

ELK RIDGE  
CITY COUNCIL MEETING  
May 25, 2010

TIME & PLACE  
OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for Tuesday, May 25, 2010, at 7:00 PM; this was preceded by a Public Hearing at 6:00 PM, on the proposed Tentative Budget for the 2010/2011 fiscal year Budget; and City Council Work Session at 6:30 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 February 18, 2010.

6:00 PM –

**PUBLIC HEARING – PROPOSED AMENDMENT TO THE 2009/2010 FISCAL YEAR BUDGET**

Public Hearing/to consider a proposed amendment to the 2009/2010 Fiscal Year Budget for the operation of Elk Ridge City

ROLL

*Mayor:* Kenneth O. Lutes; *City Council:* Julie Haskell, Sean Royslance, Weston Youd, Erin Clawson (Absent: Derrek Johnson); *City Planner:* Shawn Eliot; *Building Official:* Corbett Stephens; *Asst. Fire Chief:* John Hoschouer; *Daily Herald:* Rodger Hardy; and the *City Recorder:* Janice H. Davis

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

*Discussion:*

The City Recorder briefly reviewed the proposed Budget with the City Council and those present; pointing out that the "budget notes" explain most of the individual accounts. The Council Members had the proposed budget provided to them in their Council packets.

Overall, the City's finances are doing better than they have in the recent past; the cuts in expenditures have resulted in the Fund Balance in the General Fund increasing to a projected figure of \$96,544. The Fund totals were discussed.

*Note:*

-Corbett Stephens proposed switching part of the Road Dept. budget for crack fill from the 2010/2011 budget to the current fiscal year budget due to temperature issues when the procedure is done (approved).

- Curb & Gutter costs on Loafer Canyon Rd. will be transferred to 2010/2011.

- There could be a problem with the actual figure for Sales Tax Revenue for 2009/2010; which will affect the fund balance for the General Fund.

- The Fire Chief and the City Recorder have met and compared figures; everything matched up.

- SUVWVA: Council Member Youd mentioned that the budget for the annual assessments for the Regional Plant and the annual dues should be the same as the current year assessment.

*A. Fire Department:* (Asst. Chief John Hoschouer) Chief Waite asked the Asst. Chief to represent the Fire Dept. and to read a letter from the Chief to the Council: "Request to start Fire Station Expansion Project"

In the letter, Chief Waite asked that that the City Council consider allowing for "formal planning and execution of the fire department's station expansion project".

*Chief Waite:* One of the major focuses of the fire department has been to provide the best possible emergency service to the citizens of Elk Ridge and maintain our current ratings with the Insurance Securities Office (ISO), resulting in lower overall insurance rates city wide, while not being a burden to the city. So far we have been able to do this even with huge cuts to our budget. We are now at a point where we need to strengthen our ability to continue to provide emergency services."

*The Chief listed points of consideration:*

1. Aging fleet of trucks (replacement trucks and additional trucks are needed)
2. Space restrictions in the bay area require custom sized trucks (more costly than standard built)
3. Goal: Provide medical transport (purchase of an ambulance would require added space)

To meet the desired goals, expansion would be necessary.

Request: to take the proposal for expansion from the "planning process to a reality". The Chief understands that money is a factor and hopes the Council will be open to "creative ways" to fund this proposal.

Asst. Chief Hoschouer: He elaborated on the parking problems in the current bay area and the age of some of the trucks...for example, the "tender" truck is from the 70's and is a dangerous vehicle...there are more deaths and accidents in that model of "tender" than any other. He and the Chief have looked at options to be able to protect fire fighters while still providing the best service possible to the City...they found our current conditions lacking in not only space to store vehicles, but in response time due to the time it takes to get the vehicles out of the bay.

The Chief and he consulted with Corbett Stephens and asked for assistance in coming up with some preliminary figures and ideas for expansion. A rough drawing was shown of what an option for expansion of the bay area could look like.

- Building would face Park Drive
- 2 vehicles could park end-to-end (depth)
- Space at the east end of the building for public works (some of the current public works space would be taken up to add depth)
- It is the goal to meet the needs of the City at "build out"
- At this point, just consider building the outside "shell" with minimum finishing on the inside (just enough to function...like heating, etc.)
- The rest of the interior would be finished in the future (possibly using volunteers)

The rough estimate = \$300,000.00

19:44

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*Mr. Stephens was asked if he had anything to add:*

Corbett Stephens: The \$300,000 estimate is for materials to completing the exterior, including fire sprinklers in the addition as well as retro-fitting the current City Hall, all the concrete work (inside and out). The building would be 10,400 sq. ft. on the main floor, starting at the current dividing wall and including a portion of the existing public works bay area.

