to the Loafer Well as the main well for the City. The pumping costs would decrease by switching to the Loafer Well. This switch was authorized by the Council in the winter months, but due to delays, has not been completed.

Though the budget is balanced now; what will the mid-year amendment look like; it is impossible to know at this point.

As the Mayor said, the budget directly affects the level of services the City is able to provide.

What will happen to those services?

- Will snowplowing have to be "timed" and rationed out due to lack of revenue? (Many cities are doing this already.)
- What will happen to the City's roads if they continue to go unrepaired? Replacing a road is much more expensive than overlaying it.
- How long can we safely hold off on purchasing a Brush Truck for the Fire Dept.?

Explanation of General Fund and Capital Projects Funds:

Capital Projects Funds were compared to "Savings" Accounts; while the General Fund was compared to the City's "Checking" Account. When there is not enough money in the Checking Account, one does not put money into savings; and will even transfer money out of savings to help cover costs...that is what happened last fiscal year. If savings gets depleted too much, one is in danger of being "over-drawn". This must be avoided in the General Fund.

With the proposed tax rate, the average increase (overall) would be about \$40...and this simply begins to make up the difference in Revenue vs. Costs.

Raymond Brown: The City's infrastructure is aging; pipes are breaking and needing to be replaced (Example: \$105,000 project on Canyon View Drive to replace a water main).

Mayor Dunn: Most infrastructure such as water lines has a life of about 25 or 30 years; the City's old cast-iron system has been in place for over 30 years and breaks in the lines are increasing.

Roads: Some of the City's original roads were laid down with no road base; they should be done according to the City's own standards; and must be maintained regularly (various methods of maintenance were reviewed). One of the areas of expense cut out of the budget was conferences...the decision was not to attend; one of these conferences was the "Roads" Conference...this is a valuable one in that there is usually much useful information available.

Property Tax: The State return on property taxes is 18%...so if someone paid \$1,000 in property tax, an average of \$180 will go to the City of residence. All cities are different. The percentage collected by Elk Ridge is 12% or lower (under the average amount). The School District gets most of the rest of the assessment. When a change in property tax is discussed, it could change that 12% figure to perhaps 13%...depending on the ratio. The proposed tax change would result in about \$35 to \$40 more in the overall assessment for the year.

Due to the Recession and the number of foreclosures in the County, the deficit rate (usually around 10%) is more like 18%...this is money that will not be collected (it could be a different rate in the various communities). (He suggested the State's Web Site to find out more about how the cities are affected.)

The Mayor explained the when homes go into foreclosure, the banks who pick up the homes pay the property tax...he was not sure if there is any kind of "grace period". The valuation on the surrounding homes will change with a foreclosure nearby, and this would result in a decrease of property tax.

The notices of assessment can be disputed; an appeal can be set up.

The County sends out a suggested tax rate; the City will determine if that suggested rate will suffice or if there should be a proposed increase. The assessment will be based on the proposed tax rate for the City.

Suggested Tax Rate: .002147 (Generating about \$238,000)

Proposed Rate: .002343 (Generating about \$260,000)

At the Public Hearing for the Tentative Budget, the Council adopted the Budget with the Property Tax figure being at \$260,000.

City Recorder: She reviewed the tax forms that come from the County and the process by which the proposed tax rate was determined.

Neil Dykstra: He asked about what the tax rate is based on...is it by square footage of the home? Or is the size of the property?

Mayor Dunn: An Assessor would look at the square footage of the property and the finished part of the home; an unfinished basement will have a different value than if it were finished.

When a home is built and the occupancy permit is issued; that information goes to the County. The type of outside finish to the home is also a factor in assessing value.

Lucretia Thayne: She wanted to clarify that the figures coming from the County already had depreciation on the homes calculated into them. She noticed that the assessment on her home was several thousand dollars less than it was last tax year. Is this the same throughout the City?

Nelson Abbott: That is his understanding.

Sean Roylance: A decrease in value does not necessarily mean a decrease in the tax assessment.

Jamie Towse:

-She asked if the City Celebration could be eliminated to save money. Rather than renting all the games, perhaps the residents could do more.

- Perhaps the City could go back to using the other well to save money.

If there are ways to save money and not raise taxes; those options should be looked into. Holding off another year on some things would be "no big deal".

Mayor Dunn: He explained that we are trying to accomplish this very thing. The Loafer Well has proven that it can pump about 23,000,000 per month; this was proven when the City was trying to "prove up" on some water rights from SUVMWA. In June, that Well only pumped 4.3 million gallons; in July, 14,000,000 gallons were pumped. The difference in the cost of water is great...about twice as much to pump water from the Cloward Well and boost it uphill as it costs to pump from the Loafer Well. The City is addressing this switch-over currently.

Explanation of recent Water Project: The new system that was installed was comprised of a new one million gallon tank...this doubled the City's water storage capacity. There are two other 1/2 million gal. tanks that are located up higher. The new tank was designed to feed to the north section of town from this side of Oak Ridge Drive...north to the build-out point of the Community. The other two tanks service the existing portions of town. The thought is to get the "cheaper" water to the upper two tanks by the gravity feeding from the Loafer Well. This switch has not happened as fast as planned...there have been delays. It is common sense to make use of the "cheaper" water.

Regarding the City Celebration: Councilmember Johnson has been in charge of the Celebration for the past couple of years.

Derrek Johnson: The Celebration is typically a "break-even" event. The costs are off-set by donations and tickets sold. It is unknown what the final numbers are for this past Celebration.

Nelson Abbott: It would have been nice to have to spend money on repairing vandalized property in the Park. If we can avoid these types of needless expenditures, this would save the City money.

(Replacing the broken piece on the slide was about \$1,500.)

The curfew in the City is the County curfew.

Jamie Towse: She suggested not repairing these things and just leaving them...like the tennis net. If there is not money to replace things, then don't.

Mr. Dykstra: One of the newsletter addressed businesses being current in obtaining business licenses. Where do these taxes go?

Mayor Dunn: That depends on the type of business; a wholesaler that does not collect sales tax contributes nothing to "point of sale" disbursement to the City. Home businesses have quarterly sales tax filings required; this information goes to the State Tax Commission. There are some home businesses where sales taxes are collected and the City does receive some of that back. He is aware of several businesses in Elk Ridge that do not have local licenses.

Mr. Dykstra: If a business does not collect sales tax, then none would be owed.

Eric Ault: He has no problem with the proposed tax increase; he simply wants to know where the City stands on their motivation to get out of debt. Is the City still planning on building a new City Center? He feels this does not make sense in the present economy.

Raymond Brown: The reason the public is sitting in the bay area of the Fire Dept. is that a new City building is needed; particularly the public works portion at this time. The City has outgrown the current facility. The current City Hall should be a Fire Dept. Building.

Mr. Ault: The timing may not be right. It may not be wise to get into more debt. He feels he understands the City's finances somewhat.

Raymond Brown: The timing may be right because of building costs on labor and materials are lower than they have been. The City already has the debt; if it is not used it will go back onto the back of the loan and there will still be interest to pay on the money.

