

**ELK RIDGE  
CITY COUNCIL MEETING  
June 8, 2010**

TIME & PLACE  
OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for **Tuesday, June 8, 2010, at 7:00 PM**; this was preceded by a **City Council Work Session at 6:00 PM**. The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

Notice of the time, place and Agenda as well as an Amended 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 June 4, 2010.

**6:00 PM –**

**CITY COUNCIL WORK SESSION AGENDA:**

ROLL

*Mayor: Kenneth O. Lutes; City Council: Julie Haskell, Sean Royslance, Derrek Johnson, Weston Youd & Erin Clawson; City Planner: Shawn Eliot; Building Official: Corbett Stephens; Sheriff: Deputy Brent Butters; Finance Director (Electronic Connection for Conference Call Discussion): Curtis Roberts; Public: Sherrie Dalton, June E. Christensen & Jamie D. Towse; and the City Recorder: Janice H. Davis.*

NON – AGENDA ITEM

Mayor Lutes introduced the newly assigned sheriff from the Utah County Sheriff's Dept., Deputy Brent Butters. Deputy Butters has been with the Sheriff's Dept. for nine years (10 years in September, 2010). He has experience with "RAD Kids as an instructor, he is an EMT, and a fire fighter. He passed out a flier that could be used as a template for a reward poster for information regarding the fire that destroyed the playground equipment.

The Deputy explained that this type of flier had been used in Eagle Mountain to offer a reward for information about some vandalism that took place in Eagle Mountain. The process led to an arrest. There have been some good results from fliers, particularly involving juveniles, since they seem to like to talk.

He met with the investigator on the case of the playground equipment, who is the Payson Fire Chief Scot Spencer...Deputy Butters has known him for some time. He got copies of his photos for Council Member Johnson; and he spoke to him about the fire and the investigation.

Details of fire:

It seemed to start lower near the wood chips and the base of the slide. It spread up the slide until the slide melted and fell. The cause is as yet undetermined and it is not known if the act was intentional or not.

The Deputy felt the incident should be treated as if it were intentional and get fliers out.

The flier is in color or black & white. Council Member Johnson asked for an electronic form of the flier so he can include it in with the City Celebration packets.

The flier would offer a "cash" reward with no specific amount so the City can weigh the information to see what it is worth. The reward would be paid after arrest and conviction.

Mayor Lutes: He mentioned that there used to be more signs posted with the times the Park is closed; he suggested posting more signs so the officers would have better cause to detain anyone breaking that curfew.

Deputy Butters: He cited the County curfew:

- Below 16 years of age: 11:00 PM every night
- Between the ages of 16 & 18, on the week end: the time extends to 2:00 AM

\*The City's may be different; it should be checked so he knows what to enforce. Mayor Lutes said he would assist him in finding out what the City's hours are.

10:11

SANITATION SERVICES  
- CONFERENCE CALL  
WITH CITY FINANCE  
DIRECTOR

*(Curtis Roberts was on a conference call with the City Council)*

He had also provided two summaries of his findings and several spread sheets; as he was asked to look into the issues and associated costs if the City provided garbage serves to its residents.

*Summary #1:*

"I was asked to evaluate the proposal for Elk Ridge City to take over the garbage collection service from the current contractor. This evaluation included considering several assumptions regarding using new garbage cans versus buying the existing used cans, becoming a member of the South Utah Valley Solid Waste District (the District), collecting garbage for the City of Woodland Hills, estimated tons of garbage per year, fuel prices, estimated repairs and maintenance costs, estimate life of fixed assets, insurance costs, borrowing costs and amount borrowed, the use of an interfund loan to provide financing for the operation, and the proposed fee for the service, as well as other factors. Because of the several assumptions used for this analysis, actual results will vary as the operational results differ from the assumptions.

I have discussed these assumptions with the Mayor and Corbett. I have also called Terry from the District and officials from Utah Local Government Trust (insurance). These discussions revealed the following:

- 1) The City will only be buying one (1) garbage collection truck. If this truck breaks down, the City will need to have an agreement with another entity to provide a truck or collection service to avoid service disruptions.
- 2) Currently insurance costs are projected to increase only by a minimal amount. If there are accidents or high insurance claims, the premium will increase. The City will need create an appropriate training program (possibly using outside resources) to reduce the risk of accidents.