Architecture: At one time Ken Harris offered to assist the City by donating his time by doing the architecture on a new City Center; perhaps he would still be willing to do that for an addition. He has not been approached.

City Recorder: She asked about any proposed options for funding and/or additions to the City's revenue (the letter from Chief Waite had mentioned "creative ways" in considering funding).

Corbett Stephens: There has been mention of the possibility of the City providing garbage services to the citizens. One option for funding this proposal would be to borrow against this revenue.

Garbage service has been a topic of discussion in the past. He and Council Member Roylance have provided certain preliminary figures to the Council. Mr. Stephens checked with Provo City regarding a truck they are going to sell as of July 1, 2010 (they are replacing some of their fleet). Provo will receive 5 new garbage trucks and they are getting rid of their surplus. If Elk Ridge has a desire to enter into the business of providing this service to the residents, consideration could be given to the purchase of a used truck (price: \$20,000).

In discussing the issues associated with the possibility, Mayor Lutes asked that Mr. Stephens contact the City's Finance Director for advice; he did so and Mr. Roberts suggested that one option would be to borrow money from residents. Bonding is costly and it perhaps it would be more cost effective to simply get a loan from residents. After talking to the Mayor, he asked if he could just talk to a resident to see what the reaction would be. The resident he spoke to responded that he has \$100,000 to invest.

Curtis Roberts felt that, conservatively, the loan could be paid back within 12 years...with a "cushion", 15 years...with an option for early pay-off.

That is one option that he could think of to fund the proposed expansion of the Fire Dept. bay area.

*Request by Council Member Haskell on the age of the Provo truck*: Mr. Stephens replied that it is 6 years old. He added that Provo recycles their trucks every 10 years; but each truck dumps 1,200 cans per day (in Provo); Elk Ridge may dump 1,200 cans per week (with Woodland Hills)...this will add to how long the truck will last. Brad Rawlings (Sanitation Superintendent in Provo) felt that we could get another 10 years from that truck; and he offered Provo's services to continue working on the truck; as long as Elk Ridge pays the mechanic's wages. They also said they would further work with us in loaning us a truck if our truck were down for any reason.

Included in the numbers presented to the Council before, perhaps \$10,000 per year was figured for wages.

Shawn Eliot: He mentioned creating an additional "Enterprise Fund" with garbage services creating the revenue. This revenue could go for paying off the building.

Weston Youd: He felt it important to separate the issues of the Fire Dept. expansion and the possibility of entering into the garbage business. So, one "creative way" to fund expansion would be using the revenue from a garbage venture. Are there other ways that have been thought of? (*A loan from residents is another option; but that loan would have to be paid back.*)

City Recorder: She pointed out that the City has recently paid down the Sales Tax Revenue Bond to lower payments and affect the General Fund favorably. An additional revenue source would be worth considering so the budget would not be affected adversely by added debt. She also reported that the Capital Projects Fund dedicated to accruing money for the purchase of City vehicles and equipment has over \$10,000 in fund balance that could be used to help purchase a truck.

Sean Roylance: He asked about the availability of any grants that could be used to accomplish expansion of the building.

Asst. Chief Hoschouer: The Fire Dept. is constantly looking for and applying for grants, but that is a lengthy process and they were recently denied a large grant for rebuilding the Fire Hall. He feels the City could wait for a long time for a grant of the size they would need.

City Recorder: Agreeing with Council Member Youd in keeping the topics separated, she reiterated the request of the Fire Chief to simply move forward with solidifying plans for a building so costs could be more accurately projected; while the garbage business proposal could be approached on its own...particularly considering that Provo City is selling their truck by July 1st.

Weston Youd: If this is being considered as a revenue source for an Enterprise Fund, then that should be addressed prior to figuring out what kind of building we may get. The revenue stream should be determined first.

Sean Roylance: He agreed with this; he would like to "see what kind of money we could make" from the proposed garbage business first. There are projections; but there could be aspects of the projections that have been overlooked.

Weston Youd: If Elk Ridge offers to provide garbage services to neighboring cities on a contract basis...we need to take care that the City does not plan a 15 year payback on loans based on a level of service that may not be there in the future, of after the initial contract terminates. What if Woodland Hills gets a better offer? The Council needs to look at what the revenue would be that is "guaranteed" from our own citizens.

He would be very concerned with "writing checks" against a source of revenue that may not be stable.

*Corbett Stephens suggested that they could pursue a 15 year contract with Woodland Hills.*

Council Member Youd went on to say that it has been discussed that the typical contract may not be that long; but if a longer one could be negotiated, that would be good.

