

Minutes of the Salem City Council Meeting held on June 18, 2008 in the Salem City Council Chambers.

Work Session: Jeffrey Nielson went over the Amended Budget for 2007/2008 and the new budget for 2008/2009.

MEETING CONVENED AT: 7:00 p.m.

CONDUCTING: Mayor J. Lane Henderson

COUNCIL PRESENT:

Mayor J. Lane Henderson
Councilperson Lynn Durrant
Councilperson Brent V. Hanks
Councilperson Terry A. Ficklin
Councilperson Stanley W. Green
Councilperson Todd R. Gordon

STAFF PRESENT:

Jeffrey Nielson, City Recorder
Chief Brad James, Police Chief
David Johnson, Public Works
Junior Baker, City Attorney
Bruce Ward, City Engineer

OTHERS PRESENT

Mallory Byrnes
Mark Wright
Rex Larsen
Russell Gines
Melanie Mecham

Rick Hereth
R.. Hiatt
Chad Kimber
Eldora Gines
John Mecham

Joseph Shelton
Sherrie Larsen
Brad Simpson
Cindy Eslinger
Lana Harris

1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE

Mayor Henderson asked if anyone would like to give a motivational or inspirational message. Councilperson Todd Gordon stated he would like to offer a motivational message in the form of a prayer.

2. INVITATION TO SAY PLEDGE OF ALLEGIANCE

Mayor Henderson invited those who would wish to participate, to stand and say the pledge of allegiance with him. He then led the pledge of allegiance for those who wanted to participate.

3. PUBLIC HEARING

MOTION BY: Councilperson Lynn Durrant to open the Public Hearing.

SECONDED BY: Councilperson Brent Hanks.

VOTE: All Affirmative (3-0). Councilperson Ficklin and Green were not present.

a. Amend Annexation Policy Regarding Area 1 Northwest of the City and General Plan that Area

Attorney Baker showed on the map where this area is located. He stated that recently Payson City deannexed the area. In order for the property to be annexed into Salem City an amendment to the annexation policy would need to be done. Attorney Baker stated this area is rural and largely undeveloped. It includes a large area which was recently disconnected from Payson City. This property should have retail commercial uses along 8000 South, from the freeway off ramp to, 460 West and to a lesser degree along 460 West. Non-retail commercial uses should about the retail commercial property south of 8000 South and west of 460 West. Residential uses, with higher densities, can fill in the remaining property in order to support the retail commercial uses. Residential uses, though consisting of higher densities, should consist of high quality construction, with large open spaces, trails, and parks. Properties that develop after annexation should be in five acre parcels or larger for agricultural, non-retail commercial and residential uses. Smaller parcels for retail uses will be considered along 8000 South and 460 West. He also suggested the the general plan show the zone to be commercial, industrial, and residential.

Councilperson Terry Ficklin and Stanley Green arrived (7:05 p.m.)

Mayor Henderson asked if there were any questions. The question was asked about SESD Power. Attorney Junior Baker explained that if the area is annexed into the city, then the SESD infrastructure would need to be bought out. When the power is switched over to Salem Power loss revenue would need to be paid, if the switch is with in 10 years of the annexation.

b. Mark Wright Annexation at Approximately 8000 S. 1200 W.

Attorney Junior Baker showed on the map where this annexation is located. This is the final stage of the annexation. If the annexation is approved the following zoning have been requested. Attorney Baker showed on map the zoning for the area, and explained it to the council and audience. Along with the annexation, Mark Wright has an annexation agreement that he would like approved.

The question was asked if the zoning can be changed. Attorney Baker stated that if the property owner would like a zone change, they can go through the process. The council would be the final decision on zone change.

The question was asked about the agricultural use of the property. Attorney Baker stated that if the property owners are currently using the land for agriculture, they would be considered a “Non-Conforming Use Lot” or “Grandfathered”. Once the property owner ceases operation, then they would lose that right. It was discussed about the agriculture use, and how it would be animals. Attorney Baker stated that if the property owner continues operation, they will be fine. The question was asked about if they have cattle, and take the cattle off the property to graze in the mountains in the summer time, and then bring them back. It was stated that that would be considered continued operation, and they would be fine. Another question was asked about swine use. It was stated that swine would be considered the same situation.