- 3) The District can back-charge a City for dumping improper items (paint, oil, computers, other hazardous materials) if they are found at the collection facility. It will be critical to ensure that the driver of the garbage truck is able to monitor the collection and that the City work with residents to comply with dumping regulations.
- 4) The current fee structure results in revenues exceeding collection costs by less than \$1,000, which doesn't cover the administration costs of the program (billing, accounting, management oversight of contract, customer service, etc.).
- 5) The District just voted to increase the dumping fees by \$3 per ton for members (expecting more for non-members) and to impose a \$1 fee per rooftop for recycling. The District had incurred significant operating net losses for each of the last two (2) years and the rate increase was necessary.
- 6) In the fall of 2009 (fiscal year 2010), the District paid over \$2 million to expand the current dumping site (cell #2). The District used debt to pay for almost all of this expansion. Terry informed me that this debt is only secured by the dumping fees. The debt is scheduled to be repaid over the next seven (7) years.
- 7) The District uses an outside contractor to calculate the closure and post-closure costs. This calculation is reviewed by state officials as a condition of issuing a landfill permit. The District places money in a restricted account with the State to cover the estimated closure and post-closure costs. This is about the best way to handle this large liability.
- 8) The buy-in provides the City with one (1) voting board member. All the participating cities have an equal vote. This is surprising because the City's buying cost is only about .75% of the total assets less debt. This equal vote is uncommon because large cities usually want more votes because they are such large users.
- 9) The District has not had make any special assessments to the members for any large losses or unusual operating results or issues.
- 10) The District has additional large capital outlay needs according to their fiscal year 2009 financial statements.
- 11) The District is working with other cities to become members of the District.
- 12) If the City takes over the collection service, I would recommend that the City create a new enterprise (business-type) fund to account for this operation. It would function similar to the Water Fund or the Sewer Fund. The City would charge this new fund an administration fee, similar to the previously mentioned funds, that could be between \$20,000 and \$30,000 per year for the General Fund depending on if the City of Woodland Hills participates.

Given the facts listed above, the City will be faced with increasing the garbage collection fees because of the increases imposed by the District.

It would be extremely difficult to explain the projected operating results for each variable (estimate) in this letter. There are also variables related to when the City could cancel the contract with the current collection contractor and when the City could start providing service to the City of Woodland Hills.

The projection shows that having the City of Woodland Hills participate would be beneficial to the operation. The City's operation could be profitable and cash flow (repaying the debt in 4 years) and only increase the rates to \$13 for the first can and \$7 for the second can. This increase will be similar to what the City will have to impose because of the increase passed by the District. This option would also provide the General Fund with almost \$30,000 more per year than currently provided by the garbage collection service because it would be recovering the administrative costs, including shared employee costs for the public works employees.

If the city of Woodland Hills doesn't participate, the City would have to charge \$16 for the first can and \$10 for the second can to be profitable and have sufficient cash flow (also repaying the debt in 4 years). This option would provide the General Fund with almost \$20,000 more per year through the administration fee.

I look forward to discussing this issue with you.”

*Summary #2:*

“I have evaluated numerous options regarding the City assuming the role of collecting garbage and also becoming a member of the South Utah Valley Solid Waste District (the District). I have sent a separate letter discussing many of the risks and currently known facts related to the garbage service. This email is designed to summarize my recommendations and conclusions regarding this research. There are several variables to consider when creating a projection of the financial operating results and cash flows for the garbage business. I built an Excel spreadsheet that allowed for changes to these variables and evaluated the results of changes to these variables. All of the conclusions expressed here are based on the indications that Woodland Hills will contract with the City for garbage collection.

We currently know that the District has implemented a \$3 per ton fee increase for member cities and will be adopting an even higher fee for non-member cities. The District has also adopted a \$1 per rooftop recycling fee for member cities and will be increasing the per ton fee for non-member cities to reflect a similar

rate increase. We also know that the City's current garbage rate only collects enough revenue to cover the cost of the contractor for the service and contributes about \$1,000 annually toward administration costs. However, the administration fees to operate the garbage program are significantly higher when you consider not just the personnel costs but also contributing to utility and building costs and professional fees.

I would recommend that the City create a "Solid Waste Fund" to account for the operations of this new service. It would be set up similar to the Water or Sewer funds and would be an enterprise (business-type) fund. It would also be charged an administration fee similar to the Water Fund and the Sewer Fund.

Based on estimated costs of acquiring a garbage truck, acquiring the garbage cans (old or new), costs of building a storage shed, buying into the District, and operation costs, the City could keep the garbage rates at the same level, provide an incentive for Woodland Hills to contract with the City, increase the contribution to administration costs of the General Fund, and still provide net income and positive cash flow for the operation.

However, if the City wants to provide long-term stability to the garbage rates (avoid rate increases) or provide additional revenue to the General fund for administration cost, I would recommend considering an increase to the per can charge.

The assumption of the garbage collection service has the potential to be extremely profitable to the City if the program is planned and operated appropriately.

Curtis Roberts, CPA"

Mayor Lutes also provided a summary of the issues, which were included in the Council packets:

*(Summary from Mayor):*

**"Background**

Elk Ridge City is in need of more sources of revenue. All of the sanitation management people we have visited agree that "there is money in garbage". We seem to be in a time when events make it possible for the City to begin to serve the citizens of Woodland Hills and Elk Ridge with solid waste service. There is also interest from Salem in discussing the possibilities.

We have discussed at length with Curtis Roberts the pros and cons of creating and operating a solid waste enterprise. HE has a great deal of experience in setting up such a business, and, after running all of the scenarios we could think of, concluded that this would be an 'incredibly profitable investment'.

Corbett and the Mayor visited the Provo operation. Scott Pepler and Brad Rollins, Provo Public Services, were very encouraging and agreed to assist us, as they do for Springville, in case we needed them. They agreed to allow us to attend their training meetings and to teach our driver and give him hand-on training. They recommended that we start out with a new truck so that any first year breakdowns would be covered and so we could be sure it had the proper drive train for our hills. This would give us time to gear up for maintenance issues in following years. A second, used truck would be advisable for a backup.