Julie Haskell: She inquired if such a proposal has been discussed with Woodland Hills.

Corbett Stephens: He has talked to Chris Helvey (Finance Director in Woodland Hills). Mr. Helvey actually called Mr. Stephens to ask if Woodland Hills and Elk Ridge could join together on any projects to help both cities financially. Mr. Stephens said yes, and asked him if Woodland Hills would be interested in having Elk Ridge service them with garbage. Mr. Helvey answered in the affirmative; he said if Woodland Hills could save money over what they pay currently, then he felt Woodland Hills would benefit. The figures that he and Council Member Roylance came up with would save Woodland Hills \$10,000 per year over what they pay currently. Mr. Stephens would like to move forward and ask questions more openly; if the Council approves him to do so...if not, he won't.

35:57

Mayor Lutes added that something needed to be decided on if the City is to take advantage of purchasing the truck from Provo City.

Weston Youd: He was not in favor of putting a deadline on their decision (Council Member Haskell agreed).

Corbett Stephens: There may be other trucks that come up for sale; he mentioned it to the Council only because that truck is available by July 1<sup>st</sup>.

Mayor Lutes also pointed out that the current contract with Allied ends at the end of the year and the renewal is for another year.

Sean Roylance: He referred to the budget; asking about the difference in revenues in the General Fund from a couple of years ago.

City Recorder: After pulling the budget from two years ago, and taking out the transfer in of about 1/2 million dollars (excess Sales Tax Bond to be paid back onto the loan) the City is at about 1.2 million dollars...which is about where the General Fund Revenues came in a couple of years ago.

Sean Roylance: His point was that the Council has done a good job of keeping expenses low; that should be maintained.

The City Recorder responded that the General Fund would not be affected by a separate Enterprise Fund set up for garbage and possibly a "Debt Service Fund" set up for repayment of any loan for expansion of the building. The reason the current loan affected the General Fund was due to the Bond being backed by revenue provided by Sales Tax and Franchise Fees paid to the City.

Public Works would be divided up with all of the major Funds (General, Water, Sewer, Storm Drain). If expansion of the fire Dept. does occur, that building would also house public Works; it could be split up to other Funds for paying back any loan.

Council Member Roylance went on to say that he felt that scenario would "be great"; but added that the budget has responded to drastic cuts in expenditures...if the economy rebounds somewhat and the City recovers some of the decreased revenue and the City could maintain decreased expenses, the expansion could be paid for.

Weston Youd: He asked if Council Member Roylance did not feel that expenses would also go up with an improved economy.

Sean Roylance: The responsibility would be with the Council to be careful with spending when the tendency would be to spend more freely.

42:49

Weston Youd: He agreed with the premise; but, he explained that one of the drawbacks would that growth may dictate that expenditures have to increase...will the City be tied to a decision made during a "leaner" time? Limiting expenses for a number of years may not be realistic. He felt the "freedom to act" could not be removed.

Sean Roylance: He was simply examining options to pay back any loan for an expansion:

- Garbage business
- More tax revenue

47:04

Mayor Lutes closed the Public Hearing

**CITY COUNCIL WORK SESSION AGENDA ITEMS:**

ELK RDIGE DRIVE EXTENSION

Mayor Lutes: The Mayor drafted a letter to the Utah County Commissioners regarding the planned extension of Elk Ridge Drive to the Benjamin Exit/Entrance to I-15. The draft was included in the Council packets for review. The Council all felt the letter expressed their views and should be sent. The preferred route for the Council is the most direct route to I-15.

48:18

CITY CELEBRATION

Mayor Lutes:

- He spoke to Council Member Johnson and was told that the events and Carnival are on track for the City Celebration. It will be the same as last year; including the helicopter rides.
- He cannot find someone to head up the 5K Run; if anyone knows of a person, please contact Council Member Johnson.
- There will be the Parade and Mayor's Hot Dog Dinner on Friday evening.

48:51

NON-AGENDA ITEM

Sean Roylance: He questioned why the Playground Equipment was not listed on the Agenda. He wondered if the risk management representative had come to answer questions. (Neither Council Member Youd nor Council Member Haskell had heard anything.)

City Recorder: She spoke to Council Member Johnson regarding the possible Agenda item; he responded that it was too late in the season and he does not feel it advisable to tear up the Park with kids out of school and using the facilities. The Playground equipment is on hold for now.

50:47

GENERAL PLAN DISCUSSION

Shawn Eliot: (Copies of the General Plan were in the City Council packets)

Mr. Eliot provided copies for the Council to review, correct and/or question. The Plan is on the Agenda for discussion only; it will be voted on at another Council Meeting. Meeting with Payson’s Council and Planner: The annexation portion around the Goosenest area was left in the Plan; the direction from Payson was to do so, but when annexation is pending, the details will have to be addressed.