Mayor Henderson stated that the property owners can continue to do what they are doing with the property, until the property owners change what they are doing with the property.

A question was asked about the interchange, and if the city will be involved with what UDOT decides to do. Mayor Henderson stated that he does not figure UDOT will doing anything in the near future, but feels the city will be involved with UDOT.

Another question was asked about the infrastructure in the area, and if the property is developed, would the developer be required to install the infrastructure. It was stated that most likely the developer would be required.

c. Amend Budget for Fiscal Year 2007/2008

Jeffrey Nielson explained that the General Fund needs to have a balanced budget. This year some of our revenues have not come in, due to building and subdivision slowing down. Because of that, the revenue accounts needed to be adjusted, along with some of the expenses, so that there is a balanced budget. Mayor Henderson stated that \$254,164 has been adjusted this year.

Mayor Henderson asked if there were any questions.

A question was asked about item B and the annexation, if someone sells the property is it considered a development. It was stated that when the property is divided, that is when it is considered a development. The property owner can sell, but once the property is divided, then they would need to follow the city guidelines for a development.

A question was asked about the Bearson property (item A, annexation policy change). It was stated that the city has not seen an official petition to the area.

Close Public Hearing.

MOTION BY: Councilperson Brent Hanks to Close the Public Hearing.

SECONDED BY: Councilperson Lynn Durrant.

VOTE: All Affirmative (5-0).

a. Amend Annexation Policy Regarding Area 1 Northwest of the City and General Plan that area

MOTION BY: Councilperson Lynn to Approve the Amendment to the Annexation Policy Regarding Area 1, Northwest of the City and the General Plan that area for Commercial, Industrial, and/or Residential.

SECONDED BY: Councilperson Brent Hanks.

VOTE: All Affirmative (5-0).

b. Mark Wright Annexation at Approximately 8000 S. 1200 W.

Attorney Baker stated that if the council is in favor of the annexation, then the approval of the annexation, the zoning, and the annexation agreement will need to be approved.

MOTION BY: Councilperson Todd Gordon to approve the Mark Wright Annexation at Approximately 8000 South and 1200 West with the recommended zoning that Attorney Baker described, and that the Annexation Agreement also be approved.

SECONDED BY: Councilperson Lynn Durrant

VOTE: All Affirmative (5-0).

c. Amend Budget for Fiscal Year 2007/2008

MOTION BY: Councilperson Terry Ficklin to Approve the Amended Budget for Fiscal Year 2007/2008.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (5-0).

4. MARK WRIGHT ANNEXATION SESD CONNECTORS AGREEMENT

Attorney Baker stated that Mark Wright has agreed to pay the SESD buyout, but then as the land is developed he would be reimbursed according to the connector's agreement.

MOTION BY: Councilperson Lynn Durrant to approve the Mark Wright Annexation SESD Connectors Agreement.

SECONDED BY: Councilperson Brent Hanks.

VOTE: All Affirmative (5-0).

5. CW MANAGEMENT

a. Spanish Fork Interlocal Sewer Agreement

Bruce Ward, City Engineer, went over some of the highlights of the agreement. We will be allowing Spanish Fork City to have up to 400 sewer connections, or equivalent residential unit. A lift station and sewer lines will be maintained by Salem City, as long as they are within the city boundaries. Spanish Fork agrees to pay impact fees and monthly service fee. The sewer plant will be maintained by Salem City. Bruce stated that we do have the capacity to allow the 400 connections.

Councilperson Hanks asked about the lift station. Bruce stated that it is for the homes in the development that CW is developing. One development is in Salem and the other is in Spanish Fork. Both developments are next to each other

Councilperson Hanks is concerned about the 400 connections, and feel they should pay more money for the monthly service. He is also concerned that Salem has to pay on the O&M on the sewer lines and sewer plant. Bruce stated that SUVMWA has been anticipating the sharing of sewer plants. We will also be collecting the impact fees from the connections.

Chris McCandless explained that in section five, it states that if Salem reaches capacity, then Spanish Fork will help in finding solutions and also costs of expanding. The agreement gives Salem control of the sewer plant and the system.