We have addressed Council Members Youd's '3-legged stool' suggestion:

1. The market would seem to be a captive market since there is no other means at present for Elk Ridge citizens to dispose of their solid waste. The City controls the fees and all aspects of the business so that we can keep our rates lower than any competitor's.
2. The initial costs and rate of recovery depends upon the assumptions made and covered in the spreadsheet analyses. The Council will need to choose a scenario they are comfortable with.
3. Our management team has demonstrated the necessary synergy and abilities by the accomplishments over the past several months. With the support of the Council, and Corbett to manage the operations, the probability of success is very high. Corbett has the ability to foresee what is needed, exercise his initiative to assemble the necessary resources, and accomplish anything he sets his mind to. His reputation throughout the area assures that he can obtain any assistance needed. He is the one who recognized the potential of this business for Elk Ridge, is excited about it, and will see that it succeeds.

**Summary:**

- Elk Ridge needs another revenue stream, and this one seems timely and well recommended.
- Our financial Director recommends and endorses it.
- A big sister city will help us over the hurdles if necessary.
- We have the funds to self-finance the operation, paying interest to ourselves.
- Woodland Hills offered to give us a letter of intent indicating they would sign an Interlocal agreement for 7 years if we could save them \$ 4-5,000 annually.
- Salem is thinking seriously about joining a discussion.
- We are facing a rate increase. Allied is in the process of sending us a proposal.
- Presently, we are not covering our expenses in administering Allied's business.
- We should be charging about \$12/6 per can (1<sup>st</sup> & 2<sup>nd</sup> can) now to avoid subsidizing the service.
- With the imminent rate increases, \$13/7 per can may be necessary.
- Provo advises not to give a break on the 2<sup>nd</sup> can because it encourages more garbage.
- Need to see if Woodland Hills can continue with Allied on a month to month basis, pending us.
- We should implement the business after the pending rate increase, not before."

*Discussion: (The spreadsheet provided by Mr. Roberts was displayed on the wall via projector)*

Mr. Roberts was asked to give a verbal summary while the Council Members were gathering their thoughts and questions:

He explained that the spreadsheet was developed to be able to analyze various scenarios just by changing the input that would automatically calculate the figures showing if the operation would be profitable; but also, would it "cash flow"...and can it generate enough cash to be self-sustaining?

10:45

Sometimes an enterprise fund can look profitable, but the business it actually not “cash flowing”. Both must be satisfied: Solid return on assets, a solid income; yet still have enough cash flow to be able to make any payments and to replace equipment. In talking to Woodland Hills, it was indicated that they would be willing to participate with Elk Ridge; this is critical and helps the income and cash flow concerns substantially. The initial document (Summary #1) addresses the risks of running a solid waste operation and how to continue operation, uninterrupted.

*He reviewed the risks mentioned with the solid waste district, as members or non-members.*

These things were all factored in; to come back with a “fairly workable project, where we can help control the rate increases the City may be facing here in the short term”.

He added that if we structure this right, if the plan is executed, the City has the opportunity to make this an “extremely profitable business”. Any of the solid waste businesses are very profitable, if they are run right; by making sure to maintain capital assets and evaluating the rate structure.

When the rate structure is not evaluated periodically, that is when problems arise. He has yet to see a solid waste operation that is not profitable; the only ones he has seen that were struggling were those that failed to put in the required rate increased and kept their rates artificially low...then when things start breaking down, there is nothing to draw from...and even these, though they were struggling, were still profitable.

He feels the operation could be monitored and that it could work for Elk Ridge; he said he is actually “kind of excited about it”. Initially, he was a bit hesitant due to the unknowns; but as questions were answered, he feels it would be a profitable venture. Not only would the City be running its own operation, but the contribution to the General Fund Revenue for administrative costs would be beneficial to the overall budget. The current arrangement is not fully covering administrative costs and the General Fund is subsidizing the operation. The increased revenue from an additional revenue source would decrease the need to raise property taxes in the future.

18:11 Derrek Johnson: He asked Mr. Roberts: If we were not to go into the garbage business, what would the rates need to be to cover costs (particularly considering the increase of \$3/ton by the District for members)?

Mr. Roberts: He emphasized that this increase was for members of the District; a substantial increase has been discussed for non-members...the last he heard, they had not decided on the amount. When he spoke to the Chairman of the Board said he did not know at the time, but he said it would be “substantially higher” than the \$3.00/ton.

Allied would pass this increase through to its clients; he sees rates increasing perhaps between \$1 and \$2 per household per month...as well as the extra can. The further challenge is that Mr. Roberts does not believe this is their final increase. The Districts last audit showed a loss of about \$750,000; this year they said they are heading for a loss of about \$300,000. Over the years, the cumulative loss is at about 1.5 million dollar loss. He was not sure what Allied’s response is going to be.

\*Mayor Lutes: Allied has issued an increase to Salem City; our proposal will be forthcoming any day.