Currently, that land and southward is zoned in Payson’s General Plan as “Orchard” and that allows for “orchards and associated buildings”. The acreage that Elk Ridge is interested in does not have orchards on it now. Although the orchard owner is in favor of this zoning, he does not own that land. It may be difficult to assume that the land owners will all preserve the “buffer” around the orchards. Another issue is that some of the land owners north of Allred Orchards approached Payson City last year to annex 280 acres into Payson; but the City required 300 acres and part of that was to be Allred property. Basically, the Plan was written to give control to Mr. Allred. The plan is fairly restrictive.

Mr. Eliot asked if there were any questions from the Council at that point. If not, he encouraged them to read the Plan and come with questions when it is on a future Council Meeting Agenda for approval.

Julie Haskell: She has already read the Plan in it entirety and thinks it is very good. She thanked Mr. Eliot for all the time put into this Plan.

Weston Youd: He has reviewed it at length, since he was on the Planning Commission and he likes the Plan. He feels that Dave Tuckett (Payson’s Attorney) made a good point that it does not hurt to leave Elk Ridge’s Plan alone for now.

Sean Roylance: He heard that Mr. Bob Allen at MAG is now using this Plan as a template for other cities.

56:15

ELK RIDGE MEADOWS PUD – PHASE 2 – UPDATE

Shawn Eliot: (Handout to the Council, which he reviewed with the Council)

Phase 2 Recap:

- Negotiated for Phase Two – Centennial Bank

- Restoration of Park/OS (Open Space), Roads, Sidewalks, Gutters, with Surety Bond \$240k
- City acquires Park/OS as Public at 50% Occupancy
- Developer pays \$114k for city to take over park/OS in lieu of Park Impact Fees
- OS converted into 3 lots, traded for additional OS
- Front yard landscaping
- Varied Home Designs, Staggering front yards
- Uniform Fencing Standards

Status of Developer Agreement:

- Phase Two:

- Mayor Dunn signed the Agreement on 29 Dec 2009
- The city has not yet received Surety Bond
- Last Developer (Dave Milheim) has contested Park/OS restoration as part of Surety Bond
- Attorney for Surety Bond Co. has now contested the full \$240k

(Mr. Eliot reported that David Church has approached this Surety Bond Co. from the position that they entered into a contract with the city and should be bound by that.)

59:14

FDIC Receivership:

- Receivership firm has a seller (did he mean “buyer”?) for Phase 2 (We do not know who the buyer is yet.)
- Wants a copy of the history of the project and development agreement
- Wants the city to propose what the city needs to make project complete

(Mr. Eliot wanted to know if he could be approved to move forward and simply provide the information requested. In their opinion, the lots will sell better if improvements are in good repair.)

The Proposed Proposal:

- State that the city wants a complete subdivision - Includes road and other repairs, park and open space restoration
- The costs of repairs and restoration is \$240k (Corbett Stephens pointed out that the \$240k was a negotiated amount.) - The city could contract the work out or the new owners could do it - Requiring new owners to do the work allows the city to get back to inspecting and out of developing business
- Part of the proposal should include cost savings of developing the 3 lots (Currently, the owners are not aware of the proposal for the 3 additional lots in one section of open space. Three additional lots would give them more revenue to work with.)
- Keep remaining portions of the development agreement the same (including the \$114k in lieu of park impact fees)

(The nice thing about the \$114k (in lieu fee) is that the money can be used by the city; whereas Park Impact Fees would not be applicable due to taking ownership of the park. The agreement was that if the city takes over ownership, the owners are willing to pay \$114k to do so. )

Next Steps:

- Need Direction - FDIC Receivership firm would like our proposal this week - Whatever is proposed would still require Council’s final approval”

Mayor Lutes asked if the written proposal would be reviewed by David Church prior to sending it out. Shawn Eliot: This 1<sup>st</sup> proposal is simply a starting point in negotiations; when a final legal agreement is drafted, then David Church and the City Council would review the document.

*Direction from the Council:*

Weston Youd: He felt the proposal as stated in the handout is what has been discussed and what the City needs. He was in favor of presenting the points to the FDIC.

Shawn Eliot: If the City does receive any money from the Surety Bond, we would be able to use it for “betterments” in the subdivision.

Mayor Lutes surmised that since there were no comments to the contrary, that Mr. Eliot could proceed with the initial letter of proposal (Council Member Haskell agreed that it is a “good start”.)