Dave Johnson asked about what % of capacity the 400 homes would be. It was stated that it would be about 10%.

Attorney Junior Baker stated that Spanish Fork City passed the agreement the prior night.

MOTION BY: Councilperson Lynn Durrant to approve the Interlocal Sewer Agreement with Spanish Fork.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (4-1) Councilperson Todd Gordon; Aye, Councilperson Terry Ficklin; Aye, Councilperson Lynn Durrant; Aye, Councilperson Stanley Green; Aye, Brent Hanks; Nay.

b. R-5 Text Change

Mayor Henderson stated that Planning and Zoning is still reviewing this, and would recommend that this item be tabled until it is ready.

6. COMMUNITY CENTER RATES

Councilperson Ficklin stated that he was okay with the information that Attorney Christine Johnson sent to the council. Councilperson Hanks explained that we have had people wanting to set up the night before. We have had other issues with people wanting to use it half day, and then end up using it longer. He explained what other buildings are being rented for. Salem is still the cheapest around. He would like to see the building rented for a full day, for \$400 for residents and \$800 for non residents. If someone wants to use it half day, then residents can use it from 7:00 a.m. to 1:00, or 2:00 p.m. to 8:00 p.m. for half the price (\$200), and can only be used at this rate Monday – Wednesday, and the kitchen may not be used. If the person goes over the time allowed, then they will be charged \$100 per hour that they go over. It was also suggested that the building only be available from 7:00 a.m. to 12:00 midnight (must be out of the building).

MOTION BY: Councilperson Brent Hanks to approve the rate change for the civic center to \$400 for residents and \$800 for non-residents, and half day rental for residents Monday – Wednesday from either 7:00 a.m. to 1:00 p.m. or 2:00 p.m. to 8:00 p.m. and that the kitchen may not be used, the price would be \$200, the prices will go into affect on July 1, 2008.

SECONDED BY: Councilperson Stanley Green.

VOTE: All Affirmative (5-0).

Councilperson Ficklin would like to see the agreement changed also, to include Attorney Christine Johnson's comments. Councilperson Hanks stated that the park hours should also be included in the agreement.

Councilperson Hanks stated that it has also been suggested that we increase the amount that we pay Tracy Fratto to have the building cleaned, open and closed. The amount suggested was \$750 per month; this is up from \$500 a month.

MOTION BY: Councilperson Stanley Green to approve the increase for the person cleaning, open and closing the community from \$500 to \$750.

SECONDED BY: Councilperson Brent Hanks.

VOTE: All Affirmative (4-0). Councilperson Durrant abstained from voting.

7. FISCAL YEAR 2008/2009 BUDGET ADOPTION

Jeffrey Nielson explained that this is the budget approval for fiscal year 2008/2009. Just minor changes from the public hearing budget, so that the general fund would be balanced. This budget does include the rate increases in power, garbage, and water. The water rate increase will not happen until August, there are some items still being worked out with the water rates. The council has had an opportunity to review it.

Mayor Henderson stated that the solid waste "garbage" rate will increase \$1.00 for both the first can and second can (1st can will increase from \$9.50 to \$10.50 and 2nd can will

increase from \$7.00 to \$8.00). This increase is because Allied Waste has increased their rates.

Councilperson Durrant went over the power rates. She that mentioned Comlink Engineering has done a rate study, and presented it last council meeting. She went over the power rate increase for residential, current rate \$0.0774 per kWh, new rate \$0.07465 per kWh for first 700 kWh, and \$0.10 per kWh over 700 kWh. The base rate will change from \$7.00 to \$11.00. The rate increases for Commercial and Industrial will change according the rate study given by Comlink (**Commercial Rate without demand:** current rate \$.119791 per kWh for first 60 kWh, \$.09495 for next 140 kWh, and \$.064965 for kWh over 200 kWh, new rate \$0.073087 for first 700 kWh, and \$0.109791 over 700 kWh. **Commercial Rate with demand:** current rate \$0.057221 per kWh for first 5000 kWh and \$0.033718 per kWh over 5000 kWh, new rate \$0.033718 per kWh for first 3000 kWh and \$0.046100 per kWh over 3000 kWh. Demand charge will go from \$6.10 to \$10.99. **Industrial Rate:** current rate \$0.027737 per kWh; new rate \$0.027737 per kWh for first 1000 kWh and \$0.030000 per kWh over 1000 kWh. Demand charge will go from \$7.56 to \$8.45. Monthly Base Rates will increase from current rate of \$7.00 (for all rates), to the new base rate \$11.00 for residential, \$20 commercial without demand, \$49 commercial with demand, and \$110 Industrial).