Currently, the City is subsidizing the garbage collection, since there is only about \$1,000 generated in revenue over expenditures. So, the charge should be at about \$12 per household for collection...add to that the increase coming from the District; that would have the rates at about \$13, or more, depending on the increase passed through to the City. Provo City suggested initiating the required increase first, which will be required whether or not we decide to go into the garbage business. Later, if the City does decide to go into the business, then the increase would not be blamed on the new operation. *(Mr. Roberts agreed that would be a good strategy.)*

Corbett Stephens: (Responding to Council Member Youd’s question) He reported that the current rate is \$39/ton (non-member status). The City does 16 tons/week (winter months) and 24 tons (summer)...average is 20 tons per week for the year = 1,040 tons per year.

23:04 Sean Roylance: Question (RE: Spreadsheets) He simply asked for an interpretation of the color-coding as well as some of the negative figures.

*(One of the spreadsheets was a presentation of what the numbers could be if Elk Ridge went into the garbage business alone...the other showed figures if Elk Ridge were to go into business with Woodland Hills as a customer. The numbers show and increase in profit with Woodland Hills.)*

Council Member Roylance did not see the “Profitability” referred to by Mr. Roberts, though he did see how it would be better with Woodland Hills.

*(Mr. Roberts explained that the first spreadsheet only showed ½ a year, due to the contract with Allied terminating at the end of December, 2010. More focus was put on the second year...the timing is a bit of an unknown.)*

Even the 2<sup>nd</sup> and 3<sup>rd</sup> years still indicate negatives. *(Mr. Roberts: This was keeping the rates fairly low; there are certain assumptions that would have to be considered.)*

Mayor Lutes: Woodland Hills’ Mayor had a very favorable response to the idea of contracting with Elk Ridge; and even suggested a 7-year contract to begin with.

Weston Youd: He too questioned the negative figures.

*Council Members Roylance and Youd requested copies of the spreadsheet; which Mr. Roberts will email to them. Council Member Roylance felt the spreadsheets “looked concerning” and wanted a chance to input different numbers to see what the outcome would be.*

Julie Haskell: (Question on can charges) She sondered about the difference in price to Woodland Hills’ residents and Elk Ridge residents, since Elk Ridge residents were being charged more.

*(Mr. Roberts: We would only be charging Woodland Hills for collection; they pay their own dumping fees, as they are members of the District. Woodland Hills' citizens would be charged by Elk Ridge for collection and the District would also charge them for dumping costs. As yet, the dumping charges have not been separated out from collection fees for Elk Ridge. It simply appears that there is a discrepancy; they are really not being charged less.)*

31:20

Weston Youd: He requested that Elk Ridge fees be itemized out...a per household breakdown. (Council Member Haskell agreed with this request.)

He felt that would produce a better comparison. *(Mr. Roberts: The dumping fee is about 34% of the cost to operate; so of the fee, roughly 34% would be the dumping fee..so about \$3.74 of the \$11.00 would be for dumping.)*

Sean Roylance: (Question) The initial numbers that were put together by Council Member Roylance and Mr. Stephens showed a buy-in of \$40,000...the figures presented by Mr. Roberts show a buy-in cost of \$103,000.

Corbett Stephens: He explained that Woodland Hills' buy-in was \$40,000 about 7 years ago. He called to speak to Mr. Fickland (Chairman of the Board of the Solid Waste District); he sent us an actual breakdown, based on "roof tops" and what it would cost to buy-in. the actual buy-in for Elk Ridge would be \$102, 600.

Mr. Roberts: This was re-verified with him that we would not be purchasing any extra liability or being charged any extra costs incurred by other entities. Mr. Roberts felt the estimate for buy-in was fair.

Sean Roylance: (Question) The can and truck replacement fees...does "depreciation" refer to truck replacement? How would the new truck be paid for?

*(Mr. Roberts: The new truck would come out of the cash generated from the business. The depreciation charge affects cash flow; it also shows if enough of the cost of the vehicle is being recovered for eventual replacement. Depreciation also replaces or shows upkeep of a new shed to house the truck. The debt retires quicker than the life of the truck comes up. This is similar to the Water and Sewer Funds.)*

37:27

Council Member Roylance continued: He asked about a variable he may have missed regarding the life of the truck.

*(Mr. Roberts: For a used truck - 6 years; for a new truck – 15 years.)*

Subsequent truck costs: Used truck - \$20,000; new truck – about \$250,000 (high end truck as Provo pays).

Mayor Lutes: A less expensive truck might be about \$180,000. The hills in Woodland Hills and here in Elk Ridge might require a better truck.

Weston Youd: He questioned the "shed" mentioned to house the truck...location, cost, etc. He has contacted people he knows in the sanitation business and the smell is a concern.

Corbett Stephens: A more palatable location would be on the City's property where the salt shed is located. It would be a temporary shed

Mayor Lutes: (Discussion of cans) The representative from Allied mentioned that new cans are \$45 each; and used cans could be purchased for about \$12. The impression was that Allied would be willing to sell us used cans; the price could likely be negotiated. Payson City would charge \$90 per can and the citizens would be the purchaser.