The general consensus was to have Mr. Eliot proceed with the points presented in the handout he reviewed.

16 1:08:40

**ELK RIDGE  
CITY COUNCIL MEETING  
May 25, 2010**

20 TIME & PLACE  
21 OF MEETING

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28 7:15 PM -

**CITY COUNCIL MEETING – REGULAR SESSION AGENDA ITEMS**

30 ROLL

Mayor: Kenneth O. Lutes; City Council: Julie Haskell, Sean Roylance, Weston Youd, Erin Clawson (Absent: Derrek Johnson); City Planner: Shawn Eliot; Building Official: Corbett Stephens; Asst. Fire Chief: John Hoschouer; Daily Herald: Rodger Hardy; and the City Recorder: Janice H. Davis

34 OPENING REMARKS  
35 & PLEDGE OF  
36 ALLEGIANCE

An invocation was offered by Julie Haskell, who also led those present in the Pledge of Allegiance, for those willing to participate.

38 AGENDA TIME  
39 FRAME

**WESTON YOUD MOVED, SECONDED BY SEAN ROYLANCE, TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 7:15 PM**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

42 PUBLIC FORUM  
43 1:11:06

No one was present to address the Council.

44 SHULER LANE –  
45 RE-AFFIRM ROAD  
46 VACATION

Shawn Eliot: (Memo to Council, dated 5-25-10)

**“Background:**

Mr. Karl Shuler submitted an application to vacate a portion of Shuler Ln in 2006. His proposal was to vacate a small portion of the road right of way to be able to construct a shed on his property outside of the required setbacks from the road right of way. There was more right of way in this area than was approved. The last note in the file was that the applicant’s engineer was drawing up the final mylar for the City signatures and recording with Utah County. At the time, Mr. Shuler thought his engineer had taken care of this, but he has now found that this step never occurred.

**Proposal**

Since the vacation of the road was approved by a previous Council, staff felt that it needed to be brought back to the current City Council to be ratified. Staff views this as a technicality, since the vacation still adheres to code; there is more than enough right of way for Shuler Ln to be improved in width in the future, if needed; and the shed in question has already been built.

**Recommendation:**

Staff recommends that the vacation be re-approved and that the mylar be signed and recorded with Utah County.”

Mr. Eliot reviewed the memo with the Council. (Detail on the reason for the plat not being completed by Mr. Shuler’s engineer: the engineer died.)

**JULIE HASKELL MOVED, SECONDED BY ERIN CLAWSON, TO REAFFIRM THE ACTIONS OF A PAST COUNCIL BY APPROVING THE STREET VACATION OF SHULER LANE, AS SHOWN ON THE FINAL VACATION PLAT MAP. THE COUNCIL FINDS THAT THE PROPOSED ACTION ADHERES TO CODE AND IS NEEDED TO FINALIZE A PAST PROCESS. THE ROAD VACATION HAS NO NEGATIVE IMPACT TO THE CITY AND ITS CURRENT AND FUTURE RESIDENTS**

**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

All members present signed the mylar.

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3 APPOINTMENT OF  
4 PLANNING  
5 COMMISSION  
6 MEMBERS

1. *Ratify Polled Vote to appoint Kelly Liddiard:*  
**WESTON YOUD MOVED, SECONDED BY JULIE HASKELL, TO RATIFY THE APPOINTMENT OF KELLY LIDDIARD AS A PLANNING COMMISSION MEMBER; FOR A FIVE YEAR TERM OF OFFICE, BEGINNING IN FEBRUARY, 2009**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

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9 1:21:07

2. *Kevin Hansbrow:*  
Mayor Lutes: At the last Council Meeting, it was decided that Mr. Hansbrow would not be reinstated as a member of the Planning Commission; the Planning Commission requested that the Council reconsider this decision.  
Weston Youd: He talked to Mr. Hansbrow (they are neighbors) and he said his attendance has improved and, though he is busy, he has worked out an arrangement as to being contacted regarding meetings.  
Sean Roylance: He spoke to Dayna Hughes (Planning Commission Chair) to inform her of the Council decision at the last meeting; she asked for Council Member Roylance to contact Mr. Hansbrow. Mr. Hansbrow said his attendance has gotten better and he expressed an interest in staying on the Commission. The Planning Commission Members present at the 5-13-10 meeting, were in agreement that Mr. Hansbrow should be re-appointed, if the Council reconsidered the appointment.  
Weston Youd: He felt that the City has invested time and money in training Mr. Hansbrow and that should lean in favor of keeping him as a Member.