Sean Roylance: He has researched the options with the loan and he realizes that the Council has had the information that Councilmember Brown referred to; however, he has further information that could be useful. It appears that the City could pay down the principle with a one-time penalty of \$9,000. If the \$600,000 were paid toward the principle; that could save the City about \$56,000/year...and over time, could save about \$195,000 in interest. So this question would be: do we want to keep that debt or remove a portion of it. If the debt remains the same, it would be like the City borrowing another \$600,000 right now.

Mr. Ault: Can a City building be built with \$600,000?

(The point was made that the public works portion would be the only thing built right now.)

Raymond Brown: Currently, the road salt sits out in the open and there are problems that arise from this arrangement...water and salt dissipate as well as getting all stuck together. In planning a City Center, the thought has been to move forward with the public works part of the plan and then the park...then, in the future plan the City Hall.

Mr. Ault: He still questioned if these things are needed right now...how heavily used is the current park? Until the current park is used to the limit, why have another?

Raymond Brown: One of the issues in the City Survey that is referred to was that there is not enough park space and not enough sports. The City is under the quota recommended for park space. Much of the work toward these things can be done in-house.

Mayor Dunn: One of the elements to be remembered is that when discussion went on to purchase that ground, there was no recession going on. The Council had looked at the Survey that went out and one of the often repeated comments was regarding the lack of open space. There is a formula for open space in communities that is based on population. One of the things that many may not be aware of is that when an impact fee study is conducted, a park impact fee would be based on how much open space we have...based on that formula. Park Impact Fees cannot be used to purchase land for parks in the attempt to match that equations. Park Impact Fees can be used to build out existing parks (as in the rock wall and landscaping in the current City Park). A portion of the bond the City applied for was to purchase open space for parks.

Regarding a future City Building: He envisions a "modular" approach to any construction...done in phases. As the City grows, the build-out will be about 1,500 homes (570 homes now); so there will be a greater need. What the City is considering now is preparatory.

Mr. Ault: He understands that the land has been purchased; but he was disappointed that only about 12 citizens showed up to discuss the future of Elk Ridge's finances.

City Recorder: She thought that the greater focus was on getting the public works' building built first; the parks would be secondary to that priority. Safety issues should be first...as desirable as more park space may be. The Fire Dept. has applied for a 2.5 million dollar grant for a new Fire Station...it is to refurbish the current City Hall...the money has to be applied to the Fire Dept.

Mr. Ault: His main concern is that the City does not over-do itself financially. He feels paying the \$600,000 back onto the loan would be his choice. "We can always bond money...can't we?"

Raymond Brown: The City has to be in a position financially to bond for a project or a purchase.

Mr. Ault: Then perhaps it would not be the wisest thing to give the money back; these are the things people need to know. Maybe a letter explaining the issues, in depth, would be beneficial. Citizens need to be informed what the options are with: parks, City Center, Fire Dept., etc.

There are less expensive ways to accomplish construction; Goshen just built a steel public works building.

Mayor Dunn: They got money by revenuing some of their property out and installed a cemetery; they also qualified for a CDBG Grant, which Elk Ridge does not qualify for...Elk Ridge's median income is too high to qualify.

Mr. Ault: Another issue with the City's finances: The position of Building Inspector: He does not feel it makes sense to pay a high salary to someone when there is no building going on. He is not "cruel" in wanting to cost someone his/her job; but he does not feel the salary this position is currently being paid is appropriate for Elk Ridge. The City could contract to bring in an Inspector.

Mayor Dunn: The Mayor interjected that the City used to do that; and the cost was about \$90,000. The position costs the City about \$66,000/year. He asked if Mr. Ault had any idea how this position is paid for... (*He did not*)

Mayor Dunn proceeded to explain about the revenue generated by Mr. Stephens: He actually only cost the City about \$14,000 in salary last fiscal year...Elk Ridge "revenue him out" to Payson, Salem and Woodland Hills...in various capacities: as a building inspector, water operator, general contractor & Subdivision Inspector. Do to his work, the position of meter-reader was eliminated because the reading is being done in-house; he is of great value to the Community. His wage is actually very fair, all things considered. His salary could not be justified if he were not generating a good portion of added revenue to the City's budget. (He brought in about \$53,000 last fiscal year.)

Mr. Ault: He added that he wants to see efficient use of the City's money. It is not always the expensive route that is the best way. The City has resources in its citizens that could be made use of.

Nelson Abbott: The proposed "salt shed" is going to be a steel building with a concrete pad...with much of the work being done in-house. (*The cement work is being done by the Mayor.*)

Mr. Ault: He wanted to clarify that none of the employees are getting raises (*No they aren't.*). The newsletter could be used better to inform citizens.

Raymond Brown: The City has a new web site that has been two-years in the making...if it could get "up and running", it would be very useful...but it is not. (*Many older citizens do not have the Internet.*)

Sean Roylance:

- He agrees that there should be concern about employees; if there are positions that cannot be justified, then the Council needs to take a hard look at that and the money being spent on those positions.

As the Mayor said, he agrees that this is not the case with the Building Inspector.

- The Sales Tax revenue Bond: If we do nothing, it would be the same as the City going out and getting a \$600,000 loan right now. The question to ask: is that the decision the Council wants to make? Would that be wiser to not use that money right now, to see if the economy improves? It would take action to change this course.

Raymond Brown: If the money were to be "given back"...and if there is growth and the needs associated with growth are to be met...if the need arises for a new Fire Hall or a City Center, would the City have the ability to bond at that point? If the City does qualify for a loan, it will be at a high interest rate.

Another option would be to increase taxes significantly.

Sean Roylance: If the economy improves, so will the Sales Tax Revenue. He surmised that if the City were in a position of growth, yet could not get another bond.

Raymond Brown: The money was borrowed at a low interest rate and was meant for specific purpose; why wait until the absolute need arises and then attempt to qualify for another bond at a higher interest rate?

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Sean Roylance: If there were growth, that would indicate a stronger economy...probably similar to when the bond was originally obtained. Should an increase in taxes be postponed?

Neil Dykstra: In listening to the discussion, he surmised that there was no definite plan, nor is there a time line for construction on a City Center; and he feels the City is "paying money down the drain". The City could use that \$55,000 to support the current needs rather than paying interest on something we are not using...he feels this is "foolish". He advised coming up with a definite plan and time line regarding these proposed structures. The plan needs to be in place and scheduled, so the money can be used wisely. The ideas need to be converted into a plan...and this plan should be communicated with the citizens.

Raymond Brown: There is a partial plan: the "salt shed" is planned and the public works building has a rough plan. Several people have been contacted regarding grading the field, at no cost to the City. The Council is not trying to project that the first need is to build a new City Hall; but to address the needs of public works and road salt.

Neil Dykstra: He suggested determining exactly what those costs are...keeping that money and returning the rest of it. This would save the City money.

Raymond Brown: He made the point that this information from Councilmember Roylance is completely new to the Council; this was the first time it had been made available.

(Councilmember Roylance commented that he had only received the information that day.)

Mayor Dunn: He added that he had experienced frustration that the Council has not moved forward with plans. The intent was to "do something" with the land. There has been thought of re-designing the existing home into a City Center. Nothing has been decided about the existing home either.