43:23

Curtis Roberts: There are always concerns starting a new business; but the advantages with this projected operation seem to alleviate the concerns. There has been a great deal of "homework" preparing the information...and he reiterated his assessment that it could be an extremely profitable venture.

Weston Youd: He commented that the information had just been given to the Council that day. He asked about Salem City being interested in the business.

Corbett Stephens: He consulted with Larry Fickland (Salem Council): At one time Salem got into the sanitation business and then got out of it...Mr. Stephens wanted to know why. Mr. Fickland said it was due to mismanagement: they did not budget for replacement of the truck; they bought a used truck and spent a great deal of money on maintenance on a used truck...Allied offered them a deal where they were making more money than they were making before.

Elk Ridge only makes about \$1,000 to cover administrative costs; Woodland Hills charges their residents enough to make about \$10,000 or \$15,000 over their costs; whereas, Salem was not making money.

Currently, Salem is considering getting back into the business. Mr. Stephens asked why not have Salem and Elk Ridge get together for sanitation. Mr. Fickland's response was positive, in fact he felt we could keep a truck busy 5 days/week. With Woodland Hills, there would be more profit; but when Salem is added to the whole...that is more cans and more profit.

Weston Youd: At the last SUVMWA meeting, the possibility of a future sanitation district was discussed. HE asked r. Roberts about the figure to pay an employee; did it include a 30% mark-up for the true cost to an employer? Was maintenance figured in? *(Mr. Roberts: The figure is based on an average cost of an employee with salary + benefits; calculating % of a person's salary for the time charged to garbage collection...which comes to about 20% or 2 out or 5 days working on garbage collection. Maintenance: They thought that much of the maintenance would be contracted out, possibly with Provo City and there is a line for maintenance. Any other costs would be reflected in the Administrative Fee to the General Fund.)*

49:22

Sean Roylance: He questioned the recommendation of purchasing a new truck.

*(Mayor Lutes: Explained: The 1<sup>st</sup> year is covered under warranty; which allows for the business to get going before possible repairs would have to be addressed. A used truck may require maintenance from the beginning. Provo recommended the new truck. If the City considers the used truck Provo has to sell, we would have to follow the truck to auction; we could not buy it directly from Provo...it could be even less than the \$20,000. If not a new truck, then perhaps there would be one listed on the internet.)*

(There were no further questions for Mr. Roberts.)

51:46  
PARKS

1. *Playground Equipment:* Mayor Lutes reported that the cost to replace the destroyed playground equipment would be just under \$19,000 (*Game Time*). Impact fees could be used to replace the equipment. Everything that has been burned would still have to be removed and replaced, so the equipment could be guaranteed by the company. Council Member Johnson said that the insurance information regarding covering the damaged equipment is not available.

Mayor Lutes informed the Council of the issues involved with coverage. The recorder called the Trust and found that the equipment was not listed on the itemized list of property that is covered; there were other structures not listed. The list has been corrected. The risk management men from the Trust suggested calling in to plead the case of coverage for these items. Former Council Member Abbott recalled meeting with people from the Trust (ULGT) and reviewing these very items, to make sure they were covered. He offered to investigate the matter. It was not known how much these additions will affect the budget. An adjusted list will affect the premium; it is not known how much.

59:18  
2. *Park Maintenance:* The City Park needs to be weeded, re-planted and maintained. It is too big a job to have volunteers do it. Council Member Clawson said that perhaps the maintenance could be handled by volunteers; but not the clean-up. (Corbett Stephens and Wayne Frandson are busy with crack fill, which is temperature sensitive.) There is \$2,000 budgeted for park maintenance; she requested use of that money from the Parks Department. Council Member Johnson agreed.

Debbie Cloward advised that the seemingly dead trees may be able to be saved with more consistent watering.

(*Deputy Butters suggested the use of week-end "work diversions" to assist with the clean-up. The people are not inmates; they have been assigned to "work diversion" as part of sentencing...it is like "community service" hours to work off. They would be supervised by one or two deputies. Currently they do all the maintenance at the Goshen Cemetery.*) Council Member Clawson was not in favor of this option with this project.

3. *Purchase Equipment:*

There was a proposal for the purchase of an ATV for City use in all departments. When jobs are done more efficiently, more gets done. Example: Meter Reading...previously, Mr. Stephens was using former Mayor Dunn's ATV to assist in reading meters; recently he has used Ed Christensen's. The Mayor read meters the last time and can vouch that using the truck takes much more time and requires getting in and out of the truck when the hand-held unit does not pick up the signal.

- An ATV could be used to get to the tanks in the winter.
- Park maintenance would be aided in spraying and fertilizing...one man could do the job by himself rather than taking 2 (1 to drive and the other to spray).

The cost could be split four ways: Parks, Roads, Water & Sewer.

Cost Estimate:

- New – (650 Arctic Cat = \$6,400 to \$6,500)
- A 650 (Sold by a credit union) = \$2,500 (A 2007 model)

Sean Roylance: Suggestion: tracks for winter

Julie Haskell: She felt the City snowmobile serves the purpose and is sufficient.

1:09:21  
Corbett Stephens: In response, he replied that getting up to the Loafer Canyon Well requires driving the snowmobile on asphalt or the back way requires driving through mud. There is no trailer; one could be purchased to carry it part way and get it to the snow.