3. *Other Appointment Recommendations:*  
Mayor Lutes: He has spoken to and recommends the following to fill vacancies on the Planning Commission:  
1. Debbie Cloward (to fill Weston Youd's position)  
2. Randall Jones (to fill a vacancy)

**SEAN ROYLANCE MOVED, SECONDED BY ERIN CLAWSON, TO APPOINT THE FOLLOWING AS MEMBERS OF THE ELK RIDGE PLANNING COMMISSION:**  
**1. TO RE-APPOINT KEVIN HANSBROW FOR A FIVE YEAR TERM; BEGINNING FEBRUARY, 2010**  
**2. TO APPOINT DEBBIE CLOWARD, TO FILL THE REMAINDER OF WESTON YOUD'S POSITION, ENDING FEBRUARY, 2012**  
**3. TO APPOINT RANDALL JONES, TO FILL THE CURRENT VACANCY AS AN ALTERNATE MEMBER, FOR A 5-YEAR TERM, BEGINNING IN FEBRUARY, 2010**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

36 1:31:49

37 INSURANCE BROKERS  
38 APPROVAL OF  
39 AGREEMENT

Representatives from Spectra Management visited the City Council at the last Meeting, with a proposal that they reviewed and handed out to Council Members. They had been invited to approach the Council after a prior meeting with the City Recorder and her report back to Mayor Lutes. Utah Local Governments Trust has been the City's broker for all of the City's insurance needs in the past; the service for health insurance (PEHP) has not been proactive in nature and the Recorder felt the City could try Spectra Management for the following reasons:  
- They say they have a more proactive interest in representing the City's needs and associated budget  
- The agreement is month-to-month; so if the City is dissatisfied, we can change without the problems of a longer-term contract  
- The cost remains the same since it is the insurance company that pays the broker a percentage of the premiums (currently, with PEHP, it is 3%)  
- This is only for health and dentist insurance

**WESTON YOUD MOVED, SECONDED BY SEAN ROYLANCE, TO APPOINT SPECTRA MANAGEMENT AS THE CITY'S INSURANCE BROKERS; AND TO AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT ON BEHALF OF THE CITY COUNCIL AND THE CITY**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

53 1:40:11

54 EAGLE PROJECTS  
55 UPDATE

Mayor Lutes: (Update)  
1. *Chase Wilson:* Elk Ridge sign for the Loafer Canyon entrance to Elk Ridge. This was approved by the previous City Council. The sign is basically done and plans for installation are being worked on. The metal part is the same as the main entrance sign; it is smaller and the trees for the wood are different.  
2. *Proposed Project:* To install a walking path along the side of Elk Meadows Drive for school age children; so as not to be walking to the buss stop in the middle of a busy street. Currently, it is a dangerous situation. The Mayor wanted to know the Council's opinion about this idea.  
- Paved with some type of base  
- The improvements would be along the shoulder of the road  
Shawn Elliot: There are some types of gravel that pack down better than most.  
Sean Roylance: If the scout is able to get this proposal approved, he likes what it would accomplish and agrees that there is a need.  
Weston Youd: He mentioned "cinder base" could be used; but if drainage is an issue, then run-off would wash cinders on down.  
Julie Haskell: She questioned if this is an appropriate Eagle Project; she felt it is more of a "maintenance" issue. If this is done as an Eagle Project, she also felt there should be a higher level of base. Generally, she was not opposed to this being a project.

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Shawn Eliot: He brought up the gravel base path along Park Drive; very few use this because it is hard to walk in due to the depth...it is hard to walk in and everyone walks along the street. There are other types of base...more like sand...that is used for trails and parks; that would work better.  
Trails Grants have been applied for and that area was included in the list of projects to be addressed; is this something that should be talked about again? (*Council Member Youd pointed out that it is on the Trail Map Plan.*)  
No further comments.

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10 1:47:02

11 TENTATIVE BUDGET  
12 2010-2011 FISCAL  
13 YEAR

*Adoption of Proposed 2010-2011 Tentative Budget for the Operation of Elk Ridge City:*  
Mayor Lutes: The proposal of the Fire Dept. to expand the building was presented with the proposal to consider garbage as a City-run business simply as an option to fund the expansion; but the two issues can certainly be separated. He asked for any questions the Council may still have regarding the Budget.  
City Recorder: There were no figures available regarding an additional Enterprise Fund for Garbage or for any proposed expansion to the building. The Tentative Budget would be adopted as presented; if there are changes in the future, those can be addressed at that time.  
The question with the two topics of discussion is simply; does the Council want the Fire Dept. and Corbett Stephens to continue to gather information and bring figures back the Council?  
Mayor Lutes: He added that no one should be talking to citizens about investing money if the Council is not in agreement.