One of the reasons to move forward with public works is to move the equipment out of the Canyon...partially for security reasons. The house has generated a bit of revenue (\$1,200/month) in rent; which was allowed because the house was "gifted" to the City...it was not part of the purchase.

Lucretia Thayne: (Seeking clarification)

- Park Impact Fees: Can the fees be used to landscape the land to be used for a park? (Yes.)
- Is there sufficient money in Impact Fees to put grass in? (There is about \$30,000 +)
- Can Impact Fees be used to repair any vandalism? (No; that would be considered "repairs or maintenance" and Impact fees cannot be used for that purpose.)

Mayor Dunn: The only way to get more impact fees is with new development; at the time of building permit. The PUD north of town did pre-pay for water (paid back from impact fees)...they also have to be utilized within 6 years. Many citizens are uninformed about impact fees and how they are used by the City. There is much that has been funded through impact fees rather than tax money; for instance, most of the park improvements were funded with impact fees and through Eagle Projects.

Ray Osburn:

- Fire Dept. Grant: He agrees that this is a "real need".
- He feels that where the City has regrets in making mistakes is where not enough money has been spent to do things "right". There are "hopes":
 - 1) To get the Fire Dept. grant: build a new fire house
 - 2) To build a public works building
 - 3) To build a City Center

There are factors to figure in:

- 1) The unsteady economy
 - 2) Is it worth spending some money at this point to design a building (Center) that could be expanded
- He is personally in favor of designing a building that can be expanded. There are too many "what if's" right now and not enough plans. He likes to see progress and to move forward. It costs money to move ahead and to "stay alive".

He feels that there has been a good explanation about the needs of the City and how the City plans on meeting those needs.

Mayor Dunn: (He thanked Mr. Osburn.) He agrees that if the City does not do something with the bond money, there will be opportunities missed. The recession has slowed things down, but there are still things that can be done to move forward, without being a detriment to this Community...planning for the future is always a good thing.

There has been discussion of increasing the overall taxes about \$40 per household (as an average); he asked those present if they are "okay with that"...if they could "live with that". It is the duty of the Council to bring these things to the public and to have these discussions...he feels the evening's input has been productive. He does agree that he would have liked to see more of the public in attendance.

Neil Dykstra: He wanted to know where the \$40 average increase came from...his is an \$80 increase. He feels that is more like the "average".

Mayor Dunn: the \$40 is an average. The proposed increase in General Fund Revenue (property taxes) is \$25,000, divided by 570 (homes in Elk Ridge) = \$43.86.

City Recorder: There is a \$22,000 difference in the amount of property tax generated in considering the suggested tax rate and the proposed tax rate.

Sean Roylance: "As a percentage of your home value, the County has already raised taxes...and so what we are considering is to raise an additional \$22,000".

Nelson Abbott: The notices sent out from the County reflects the proposed tax rate.

Shawn Eliot: He got his assessment and the School District and the City portions increased; while there were other assessments that went down...so, in the end, he only paid \$45 more...total. He said that he does not live in a "big rich house", but he said he lives in an "okay" house...so perhaps he is "average".

A friend of his that lives in a big home on the golf course told him that his taxes decreased considerably. He thinks that some of the high-end homes in the Valley have depreciated so much that their tax increase is less than the average home...because the average home did not have much of a depreciation in the value. An example of this would be: the City Recorder, who lives in an older home, has a higher assessment than Mr. Eliot, who lives in a newer home.

City Recorder: To come to an understanding of how the County sets the values on homes; any interested person can call the County Assessor's office. The City does not set the values on the homes.

Mayor Dunn: That is an important thing to remember...that is where the "appeal process" can be applied. If anyone feels the assessment has been unjust or unfair, that person can speak to an "arbitrator"...these people work with individuals to work through their problems. The Mayor said that he has gone through this process.

Raymond Brown: The contact is called the "Board of Equalization"; one simply asks for a hearing and a date and time is set up...within a week or two. It is good to take information regarding neighboring homes, appraisals...anything that may apply. Even if the appeal is rejected, one can request "mediation".

Nelson Abbott: Information on neighboring homes is "public" and can be obtained on the Internet...on the County web site.

Mayor Dunn closed the Public Hearing at 7:47 PM. (The Council took a short break.)

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REGULAR CITY COUNCIL MEETING AGENDA ITEMS

ROLL

Mayor: Dennis A. Dunn; *City Council:* Nelson Abbott, Raymond Brown, Julie Haskell & Sean Roylance & Derrek Johnson; *Scout:* David Bell; *Public:* F. Lucretia Thayne, Neil Dykstra, Ken Lutes, Ray Osburn, Dennis Jacobsen, Eric Ault, Robert Goodwin, Jim & Jamie Towse, Cindi Ellis, Chris Jorgensen, Linda Jones Nathan Jones, Chris Salisbury & Scot Bell; and the *City Recorder:* Janice H. Davis

OPENING REMARKS
& PLEDGE OF
ALLEGIANCE

An invocation was offered by Nelson Abbott, and a Boy Scout David Bell led those present in the Pledge of Allegiance, for those willing to participate.

AGENDA TIME
FRAME

MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY JULIE HASKELL TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 7:55 PM
VOTE: YES (5) NO (0)

PUBLIC FORUM

No comments.

APPROVALS

1. **TAX RATE FOR THE 2009 TAX YEAR:**
Resolution/To adopt the tax rate to be assessed to Elk Ridge citizens for the 2009 tax Year

Raymond Brown: There is already Council approval to build a "salt shed"; he feels the City would be "remiss" in not building a public works building as soon as possible. This would locate the public works and associated equipment elsewhere besides Loafer Canyon...this action could result in the City being able to sell that lot in the Canyon. The trucks and equipment have outgrown the current bay area; as well as the Fire Dept. bay area. He feels there should be something proactive done with the bond money. He is not confident in the new information presented by Councilmember Roylance, until it has been verified that the money can safely be given back without too much penalty.

He will not be on the Council the following year, but as a citizen...he will still argue the case. He feels that Mr. Dykstra made some good comments...in that there must be a plan! Councilmember Brown has been in favor of formulating a plan for some time now. "If you don't know where you're going, it is hard to drive"...meaning that there must be a plan as to the direction the City is going with the modular approach to the City Center.

The discussion has been to:

- Install the salt shed
- Build Public Works Building
- Possibly the park area
- A concession stand would bring in added revenue (a "rough" number would be \$30,000/year)
- Eventually building a City Hall

Is this a "good time"...Is there ever a "good time"? He cannot tell what the future may bring. He knows that people cannot just sit around and worry about the future. Currently, costs are down on building supplies and

labor (contractors need the work)...perhaps the time is right. He thinks State Farm started up during a recession. There are people who have vision...

He has always suggested a five-year plan to decide where the City is going.

It is "just not good business" to have the emergency equipment house the way it is at the City; not is it "good business" to park the snowplow out in the weather and leave it...nor is it "good business" to leave maintenance equipment unprotected. The City is "maxed-out". "So, do we turn the money in and save \$50,000?"

City Recorder: There seems to be a perception that saving \$50,000 + will solve the City's problems...that is not the case. She explained that the City ended the last fiscal year with about a \$250,000 deficit. How long will the City not repair roads? It is not just the City Center or the associated bond...how long will City employees not get a cost of living adjustment? How long will we eliminate transfers out of the General Fund?