Councilperson Durrant also discussed the late fee percentage will decrease from 20% to 10%.

Mayor Henderson then went over some of the other highlights to the 2008/2009 budget. The over all budget for the city is \$8,990,259, an increase of \$724,649 from the prior year. The General Fund is only increasing \$82,635; this is due to the amount of building going down. The late fee will be decreased from 20% to 10%, building permits are down 40% from prior year, the data fund has been dissolved and absorbed into the general fund, the sewer G.O. Bond has been paid for, which will decrease property taxes. Some other items, for the public to be aware of, are the donations to the boys and girls state program \$300, Junior Miss Pageant, \$500, and a miscellaneous donation fund of \$500. The Enterprise Funds (Water, Sewer, Power, Garbage, and PI) will be transferring \$4,240 to the General Fund for payment of the fire truck lease payment.

MOTION BY: Councilperson Lynn Durrant to Approve Fiscal Year 2008/2009 Budget with said rate increases/decreases.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (5-0).

8. APPROVE MINUTES OF JUNE 4 , 2008

MOTION BY: Councilperson Lynn Durrant to Approve Minutes of June 4, 2008.

SECONDED BY: Councilperson Stanley Green.

VOTE: All Affirmative (5-0).

9. APPROVE BILLS FOR PAYMENT

MOTION BY: Councilperson Brent Hanks to approve the bills or payment.

SECONDED BY: Councilperson Stanley Green.

VOTE: All Affirmative (5-0).

10. PUBLIC SAFETY

a. New Fire Truck Purchase

Mayor Henderson stated that the purchase of a new fire truck has been discussed many times. The plan was to go to purchase a new fire truck with Woodland Hills and Spanish Fork, to be able to get a better price on the truck. With the financing of the truck, we would not need to make our first payment until a year after we receive the truck, but the interest would start accruing when we receive the truck. Right now the budget does not allow us to purchase a new truck, but we are looking at other options at this time.

11. OPEN DISCUSSION

Reed Cornaby complemented the professionalism of the city office and crew. He called about the sink hole on Canal Road, and within minutes the city crew had responded. He thanked the city for their great work.

He also agrees with Councilperson Hanks on the lift station. He feels that Spanish Fork should be responsible when the lift station does not work. Also the lawsuits that are associated with a lift station are scary, if the lift station fails.

Councilperson Stanley Green was excused from council meeting 8:25 p.m.

Jim Ealey expressed his concern about a neighbor who is over watering. He feels there are many people in town who are not being responsible about the watering.

COUNCIL REPORTS

12. MAYOR J. LANE HENDERSON

Mayor Henderson mentioned about the tour of the new city office addition, and how it is coming along. Salem Days is also coming up.

13. COUNCILPERSON LYNN DURRANT

Councilperson Durrant reported that the Bradley's and the Christensen's have been working hard on the city float. She stated that Jessica Gardner, 2nd attendant, has

resigned, and that Jessica War is now the new second attendant. The city float won the top award at the Art City Days Parade in Springville.

14. COUNCILPERSON TERRY A. FICKLIN

15. COUNCILPERSON STANLEY W. GREEN

16. COUNCILPERSON BRENT V. HANKS

17. COUNCILPERSON TODD R. GORDON

18. DAVE JOHNSON, PUBLIC WORKS DIRECTOR

19. BRUCE WARD, CITY ENGINEER

20. ATTORNEY S. JUNIOR BAKER.

ADJOURN CITY COUNCIL MEETING

MOTION BY: Councilperson Lynn Durrant to Adjourn City Council Meeting.

SECONDED BY: Councilperson Todd Gordon.

VOTE: All Affirmative (4-0).

MEETING ADJOURNED AT: 8:50 p.m.

Jeffrey Nielson, City Recorder