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22 **WESTON YOUND MOVED, SECONDED BY JULIE HASKELL, TO APPROVE THE TENTATIVE 2010-2011**  
23 **FISCAL YEAR BUDGET, AS PRESENTED; FOR THE OPERATION OF ELK RIDGE CITY**  
24 **VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**  
25

26 *Discussion:*

27 *1. Fire Department:*

28 *Mayor Lutes asked what the feelings were regarding the possibility expanding the Fire Dept. bay area; and*  
29 *perhaps asking for citizen participation in funding the project...some donations and/or loans.*  
30 Weston Youd: He agreed that consideration should be given to expansion of the Fire Dept. He commented  
31 that Chief Wait's letter to the Council was very convincing. The concern he has is how to pay for the project.  
32 H said he would like to see further research and information submitted, such as: the dimensions of the building  
33 they want and have figures that produce specific costs...once that is submitted, then the question of how to  
34 pay for it. Creative funding should be a Council effort. He was not in favor of going out to petition citizens for  
35 money if we are unsure how that money will be paid back.

36 Sean Roylance: He felt some good points have been brought out; but he has a question as to the possibility of  
37 expanding part of the bay area now and completing the project later.  
38 *The rough drawings were examined by the Council.*

39 Four bays would give the Fire Dept. one more bay than we have currently...and they would be longer. This  
40 could give us more capacity than what exists now. He likes the reasoning that went into the plan.

41 City Recorder: She cautioned any expansion without an additional source of revenue. Petitioning the citizens  
42 for any investment would still constitute a bond (note); those still have to be made back.  
43 Perhaps that source of revenue; whether garbage or another option should perhaps be considered before any  
44 expansion is approached.

45 Sean Roylance: He agreed that the two subjects of any proposed expansion cannot be separated from the  
46 source of funding; however, he felt that preliminary plans could be drawn up and further information gathered  
47 regarding details of the plans.

48 City Recorder: Part of the Public Works bay area would be lost; so expansion, even in part, would have to  
49 consider parking for the Public Works' trucks and equipment. If garbage is considered, a garbage truck would  
50 have to be parked some where.

51 1:54:10

*Discussion of the issues of garbage trucks and associated parking and smells.*

52 Sean Roylance: He was in favor of continuing to think about future expansion of the bay area; whether it is  
53 funded by a garbage business or other options. He agreed with Council Member Youd that it is premature to  
54 be contacting more citizens; there needs to be a way to pay them before moving forward in contacting them.

55 Weston Youd: A revenue "stream" must be in place to be able to pay for any expansion. Once the "stream" is  
56 solidified, then priority spending of that revenue would be next in the plan.

57 If the business plan for a garbage business includes Woodland Hills, how long of a contract would they be  
58 willing to sign? So, he felt the order of what the Council considers should be reversed; first we should be  
59 deciding if we want to get into the garbage business...and make money?

60 1:56:42

61 Corbett Stephens: With Woodland Hills participating, it would take a year and 3 months (just looking at  
62 garbage) to pay back the initial investment; if Elk Ridge did it on our own, it would take us just over 2 years to  
63 pay back the initial investment. Everything else could go into paying for any expansion in the building.

64 Sean Roylance: He suggested running the figures by Provo City to see if there are some costs they would be  
65 familiar with that have been missed. He recalled the figures indicated:

66 - Without Woodland Hills: profit estimate...about \$18,000 to \$19,000 per year

67 - With Woodland Hills: profit estimate...about \$60,000 per year

68 Without Woodland Hills, the potential revenue source could be risky.

69 Erin Clawson: The Council has simply been asked to grant authority to someone to bring forward more  
70 information.

71 Mayor Lutes: He asked if the Council felt this proposal should be run by Woodland Hills' Council.

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1:58:46

Weston Youd: In a business negotiation, we do not want to do anything until we are solidified on our side. Thinking of this as a business transaction:

- We have a good service to sell
- We have our price already established
- We have an operation going
- Is this service a value to you? (meaning Woodland Hills)

1:59:58

Mayor Lutes: Prices would not be discussed at this point; we are still on general terms. We want to know if they are interested in contracting with us for 5 years...or mote.  
*Discussion of Elk Ridge heading up the business vs. Woodland Hills having the same idea.*  
*It was not felt that the "math would work" if Woodland Hills were to decide to be the ones spear-heading the business.*

City Recorder: "Other sources of revenue" has been a topic of much interest for many years. General plans have indicated that we need to look to finding light commercial or some other revenue for the City. Residents have encouraged City Councils for other ways to fund the General Fund...particularly when there is a property tax increase proposal. There are limited choices available; perhaps a garbage business could fill this need.