The proposed tax rate was meant to start to "chip away" at the City's deficit. The revenue in the General Fund must be brought back up to a point where the City can operate at a "healthy" level.

Raymond Brown: A certain amount of B & C Funding (about \$80,000) comes from gas...then the City adds General Fund money to that for road maintenance. UDOT has been up to Elk Ridge to monitor the way the City spends the funding; they have been very complimentary about Elk Ridge's roads and snow removal policies. Many cities do not even plow some of their streets...some cities will actually direct that plows be parked after a certain number of hours plowing, due to lack of funding. The City was very frugal this past year and this summer in the area of road repairs; which is good...but there were roads (particularly three) that really needed some maintenance, and did not get it. Two or three years of this will result in "failures" in the roads...and that situation would be very expensive to fix. The roads cannot go too long without the necessary repairs.

Sean Roylance:

- He was simply providing information to the Council regarding possible options for the bond money.
- He agreed with Councilmember Brown and the City Recorder that there are problems that need to be solved in the City and that "we need to do this" (referring to the proposed tax rate increase).
- He does feel the issue with the possibility of saving a certain amount on the bond payment is relevant...it would free up more money to apply to the General Fund expenditures. He realizes that this will not solve all the problems.
- His opinion is that if there is a way to "get by" for now and obtain money in another way, that would boost the citizens' confidence in the Administration.
- He feels that most residents could afford the proposed increase; but he feels it is more of a psychological aspect this year...to have taxes raised.
- He agreed that the information he received recently should be verified; but the source is Zion's Bank and they were being considered for this bond. There may be risk, but he felt fairly confident in the information received from Zion's Bank. They also said that if Wells Fargo Bank was unwilling to work with the City, that they would be glad to do so...however the fees would be higher (\$25,000 rather than \$9,000) to transfer it all over to Zion's Bank from Wells Fargo. Zion's Bank did not see any reason Wells Fargo would not want to work with the City. "There is the potential that maybe this information is wrong...but that is the source of it."

Mayor Dunn: The economy will be different next year...there is not way to predict what it will be like next year or in the future. Sometimes the tax figures increase and some times they decrease. He can see evidences of a stronger economy; with slow, safe growth possible. The Council will see a proposed tax adjustment come up again. For the past two years there has been a great deal of focus on understanding the tax issues; and the Council has struggled with meeting demands...like all other communities across the Nation.

He wants to try to keep the level of services at a level where Elk Ridge citizens are not compromised with their health, safety and welfare..."that is important; and that is our duty...as tough as it may sound, tax increases are not favorable things". He is a tax payer and he does not like increases; but he is okay with it if he understands the need.

Sean Roylance: 1) He has also done research on the issue of codification; which has been discussed briefly in the past. He conducted an informal survey and found that many cities of smaller size do not use a codifier and they save that money; "which in some years has cost us as much as \$20,000 in a year...or so". He would like to re-examine this area to see if the City could save this money.

(Note from City Recorder: The average amount since 2001-2002, when the City began using codification has been \$2,474...with one of the highest years being 2003-2004 at \$5,686...but this was for two years, since the total for the previous year was \$0.00. The next highest year was 2008-2009 at \$3,818, but this also took care of 19 new ordinances...17 in 2008 alone...including the HR-1 Zone Code...since 2001, the grand total spent over the years has been just under \$20,000, which is perhaps what Councilmember Roylance was referring to.)

Without codification, if we ended up with a mistake in the Code..."if someone challenges the Code..."we could just say that you can go ahead and do what you wanted to do after-all".

2) Another question is about the "switch over" to the Loafer Well; this would enable the City to save money by saving the higher pumping costs with the Cloward Well. He felt the information gathered at the beginning of the summer was compelling; he feels it is "disheartening" to learn that the switch had not fully taken place. That savings was to be considerable and he wanted to know what can be done to get this taken care of as soon as possible. What can the Council do?

Mayor Dunn: He advised that Councilmember Roylance contact the Public Works Superintendent (Kent Haskell) and communicate these thoughts. It may put some more urgency to the issue. There have been some problems with the programmer (telemetry) that cost about 3 weeks in setting up the computer program...a couple of weeks were lost in getting the right hardware. Perhaps Mr. Haskell needs to visit with the Council, either individually or as a whole, and explain why and how things have happened with this switch-over.

The Council decided last February on switching over to the Loafer Canyon Well. The Loafer Well used to be the principle well.

Nelson Abbott: When the engineers put together the plans for the new tank, Mr. Neeley said the changes were made based on changing to the Cloward Well.

Mayor Dunn: So, input from the City Engineer would also be useful. The Mayor has directed that the numbers must be reversed (pumping costs between the two wells). Last month, 14 million gals. were pumped out of the Loafer Well; and 28 million gals. were pumped out of the Cloward Well...this should be reversed.

Raymond Brown: The computer tech did not show up until last week.

Mayor Dunn: It must be determined if the needs of the upper two tanks can be met by the Loafer Canyon Well. He again advised that the Council encourage Kent Haskell of the strong need to finish the project.

Sean Roylance: If this is costing the City money, then we need to do whatever it takes...even if it includes offering a bonus to some computer tech to get the job done as soon as possible.

He complimented everyone involved with the budget cuts to bring the budget into a balanced state. It is good to "get conservative" rather than simply dump more problems onto the citizens; as many cities do. He feels there is greater potential to budget efficiently.

Mayor Dunn: He agreed with Councilmember Roylance that the Council has been proactive in each of the departments to conserve as much as possible. The work that has been brought "in-house" by employees has been effective; as well as the volunteer projects done by the residents...it all helps.

Julie Haskell: The previous year Councilmember Haskell voted against a tax increase, based on the information available at that time and the fact that she was new to the Council. She now has more information and she feels better acquainted with the City's finances...she feels that the tax increase is necessary. She is over Public Safety and the Fire Dept. has cut their budget all they possibly can...those are services that affect people's lives; she does not want to see problems arise from lack of funding. She was ready to make the motion.

Raymond Brown: He has struggled with the information regarding saving money on the loan; but it is not information that has been validated and Zion's Bank is not the lending agency, so how does Zion's attorney speak for Wells Fargo Bank? He does not know how much more "tightening" the City finances can go through...he has spent 7 years serving the City...and there have been many good things accomplished: like a new sump design. He is not in favor of increasing taxes, particularly when he feels Nebo School District could spend money wiser. It is a hard call for the Council to make; particularly when only 12 or so citizens showed up for public input. Even considering the pros and cons, he still feels the increase is necessary.

MOTION WAS MADE BY JULIE HASKELL AND SECONDED BY NELSON ABBOTT TO ADOPT THE PROPOSED TAX RATE OF .002343 FOR THE 2009 TAX YEAR FOR ELK RIDGE CITY

VOTE (POLL): SEAN ROYLANCE-NAY, NELSON ABBOTT-AYE, RAYMOND BROWN-AYE, JULIE HASKELL-AYE, DERREK JOHNSON-NAY

Passes 3-2

2. 2009/2010 FISCAL YEAR BUDGET:

City Recorder: The Property Tax listed in the proposed budget was based on the proposed tax rate. The only change would be in a figure in the Water Fund: \$3,750 was added to "Connections" (Meters) to allow for an average of 10 new homes.

MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY NELSON ABBOTT TO ADOPT THE PROPOSED BUDGET FOR THE 2009/2010 FISCAL YEAR, FOR THE OPERATION OF ELK RIDGE CITY, ADDING \$3,750.00 TO THE WATER FUND BUDGET FOR THE PURCHASED OF NEW WATER METERS

VOTE (POLL): SEAN ROYLANCE-AYE, NELSON ABBOTT-AYE, RAYMOND BROWN-AYE, JULIE HASKELL-AYE, DERREK JOHNSON-AYE

Passes 5-0

**The information presented by Councilmember Roylance regarding the Sales Tax Bond should go through the process of being verified by the City Attorney, the City Finance Director and Wells Fargo Bank.*

**NON-AGENDA ITEM -
INTRODUCTION OF
CANDIDATE FOR
MAYOR**

Introduction of Candidate for Mayor, Kenneth Lutes:

Mayor Dunn: HE announced that neither he nor Councilmember Brown would be up for re-election in the up-coming Municipal Election. He introduced Candidate Kenneth Lutes; he is the only one who filed for candidacy for Mayor. There is the possibility of declaring candidacy as a "write-in" candidate and campaigning would be as such. On Election Day, a write-in candidate may be written onto a ballot by a voter (that name will not be printed on the ballots); but he/she would have had to have declared by October 5, 2009 for that vote to count.

Mr. Lutes will not be able to be present at the formal "Meet the Candidates Night", scheduled for the next City Council Meeting, and asked if he might have a few minutes to introduce himself.

Mayor Dunn gave a bit of background: Mr. Lutes is a West Point graduate and he has spent 8 years in the Military. The Mayor said he is an easy person to be around and that he is taking time to meet with the Mayor and acquaint himself with many of the issues in the City...he is a good man.

Kenneth Lutes: He appreciates being allowed to take a few moments and he certainly appreciates the good Mayor. He and his wife have been residents of Elk Ridge since 2002. He spoke briefly of his family.

In Church, he serves with a BYU Stake.

He has worked for EDS (Electronic Data Systems); a financial planning company (Vice President over Operations); he started his own business (small shopping center); he spent about 16 years working for the

LDS Church; he has worked for a consulting firm and has published his own books, as well as editing other books.

His municipal experience: He served as Mayor of New Harmony (small town in Utah). He is familiar with city finances and was able to assist in solving financial problems with New Harmony.

Platform: He is in favor of...

- Fiscal restraint
- Low water rates (if possible)
- Low Taxes
- Small, "common sense" government
- Decisions based on the U.S. Constitution

He is willing to listen. He would like to talk to people in the City; he needs to know people's concerns.

People need to vote on November 3, 2009...there is much at stake. The Council and the people need to work together and he thinks a lot can be accomplished.

BOUNDARY LINE
ADJUSTMENT
PAYSON –
ELK RIDGE

Mayor Dunn: He referred to a map indicating the location of the proposed boundary line adjustment...it is just north of Gladstan Golf Course; following the northern boundary of the Golf Course. The adjustment moves the northern boundary of the Golf Course slightly more to the north. 1/2 of the fairway there is in Elk Ridge, even though Payson owns the rest of the Golf Course. They want the adjustment to have the entire fairway within Payson's City boundaries.

This has been before the Council in the past and tabled for various reasons.

(Memo from Planner to Council, dated 7-28-09)

"Background

The city of Payson requested in 2007 that there be a boundary adjustment between Payson and Elk Ridge to de-annex from Elk Ridge property that Payson owns as part of the Gladstan Golf Course. This property is along the northern property boundary of the Gladstan Golf Course in the rural Gooseneast area. Both cities held public hearings on the adjustment as required by state law and soon after the process didn't proceed. In June 2009 the councils of both cities met and discussed getting the process restarted. Also discussed at this meeting was adjusting the mutual annexation declaration boundary between the cities north of Gooseneast DR (surrounding Elk Horn DR) to include the Haskell properties up the Highline Canal.

For the boundary adjustment what is left to for Elk Ridge to do is to adopt an ordinance approving the boundary adjustment.

Staff Recommendation

It is logical to allow Payson to have in their city limits this small strip of land that is a part of their golf course. The city will, at a future date, review other slivers of property along the west are of the golf course that also should be a part of Payson, as well as areas behind High Sierra DR, adjacent to the HR-1 zone that are currently within Payson and probably should be within Elk Ridge since Payson cannot serve them.

Now is also a good time to give feed back to the Payson council regarding the change to the annexation declaration boundaries.

Payson staff has told us that they are supportive of making the change as long as Elk Ridge agrees to keep the land use similar to what is in the area now. They were also ok with allowing a half acre lot designation with a PUD overlay that would allow clustering homes and keeping open space closer to the canal as a buffer to the orchards.

Council Discussion

1. Is the boundary change on the golf course property in the best interest for the city of Elk Ridge?
2. What is the best direction to give staff to approach the Payson council regarding the annexation declaration boundary adjustment and land uses?

Attachments

Attached is the documentation supplied by the city of Payson for the boundary change."

Sean Roylance: If this is approved, he suggests approval be based on a reasonable solution to the proposed annexation area in the Gooseneast portion of town. Though the adjustment does not seem to "hurt" the City, then he feels it is reasonable to think that Payson would think favorably on allowing Elk Ridge to annex in the area indicated in the joint work session.

Shawn Eliot: 1) The Payson staff is supportive of the proposed change of the annexation declaration between the 2 Cities, if we keep our zoning similar to theirs...basically 1/2 acre lots. The Planner asked about a PUD with 1/3 acre lots and then open-space near the orchard...and they said they would be fine with that. That is *staff*; the matter would have to go before the Council in Payson. He feels that moving this boundary line adjustment along helps make the other happen.

2) They want to bring all of the Golf Course into Payson, instead of having pieces of it in Elk Ridge.

South of High Sierra: there is an area that cannot be accessed from Payson...in those discussions it can be suggested that it might be beneficial to make the lay-of-the-land be the boundary, rather than section lines (as it is now). There is a hilltop that is currently in Payson that would have to access by going across Elk Ridge land...hopefully, that could come into Elk Ridge.

The only thing he feels could be a bit "awkward" on the proposed boundary line adjustment is that Payson owns a small piece of land that connects onto Elk Ridge Drive; it is basically Payson's access to the trailer park. We have asked them that Olympic Lane be continued to the West and tie into their planned development by that road...not onto Elk Ridge Drive. If Payson did access their development onto Elk Ridge Drive, there would be two roads close together...coming onto Elk Ridge Drive. If that one parcel does go into Payson, and if they do not use it as a road access...it could be sold off as a lot someday...with one house in the City of Payson...It could be that it would simply annex back into Elk Ridge at that time.

Raymond Brown: We seem to going off of assumptions; and Elk Ridge's dealings with Payson have not been the best...meaning that things seem to go Payson's way in the ownership of land between the two Communities. He is concerned that so many things "seem to make sense"...and to Elk Ridge, that may be the case; however, it may not be the case with Payson. Anytime we have asked them for what seemed like a reasonable request, it is denied. They have not worked "with" us. He has a concern that Payson will not be "reasonable" in these issues.