Mayor Lutes: The City borrows a trailer occasionally, and we borrow ATV's; it seems that it would be best to have the City purchase one for the various uses.

4. *Curb & Gutter Agreement:*

David Church prepared a draft agreement between the City and those paying for installation of curbing along their frontage.

The Council was in agreement that the agreement looked good.

*Mayor Lutes closed the Work Session at 7:20 PM.*

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OF MEETING

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Notice of the time, place and Agenda as well as an Amended 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 June 4, 2010.

7:20 PM -

**REGULAR CITY COUNCIL MEETING AGENDA ITEMS:**

OPENING REMARKS & PLEDGE OF ALLEGIANCE

Opening Remarks: Derrek Johnson offered an opening prayer and led those present in the Pledge of Allegiance, for those willing to participate.

APPROVAL OF THE AGENDA TIME FRAME

**WESTON YOUD MOVED, SECONDED BY SEAN ROYLANCE, TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 7:20 PM, AND MOVING AGENDA ITEM #8 (GENERAL PLAN) TO THE BEGINNING OF THE REGULAR SESSION**  
**VOTE: YES (5) NO (0)**

1:12:42  
PUBLIC FORUM

*1. June Christensen: (3 year resident at 212 S. Hillside Drive)*  
She reported various acts of vandalism at her home:  
- Her husband's dodge – popped the emblem off the tailgate  
- \$550 loss – her car was keyed (reported)  
- June 4: She had all of her yard lanterns taken; replacement would be about \$650  
- Brass butterflies disappearing from her yard  
There is a vandalism problem in Elk Ridge. The City's mission statement states that the goal is to have a safe environment...she feels threatened.  
Mrs. Christensen volunteered to assist and/or donate doing something about this problem. She suggested initiating a "neighborhood watch" program. She wants to know what is going on and where, so that there can be an effective effort to solve this problem. She requested feedback from the Council.  
Mayor Lutes: Asked Deputy Butters to talk to Mrs. Christensen regarding her concerns and he agreed to do so.

1:17:13

Derrek Johnson: He added that other neighbors have been affected as well; car windows being smashed in, cars being keyed, radios stolen, a mailbox smashed in and tampered with ...none of these issues have been dealt with.  
Curfews must be enforced; and if minors are out past curfew, names should be gathered and it needs to be established why they were out.

*Shawn Eliot sent the curfew information to Council Member Johnson.*

*2. Sherrie Dalton: (Elk Ridge Resident on the corner of Alexander & Hillside Drive)*  
She reported that a resident on Astor Lane has installed several old telephone poles in their back yard. (This has been reported earlier to the City Offices and the yard in question has been checked out.) It appears that the residents are building a zip line and, after review of the code, there seems to be nothing in the current code which disallows this installation.

- The people are renters
  - One of the poles broke the fence
  - The poles are unsightly and the problem will be compounded when the zip line is being used
- The residents are renters; is the owner aware of the issue? Who is liable in case of injury or damage?

\*The next step would be to contact the owners.  
*Discussion: Can the nuisance code be applied? Perhaps neighbors could file a complaint. The planner is not sure how that process would proceed, since the poles do not violate the current code. He agreed that it would be best to contact the owners first.*

*3. Jamie Towse: (234 S. Shayda Cr.)*  
- She agreed that the poles referred to should be considered a "nuisance"; there could be a privacy issue.  
- RE: Possible City Sanitation Business...She thinks it sounds like a great idea.

*The Mayor closed the Public Forum.*

1:28:53  
GENERAL PLAN – DISCUSSION & ADOPTION

Shawn Eliot: Mr. had provided copies of the draft of the General Plan to the Council at the last Council Meeting at the end of May, 2010, so the Council would have time to review it and be prepared with any questions, comments or corrections.

Julie Haskell: She felt is "looked great".

Erin Clawson: She added that it was well written, well thought out and usable. There was a lot of hard work that went into this draft; she expressed appreciation for all the work.

Weston Youd: He was glad to see it come forward for adoption.

**WESTON YOUD MOVED, SECONDED BY JULIE HASKELL, TO ADOPT THE GENERAL PLAN AS PRESENTED; AND EXPRESS GRATITUDE TO THE ELK RIDGE PLANNING COMMISSION, MOUNTAINLAND ASSOCIATION OF GOVERNMENTS AND THE CITY PLANNER FOR THE HARD WORK PERFORMED TO PRESENT THE PLAN**

**VOTE: WESTON YOUD-AYE, SEAN ROYLANCE-AYE, DERREK JOHNSON-AYE, JULIE HASKELL-AYE & ERIN CLAWSON-AYE (5) NAY (0)**

*Passed 5-1*

1:30:45

SANITATION SERVICES  
- ACTION

*Mayor Lutes asked the Council if there was any direction to pursue the possibilities.*

*Questions/Comments:*

Erin Clawson: (Directed toward Council Member Roylance...This was a matter that was presented by Council Member Roylance and Mr. Stephens (they worked together to come up with the initial figures). She wanted to know why he seemed reticent at the last meeting. Have his opinions changed regarding the proposed business?