Sean Roylance: Without Woodland Hills, the potential for "money making" is limited enough that he is not sure he would be in favor of going into the business. The one question he feels must be addressed is; can we find someone with enough experience to be able to adequately advise us?

Weston Youd: He has an acquaintance named Tom Mecham, who is the previous owner of a garbage business (Country Garbage Service). He may have helpful information, if the Council wants him to contact this gentleman.

Erin Clawson: She likes the idea of the possible profit with providing service to the Community.  
*Suggestion: Have Mr. Stephens review and get a copy of Provo City's budget, particularly the garbage budget.*

Weston Youd: If approaching investors, basically three things must be provided ("3-legged-stool"):

1. What does the market look like? (Worst case and best case scenario)
  - 6 month, one year, five year & long term environment for the market
2. What is the initial cost going to be?
  - What is needed to get this venture off the ground
  - "Sump" costs?
  - Costs expected to recuperate? & Rate of recuperation?
3. What does the management look like?
  - Who is the management team?
  - Who will lead this?
  - Who is going to "grow" it?
  - Who will keep the business from "doing things it shouldn't do?"

These are the three elements he would need to have addressed to be able to move forward. He felt that "Corbett Stephens "was right on" to suggest gathering data from various places and assemble it...answering those 3 questions. Then the Council can decide if we want to invest in this.

*The Mayor asked if there should be an effort to try to gather this information to be in a place to purchase the fire truck in Provo.*

Council Member Youd felt there should not be any rush.

2:04:49

Julie Haskell: She asked about location for dumping. *(It would still go to the transfer station, as with Allied.)*

Sean Roylance: He felt comfortable addressing some of the up-front costs; it is more in the area of operating costs; there needs to be more than assumptions.

The July 1 date for purchasing the truck from Provo: there may not be enough time to negotiate with Woodland Hills. He is a bit "nervous" about that date.

Weston Youd: This is a major venture for the City; perhaps it could be brought to the citizens for a vote. Could this be placed on a ballot in November?

Sean Roylance: He did feel that we can gather more information from Provo and other sources; and perhaps Mr. Mecham that Council Member Youd knows.

Julie Haskell: Would a Work Session with Woodland Hills be good?

Weston Youd: When we approach Woodland Hills, it will be a service provider...they have to have this mind set. It is not a "joint venture".

*Summary of directions to Mr. Stephens:*

- *Mr. Stephens approach Provo City: get their numbers and see if they have an expert review our numbers and analyze them.*
- *Weston Youd should approach Mr. Mecham to get his advice.*
- *Continue the discussion on the next Agenda*

*Direction to take back to the Fire Chief:*

- *Determine what we could get done on a volunteer basis (develop plans perhaps)*
- *Other sources of revenue beside the garbage business*
- *The Council likes the idea; let's move forward with gathering more information*

2:10:29

Julie Haskell: She is generally in favor of the building expansion; but she is not necessarily in favor of the proposed garbage business. She also stated that her mind could be altered with better information.

Weston Youd: He feels that the Fire Dept. should understand that the Council agrees that what they presented is the future; but there are still questions to be answered.

Sean Roylance: The Fire Dept. also needs to address more specific figures and costs. The cost could be more than \$300,000.

John Hoschouer: The Fire Chief is confident that most of the labor could be done by volunteers.  
Shawn Eliot: He referred to setbacks in the code that would be appropriate for any expansion.

\*Continue to next Council Agenda.

2:13:44  
ELK RIDGE DRIVE  
EXTENSION

**WESTON YOUD MOVED, SECONDED BY ERIN CLAWSON, TO AUTHORIZE MAYOR LUTES TO SIGN THE LETTER TO THE COUNTY COMMISSIONERS REGARDING THE COUNCIL’S SUPPORT OF THE ELK RIDGE DRIVE EXTENSION**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

Shawn Eliot: (Update on the proposed road extension) The County has decided on the straight through extension. There may be a slight bend around some of the wet lands. The plans are being submitted to the Army Corps of Engineers and they are hopeful the plans will be approved.

EXPENDITURES:  
2:16:19  
CITY COUNCIL  
MINUTES

General: None

A. City Council Meeting 5-11-10:

**WESTON YOUD MOVED, SECONDED BY SEAN ROYLANCE, TO APPROVE THE CITY COUNCIL MINUTES OF 5-11-2010, AS CORRECTED**  
**VOTE: YES (4) NO (0) ABSENT (1) DERREK JOHNSON**

ADJOURNMENT

At 8:30 PM, the Mayor adjourned the Meeting.

\_\_\_\_\_  
City Recorder