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3 Mayor Dunn: The Planner has mentioned that *staff* is supportive...and he feels there is common sense to be
4 considered.

5 Raymond Brown: He feels that the tendency has been for Payson to do whatever is helpful to them; it seems
6 like a "give...give" situation.

7 Shawn Eliot: These other issues were not included in this discussion because this pending ordinance has
8 been on the table since 2007; Payson wanted to get this through before the other issues were addressed.
9 Perhaps part of the motion could say that approval is contingent that the annexation boundary gets worked
10 out.

11 City Recorder: She added that the motion could also be contingent on solving the problem of their access to
12 Elk Ridge Drive. *(The Planner agreed that it could be part of the approval.)*

13 Raymond Brown: There seems to be a lot of "contingencies"; he simply cannot vote for it with those still
14 pending.

15 Julie Haskell: She has not seen in writing what all of Payson's specifications are regarding the annexation
16 area. She attended a Council Meeting in Payson and much of what they discussed was a surprise to her and
17 to her husband, since they are property owners and were not even notified.

18 Regarding a "buffer" for the orchards: there is already a 200' easement by the canal where Allred's have their
19 trees...why shouldn't Allred's create the "buffer"? Payson was talking about 2 ½ acre "ranchettes" by the
20 orchards.

21 Shawn Eliot: If the area came into the City as ½ acre lots, we could go right up to the 200' easement. If the
22 land came in as a PUD, with more density...overall there would be a balance with open space.

23 Julie Haskell: There are also four property owners with 4 separate pieces.

24 Shawn Eliot: There is concern with a large piece of land; the owners went to Payson to request annexation
25 and Payson denied the request. The owners are concerned about their plans; and they are now calling Elk
26 Ridge to see what we can do for them.

27 It comes down to the City's General Plan and what we want to do with this area.

28 Nelson Abbott: Regardless of what their staff supports, if an area is within Elk Ridge's boundaries, then Elk
29 Ridge will deal with the land and its owners within Elk Ridge's zoning laws.

30 Shawn Eliot: It still comes down to the General Plan and what it supports.

31 Mayor Dunn: He suggested putting a list of contingencies together for the motion.

32 Shawn Eliot:

33 - The parcel along Elk Ridge Drive (Access to their property would be through the Elk Ridge easement to
34 consolidate access to Elk Ridge Drive.)

35 - The annexation area be adjusted (down to the canal and over to the Allred property)

36 *(It was not mentioned at this time, but previous discussion also suggested that the hilltop south of High Sierra
37 Drive also be included in this list.)*

38 Scot Bell: As a member of the Planning Commission, he had the opportunity to visit with Payson's Planning
39 Commission about development. He does not agree with Councilmember Brown about how dealing with
40 Payson seems to be a one-way street. Payson has plans for the eastern part of their City, but in reality why
41 should Elk Ridge simply accommodate Payson; perhaps they should be accommodating Elk Ridge.
42 Elk Ridge should define what is important to Elk Ridge before there is no leverage to left to "get what we
43 want".

44 Raymond Brown: Payson has expanded and have dug another holding pond in the Four bay area...they have
45 doubled the capacity. He doubts that they would consider leasing or selling irrigation water from them; yet we
46 sell them water for their Golf Course. The last time he mentioned to Payson, they were very against the idea.

47 He does not understand this kind of thinking between neighboring Communities.

48 Elk Ridge gets along with Woodland Hills and Salem, but Payson does not think that way.

49 Shawn Eliot: If this boundary line adjustment does not take place, it will not really "hurt" Payson in any way.

50 Mayor Dunn: The top of the list in the Joint Work Session with Payson was the annexation declaration.

51 Raymond Brown: It is odd that they made plans for the annexation area without contacting the land owners.
52 How enforceable would a "soft list" (of contingencies) be? These are items we want them to consider; but they
53 do not have to do that. We are running out of bargaining power.

54 Mayor Dunn: List:

- 55 1. Hilltop south of High Sierra, land come into Elk Ridge
56 2. Change in the entry to their property; purchase easement from Elk Ridge (Line up with Olympic Land)
57 3. Continuation of the change of the urban growth boundary to fit the lay-of-the-land (South of the canal and
58 East of Allred Orchards remain in Elk Ridge annexation boundary declaration)
59 4. Land along Elk Ridge Drive that needs to go back to Payson (across from the LDS Chapel)

60 Shawn Eliot: (RE: Olympic Lane extension) If the City owns that easement for a road to go in at some point in
61 time...Lee Haskell is planning on proposing use of that public road...if Payson comes in first and connects into
62 it and builds the road, would the City have Payson purchase the road? *(Councilmember Brown said, "Yes".)*
63 The City did not do that with the Kimber's.

64 Raymond Brown: He feels that the price should be "market rate", plus \$35,000. The \$35,000 would go to road
65 repair.
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MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY JULIE HASKELL TO APPROVE THE BOUNDARY LINE ADJUSTMENT BETWEEN PAYSON CITY AND ELK RIDGE CITY FOR THE PROPERTY LOCATED AT THE NORTHERN BOUNDARY OF GLADSTAN GOLF COURSE; CONTINGENT UPON THE FOLLOWING:

1. Hilltop south of High Sierra/Haley’s Lookout, that the land be within Elk Ridge’s urban growth boundary
2. Change in the entry to their property; purchase easement from Elk Ridge (Re-align with Olympic Land)
3. Continuation of the change of the urban growth boundary to fit the lay-of-the-land (West of 1600 West and north of Goosenest Drive & South of the canal and East of Allred Orchards be within Elk Ridge’s annexation boundary declaration)
4. Land along Elk Ridge Drive that needs to go back to Payson (across from the LDS Chapel)

VOTE: YES (4) NO (1) SEAN ROYLANCE

NON-AGENDA ITEM
EAGLE SCOUT
PROJECT

Scout David Bell: He is working on the new entrance sign for Elk Ridge. He had design artwork to submit. It had been converted to “auto-cad” for review. Size: 3’ X 5’ (David Bell was asked by the Council to consider 4’ X 6’ and see what affect that difference would create. The metal cutters have agreed to 3’ X 5’; it is not known if they will agree to 4’ X 6’.

*Chris Salisbury agreed to be considered a “back-up” if the 4’ X 6’ is a problem.

-He wanted to know which font to use. (Same font used on the street signs in town)

- He needed final approval on the materials to be used.

- This will be installed at the current entrance (1600 West or Elk Ridge Drive & Goosenest Drive)

Raymond Brown: Eventually, there will be another location for the entrance to Elk Ridge...can this be moved?

Scout Bell: The plan is to make the sign portable. (*Not too easily moved*)

Mayor Dunn: The Council seemed to agree on the thicker, more “bulbous” font. They also agreed on the sign mounted on the stone.

Scout Bell: He felt that he could accomplish the funding for the entire project; but he may need to have the City contribute, if possible. He can get much of the materials donated.

Sean Roylance: He asked if the rest of the funding had been raised.

Scout Bell: Donations covered most everything.