Sean Roylance: There are a few aspects of the proposed business he is unsure about. He intended to communicate that if Elk Ridge's service does not include Woodland Hills, he feels the margin of success would not be large enough. It is unlikely we have thought of every cost associated with this type of business.

He feels there are pros and cons to the proposal. He wants to review the new spread sheet provided by Curtis Roberts and have a chance to analyze the formulas and numbers...as well as insert other figures to be able to understand it thoroughly.

*Pros:*

It seems that Woodland Hills is in favor of a long-term commitment; he would like to know that is agreed upon by the entire City Council.

*Cons:*

- He is concerned with the additional upfront costs that differ from the previous assumptions.
- Concern: Salem was concerned with high maintenance costs on an older truck vs. a new truck, which is extremely expensive.
- Is there enough time and man-power to handle the added time involved with running a business? He is very interested in the prospect of partnering with Salem and sharing the risk with Salem.

*Mayor Lutes interjected that he did not believe that a "partnership" is what was talked about...rather the same type of service as we would provide to Woodland Hills. HE asked for Mr. Stephens' input.*

Corbett Stephens: He would be concerned about not having control of the business. Would the same types of issues we encountered with the sewer plant become issues with a shared garbage business?

Sean Roylance: There are many new variables information to be understood before he could recommend any further action. He would like to speak with Curtis Roberts regarding the reasoning behind his positive conclusions regarding spreadsheets that indicate a negative bottom line.

City Recorder: Mr. Roberts explained that one needs to look at the profit margin; but, from the first year, the business would be paying about \$20,000 into the General Fund. The profit margin in the enterprise fund itself may take a few years to show a profit; but all that time, that fund is contributing to another source of revenue for the General Fund through the administration fee. The public reminds the Councils frequently to look into expanding the sources of revenue for the General Fund, to take pressure off the tax payers. The City has very limited sources of revenue with little or no commercial. The concept of providing another source of revenue to the General Fund was one point of excitement for the Finance Director.

Mayor Lutes: He added that Provo City's garbage budget does not look all that good either; but \$600,000 was paid to their General Fund.

Sean Roylance: He agreed that is a "good thing"; but the spreadsheet in the packets showed a loss of \$30,000+; that is a concern to him.

*The Mayor encouraged the Council Members to talk to Mr. Roberts; he is always willing to talk to the members of the Council.*

Julie Haskell: She was still concerned about the storage of a garbage truck in a residential area.

*Discussion of options to store a sanitation vehicle.*

Weston Youd: He agreed that the numbers did not seem as positive as they did at first.

Erin Clawson: She feels the Council should look at the prospect of a sanitation business as more of a service and a long-range benefit for the City and the citizens. She also feels that the Fire Dept. expansion should be a separate issue and that they should look at other options to fund any construction. Regarding the sanitation business: Even though there is some risk involved, she feels it is "worth a try" to bring more revenue to the City. "Anything you do is going to have some risk; but if we could maintain some control of it and with a 7 year commitment from another town (and possibly another), I think it is really worth look at to see if we can make this happen for our town. I would much rather see some profit stay here than to see it go to Allied or somewhere else." She also stated that she is not worried about being "faulted" if the business had a mishap...those things happen. With Provo's assistance, the trucks can be maintained and they have even offered loaners if our truck were being worked on. "There are good things happening."

Action: She felt that the Council should take Council Member Youd's advice and solidify the City's position and come up with a good presentation prior to approaching another community.

1:44:41

Sean Roylance: He questioned if the City has "man hours" available to be able to run this business. Would the City need to hire another employee? Can the additional work be absorbed with the current staff? There is a lot of initial extra work with any "start-up" business.

Mayor Lutes: That has been considered and the present staff could handle the responsibilities at first; eventually a part-time employee could be hired or we could contract the work out; as things grow and more revenue is coming in, perhaps a full-time employee could be considered. Provo has offered to train a driver. Currently, Wayne Frandson would drive the truck.

Corbett Stephens: He would not want the City to hire someone else; he would rather work more hours per week, initially, to prove that an additional person could have enough work to justify hiring that person. We do not want to hire someone if the work load does not justify it.

Weston Youd: He feels that more clarity and public input is required...perhaps this could be a ballot issue.

Derrek Johnson: He felt elected official are placed in the position of making these kinds of decision.

Weston Youd: There are options of public meetings or hearings. The Council should not make any quick decisions. The opportunity will still be there to collect garbage.

*The Council agreed that more public input could be pursued. Mayor Lutes suggested that we consider a month-to-month contract with Woodland Hills to start with. Perhaps Elk Ridge should try to get a month-to-month contract renewal with Allied.*

*\*This topic will continue to be a regular agenda item for future meetings.*

Council Member Roylance brought up the question of researching laws governing any requirements regarding where garbage trucks could be parked. January feels like a more realistic time frame to him.

Council Member Haskell was reluctant due to the continued state of the economy, though she expressed appreciation for the amount of time spent preparing the information. She agreed that the Council should take their time in considering this proposal.

\*It was agreed that more information should be obtained from Salem and what their plans include.