Sean Roylance: He felt that the lettering for “Welcome to” should be smaller; with “Elk Ridge” the dominant feature.

Scott Bell: dealing with metal is a bit difficult as time goes by. Contrast is important.

It was brought to the attention of all by Councilmember Haskell that the item was not on the agenda, so no motion can made. The motion will be “polled” and ratified at the next Council Meeting.

MAYOR DUNN POLLED THE CITY COUNCIL TO APPROVE THE PROPOSED SIGN AS PRESENTED BY SCOUT DAVID BELL, WITH THE FOLLOWING STIPULATIONS:

1. THE PREFERABLE SIZE OF 4’ X 6’
2. LOG FONT
3. THE CITY WILL GRANT THE SUM OF THE STANDARD \$100.00 TO THE DAVID BELL EAGLE PROJECT

(POLLED VOTE): SEAN ROYLANCE-AYE, NELSON ABBOTT-AYE, RAYMOND BROWN-AYE, JULIE HASKELL-AYE, DERREK JOHNSON-AYE (5) NO (0)

ELK RIDGE MEADOWS
PUD – DISCUSSION

Discussion:

Shawn Eliot: Staff met with the developers of the PUD. The Salisbury’s are in negotiations with the Bank to purchase the lots. He reviewed the notes from that meeting: (*Memo from Planner to Council*)

“This is a copy of the agenda for the meeting between staff and the developers to discuss issues within the PUD. *Writing in red a synopsis of what was discussed at the meeting of each item.* These will be discussed with the council and the developers during a work session on July 28. The developers will also be bringing additional information on costs and will propose a field trip to some of their developments to show the types of units they are proposing.

Elk Ridge Meadows Developers Meeting
17 July 2009

Completed park and trail areas in return for waving park impact fees

Calculations:

302 lots original concept plan lots
- 3 lots with school plat
- 10 lots in townhome development
-5 lots already paid impact fee
284 lots left to pay impact fee
Totals 284 x \$1,385 = \$393,340

Costs:

1. City would need detailed bids and possibly an independent bid to justify the amount of park impact fees to waive. *The developer is going to get detailed bids on the improvements so the city can use them to get an independent bid to verify the appropriate amount of impact fees to waive.*

2. Propose that the developers are charged reduced city water rate for park water. *It was discussed that if the improvements are made and that the developer is maintaining the park/open space areas until a certain amount of occupancy is achieved, that the city might be able to charge the same rate it charges itself for Shuler Park. This could allow the developer to get the improvements done sooner and clean up the development/city and allow for city recreational activities to use the park sooner. The developers were in agreement with this idea.*

Park/Open Space Issues

1. The city cannot take these areas over with the current wildflowers and native grasses. *Tom Henroid with Rockworth Development representing phase 1 had concerns about spending additional funds for something above the current approved landscape plan. Staff talked about the concerns with the current plan of wildflowers and native grasses (and how they didn't work) and that if the city were to waive the impact fees for their development doing xeriscaping, rocks, and smaller areas of turf grass, wild flowers, native grasses, etc. should still come in under the costs of the impact fees. Chris Salisbury of Salisbury Homes seemed to be ok with this requirement.*
2. Open space areas need to have a landscape plan that is acceptable to the city. This should include some patches of grass along with xeriscaping, and other low maintenance plants in the design.
3. Open space area adjacent to townhome development needs to be addressed. All but a strip for the trail should be part of the townhome development maintained by their HOA. *Will be worked out. Any trails not turned over to the city (if open space landscaping cannot be agreed upon in phase 1) need to have a public easement to allow public access.*
4. Fencing needs to be addressed. Randy told the planning commission that it would be handled in the CC&Rs, but wasn't. If the parks and open space revert to the city, a uniform fencing style needs to be installed along the park areas. *Developers are ok with coming up with a fencing requirement and putting it in the development agreement rather than CC&Rs, that the city cannot enforce.*
5. Street trees were required to come from the city approved list and be the same trees per street. *This was just to remind of this requirement. The developers were ok with this requirement. Staff has sent the code that requires this to the developer.*
6. The playground area needs curbing along trail so it doesn't fall off into play area. *The developers were ok with this requirement.*

Timeline:

1. At what percentage of occupancy do the improvements need to be complete? 25%?
2. At what percentage of occupancy does the parks/open space revert to the city? 50%?
The city needs to do further review of what taxes are brought into the city for the average value of the proposed homes so see at what percentage of occupancy would be appropriate to take on the additional expense of the park/open space. This will be done in August. The developers were ok with the above percentages, knowing that they could change.

Fire Sprinklers

1. Fire sprinklers are a heated issue (pardon the pun!) *Good way to tell a joke to start off what could be a heated discussion (oops another pun!!)*
2. Staff is divided on it. Planning commission and council are too. *Talked about that only Alpine, Woodland Hills, and unincorporated Utah County (for larger homes) require sprinklers.*
3. Whatever is done here will have an effect citywide. *If it is allowed here, why not in other like areas of town too?*
4. Could propose relaxing the sprinkler requirement on the single family homes (not townhomes), but require longer firewall burn standard between homes. *The developers felt this was fair.*
5. Citywide would still require it in hillside zones, areas not served by city water, and in larger homes over 4500 sq ft.
6. Varying home elevations and siding types would have to be required in the developer's agreement. *This is what the developers are proposing to do if sprinkler code is changed. Their argument is no cities in the county (and probably the state) require sprinklers in like settings and that their development would be better marketable with this trade.*

Comments:

Shawn Eliot: He found out that should the City decide to accept the open space and make it a public park, the City could not accept Park Impact Fees for it. The reason there are impact fees is to pay for their addition/impact to the community. When it was private, impact fees could be collected. It is suggested for the City to get an estimate to compare with that of Salisbury Homes.

Water Rates:

Depending on how the numbers work out, would the Council consider charging lower rates to allow the developers to bring the improvements back to where we want them?

Derrek Johnson: Would current residents be subsidizing this, since they are paying for the water?

Shawn Eliot: The residents would be getting a park out of it.

Derrek Johnson: This would be more acceptable after the City takes over the park after one or two years.

Park & Open Space:

The Planner referred to a map showing the open space within the PUD.

If Phase 4 takes over part of the open space in Phase 2 as part of their development, it would result in no loss of open space.

The only portion of open space left is in Phase 1, which is a smaller piece; but it does have a trail running through it.

There is also the trail along the canal.

They discussed how to bring these areas back to an acceptable level of landscaping.

Fire Sprinklers:

The developers ask that sprinklers be eliminated as required improvements to the homes. They add cost that the developer feels are prohibitive in the current market.

Chris Salisbury: Their original intent/goal for development in this area was to increase some of the architectural features on the homes, in exchange for removing the fire sprinkler requirement. Since that time, they simply want to "go vertical" at this point. He collected some information that he forwarded on to Ton Henriod (out of town) and that information was supposed to be submitted the previous Wednesday...that was to include the landscaping bid.