Mr. Stephens warned that Salem may want to take over starting the business to be in control of the operation. There are things that could be put into place prior to actually initiating the business; like the location of the storage shed for the vehicle.

*Discussion of rates for garbage and the possibilities and concerns.*

2:10:29  
PARKS

*1. Playground Equipment:*

Council Member Johnson was going to meet with the risk management representative and will update the Council on whatever information he gathers regarding coverage of the destroyed equipment.

The last meeting: The main concern was the depth of the mulch with the height of the equipment – measured from the highest flat point, not the highest point of the equipment itself. He said one foot depth would be appropriate. This coincides with the manufacturer’s recommendation.

Former Council Member Abbott is also researching his records; he is sure the equipment was listed at one point.

*2. Park Maintenance:*

There is a couple of thousand dollars budgeted for this “park maintenance”; the question was, if the Council would move to utilize this money. Plants, mulch and clean-up is needed; as well replacement of tools since Mr. Stephens has been using his personal tools on City projects.

2:15:03

Council Member Clawson would like to get the “adopt a piece of the park” program going to get citizens involved on a volunteer basis.

*Discussion of types of landscaping and mulch, including the possibility of a compost pile.*

**WESTON YOUD MOVED, SECONDED BY ERIN CLAWSON, TO RELEASE UP TO \$2,000 FOR USE IN PARK MAINTENANCE FOR CLEAN-UP AND MATERIALS**

**VOTE (POLL): WESTON YOUD-AYE, SEAN ROYLANCE-AYE, DERREK JOHNSON-AYE, JULIE HASKELL-AYE, ERIN CLAWSON-AYE (5) NAY (0)**

*Passed 5-0*

Council Member Roylance added that about half of that should go toward replacing tools.

2:20:05  
CURB & GUTTER  
AGREEMENT

**SEAN ROYLANCE MOVED, SECONDED BY DERREK JOHNSON, TO APPROVE THE CURB & GUTTER AGREEMENT, AS WRITTEN BY THE CITY ATTORNEY; SO THAT SIGNATURES MAY BE OBTAINED PRIOR TO COMMENCEMENT OF THE WORK**

**VOTE: YES (5) NO (0)**

2:20:52  
WATER RIGHTS  
WORK RELEASE

The City Recorder gave a brief history of the City’s association with Mr. Fuller, as a water rights consultant to Aqua Engineering; which is why the work release came from Aqua Engineering. The City’s water rights must be “proven up” or placed in a non-use status; they must also be the City’s name, giving a credit to the developer that brought the rights to the City. Mr. Fuller is finishing up what was started several years ago; but has been held up at the State Engineer’s office. The proposal from Aqua includes a spread sheet showing the exact status of all of the City’s rights, from Craig Neeley, that could be transferred to the City for easy access to the information. Deadlines to prove-up on some of the rights was coming up rather quickly.

**JULIE HASKELL MOVED, SECONDED BY WESTON YOUD, TO APPROVE THE WORK RELEASE, ALLOWING TONY FULLER TO COMMENCE WORK ON PROVING UP ON THE CITY’S WATER RIGHTS WITH THE STATE**

**VOTE (POLL): WESTON YOUD-AYE, SEAN ROYLANCE-AYE, DERREK JOHNSON-AYE, JULIE HASKELL-AYE, ERIN CLAWSON-AYE (5) NAY (0)**

*Passed 5-0*

EXPENDITURES:

General: None

*1. Check Register & Payroll for May, 2010:*

*\*Question on Account 10-44-390; for \$283.14 (Check with Payroll Clerk)*

**SEAN ROYLANCE MOVED, SECONDED BY ERIN CLAWSON, TO APPROVE THE CHECK REGISTER AND PAYROLL REGISTER FOR MAY OF 2010**

**VOTE: YES (5) NO (0)**

2:33:18

**2. Purchase of Equipment:**

*Discussion:*

Council Member Roylance questioned the budget allowance for this proposed purchase.

It would have to be budgeted for in the 2010 – 2011 Budget Year, beginning July 1, 2010. The cost could be split between Roads, Parks, Water & Sewer, since the vehicle would be utilized in all of the departments.

Council Member Johnson mentioned an ATV that sold with a plow and a trailer for about \$5,500. There are good deals to be found.

*The advice was to look for a good deal. Details of what to look for were discussed.*

**DERREK JOHNSON MOVED, SECONDED BY ERIN CLAWSON, TO APPROVE UP TO \$6,500 FOR THE PURCHASE OF AN ATV FOR THE CITY; TO BE PURCHASED AFTER 7-1-2010, SO IT COMES OUT OF THE 2010-2011 FISCAL YEAR BUDGET**

**VOTE: YES (3)**

**NO (2) SEAN ROYLANCE & JULIE HASKELL**

Corbett Stephens asked for assistance in the purchase process, since there are Council Members who are more knowledgeable about ATV's. Council Members Johnson and Youd offered their assistance.

MINUTES

\*Approval of the minutes was postponed until the next Council Meeting to allow more time to review the minutes.

2:41:13

ADJOURNMENT

The Mayor adjourned the Regular Session at 8:50 PM.

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City Reorder