1 Mr. Salisbury would just like to move forward rather than getting into a discussion about the fire suppression
2 systems. He felt there was a good, candid discussion about this and he got a better understanding of where
3 the City is coming from in terms of fire suppression. It is something they would like to pursue in the future as
4 the project gets going. Perhaps they could address the Council at a later time; but for now, they just want to
5 move forward with the current codes that are in place. They do feel it will have an impact on the amount of
6 sales they can get; but at the same time, they just do not want to continue any long discussions regarding fire
7 suppression at this point. They are proposing tabling fire suppression for now and perhaps re-visit it later after
8 they have some homes up...let the market decide the matter.

9 The main issues:

10 - To determine what landscaping to be done with impact fees. He would like to see impact fees waived
11 completely...

12 - What percentage of the homes should be built before the transfer of the park to the City?

13 - Will the transfer of the park take place all at once or in stages, according to the percentage of homes built?

14 He asked Mr. Eliot about the types of landscaping...specifically referring to "native" landscaping.

15 Shawn Eliot: The original approval was for "wild flowers" and "natural grass"; which has not worked out. He
16 was reluctant about that with the original agreement. There may be a drip system in place for the trees; he was
17 not sure about the rest...there may be other sprinklers.

18 Mr. Salisbury: The figures they came up with to bring things back up to a "presentable" level: About
19 \$115,000...to include mowing, re-seeding, replacing dead trees, and a couple of other "line items". The annual
20 maintenance would be about \$22,000 +...including mowing, fertilizing quarterly...keeping it up.

21 The bid they obtained was from the landscaper they (Salisbury Homes) uses on all their other projects...so
22 they have a bit more leverage with him. They work together well.

23 They really do not know the condition of the sprinkler system or even what is out there...this bid will included
24 any repairs necessary.

25 Nelson Abbott: The weeds in that area are pretty bad; some of them have grown very large.

26 Mr. Salisbury: This will be a project that will take some time to recover this open space area.

27 They did calculate costs with sod vs. hydro-seeding...with the sod, the costs would be closer to \$400,000; this
28 doesn't make sense. Their figures were calculated off of their 81 lots...81 lots X \$1,385 (Impact Fee) =
29 \$112,185; the costs exceed this a bit.

30 Raymond Brown: He asked about the strip of open space (not the park)...it may be that xeriscaping would be
31 more cost effective to maintain.

32 Shawn Eliot: He reminded: the strip of open space referred to is adjacent to Phase 4...the last Concept
33 proposal for Phase 4 was to move the units back right up against the open space and claim part of it as a
34 buffer...because they wanted to do zero lot lines. It was suggested that they take over all of that open space
35 as part of the Homeowner's Association for Phase Four.

36 Mr. Salisbury: Phase 4 has not been finalized; but they feel they have enough space in Phase 4 that the open
37 space could be self-contained; then there would be a clear division between what would be maintained by the
38 HOA and what would be maintained by the City.

39 Shawn Eliot: Would it be acceptable to divide the issues...with the park being on issue and the other open
40 space could be dealt with when Phase 4 id developed? The weeds could be kept down and the trees kept up.

41 Raymond Brown: He was concerned with the fact that the City only has 2 public works employees...with the
42 Building Official helping out. The more maintenance-free the landscaping is the better.

43 Shawn Eliot: Natural flowers become "weed patches"; and they have...this is not "maintenance free".

44 Mr. Salisbury: They are open to splitting it; but from a marketing point of view, it would be better to get it
45 done...perhaps the delay in the transfer could help.

46 Mayor Dunn: He felt that it would be best to move into the scheduled Closed Session; then to contact the
47 developers at a later time with directions.

48 Mr. Salisbury: They would like to not delay any longer than necessary; summer is coming to a close and they
49 would like to begin the process.

50 Shawn Eliot: The Council is to also schedule a field trip to one of the Salisbury Homes developments in
51 Spanish Fork.

52 *It was decided to schedule a Field Trip on 8-25-09, at 4:30 PM...the Council is to meet in Spanish Fork at
53 1700 E. 500 S.

54
55 10:05 PM -

56 **CITY COUNCIL CLOSED SESSION**

57 Discussion of Land Acquisition Negotiations

58
59 ROLL

60 *Mayor*: Dennis A. Dunn; *City Council*: Nelson Abbott, Raymond Brown, Julie Haskell & Sean Royslance &
61 Derrek Johnson; *City Planner*: Shawn Eliot; and *City Recorder*: Janice H. Davis

62 **REGULAR CITY COUNCIL MEETING AGENDA ITEMS (CONT.)**

63
64 RELEASE OF
65 DURABILTY
66 RETAINER BONDS

67 1. *Snyder Meadows Subdivision, Plat A:*
68 (Memo from Corbett Stephens)

69 "The Final Inspection for the above referenced subdivision has been held and the contractor has satisfactorily completed all
70 of the required items. Durability was granted in March 2007. I recommend final acceptance and release from durability,
71 pending final payment."

1 MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY DERREK JOHNSON TO ACCEPT
2 THE IMPROVEMENTS AS COMPLETE FOR THE SNYDER MEADOWS SUBDIVISION, PLAT A; AND TO
3 AUTHORIZED RELEASE OF THE DURABILITY BOND PERIOD
4 VOTE: YES (5) NO (0)
5

6 2. Cloward Estates Subdivision, Plat A / Phase 2:
7 (Memo from Corbett Stephens)

8 "The Final Inspection for the above referenced subdivision has been held and the contractor has satisfactorily completed all
9 of the required items. Durability was granted in July 12, 2007. I recommend final acceptance and release from durability,
10 pending final payment."

11 MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY DERREK JOHNSON TO ACCEPT
12 THE IMPROVEMENTS AS COMPLETE FOR THE CLOWARD ESTATES SUBDIVISION, PLAT A /
13 PHASE 2; AND TO AUTHORIZED RELEASE OF THE DURABILITY BOND PERIOD
14 VOTE: YES (5) NO (0)
15

16 2008/2009
17 GOVERNMENT AUDIT –
18 APPROVAL OF
19 ENGAGEMENT LETTER

20 MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY JULIE HASKELL TO APPROVE THE
21 ENGAGEMENT LETTER FROM JONES SIMKINS ACCOUNTING FIRM; TO PERFORM THE ANNUAL
22 GOVERNMENT AUDIT FOR ELK RIDGE CITY FOR THE 2008/2009 FISCAL YEAR
23 VOTE: YES (5) NO (0)
24

25 SCHEDULE PUBLIC
26 HEARING – CRIMINAL
27 PORTION OF CODE
28 REGARDING ANIMAL
29 CONTROL

30 The Public Hearing for the criminal portion of the Code regarding Animal Control was set for 8/25/09; but the
31 Planner asked that it be moved to September 8, 2009. The Council agreed to schedule the Hearing for
32 September 8, 2009, at 6:00 PM.

33 APPOINT ELECTION
34 JUDGES
35 (POLL WORKERS)

36 MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY DERREK JOHNSON TO APPOINT
37 PAULA EPPLEY, JANINE NILSSON AND CAROL JONES AS POLL WORKERS FOR THE MUNICIPAL
38 2009 ELECTION FOR ELK RIDGE CITY
39 VOTE: YES (5) NO (0)
40

EXPENDITURES:

General: None

CITY COUNCIL

None available for approval

ADJOURNMENT

At 11:00 PM, the Mayor adjourned the Meeting.

City Recorder