

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, June 3, 2014**
at **7:00 p.m.** in the Lindon City Center, City Council Chambers, 100 North State Street,
Lindon, Utah.

4 **REGULAR SESSION** – 7:00 P.M.

6 Conducting: Jeff Acerson, Mayor
8 Pledge of Allegiance: Stephanie Acerson, Miss Pleasant Grove
Invocation: Jake Hoyt, Councilmember

10 **PRESENT**

ABSENT

12 Jeff Acerson, Mayor
Matt Bean, Councilmember
14 Randi Powell, Councilmember
Van Broderick, Councilmember
16 Jacob Hoyt, Councilmember
Carolyn Lundberg, Councilmember
18 Adam Cowie, City Administrator
Hugh Van Wagenen, Planning Director
20 Cody Cullimore, Chief of Police
Kathryn Moosman, City Recorder

22 **1. Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.

24 **2. Presentations/Announcements** –

26 a) **Mayor/Council Comments** – There were no comments at this time.

28 b) **Presentation** – *Strawberry Days Royalty*. Representatives from the
30 Strawberry Days Royalty and the Rodeo Royalty were in attendance and
shared their favorite events and provided information regarding the upcoming
32 Strawberry Days festival to be held June 17th – 21st in Pleasant Grove. Miss
Pleasant Grove, Stephanie Acerson and her attendants introduced themselves
34 and presented the Council with a Strawberry Cheesecake and invited them to
the festivities. The Rodeo Royalty also shared their favorite events at the
36 Strawberry Days Rodeo and invited the Mayor and Council out to the
Strawberry Days Rodeo events.

38 c) **Proclamation** – Mayor Acerson read a proclamation declaring June 6, 2014
40 as June Norton Ferrel Day. Mrs. Ferrel is a resident of Lindon who has just
turned 100 years of age. Mayor Acerson commented that this is a milestone
42 birthday and Mrs. Ferrel still contributes to the community and society to this
day.

44 **3. Approval of Minutes** – The minutes of the regular meeting of the City Council of
46 May 20, 2014 were reviewed.

COUNCILMEMBER POWELL MOVED TO APPROVE THE MINUTES OF
2 THE MEETING OF MAY 20, 2014 AS AMENDED. COUNCILMEMBER
BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS
4 FOLLOWS:

COUNCILMEMBER POWELL AYE
6 COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
8 COUNCILMEMBER HOYT AYE
COUNCILMEMBER LUNDBERG AYE

10 THE MOTION CARRIED UNANIMOUSLY.

12 **4. Consent Agenda** – No items.

14 **5. Open Session for Public Comment** – Mayor Acerson called for any public comment
not listed as an agenda item. There were several residents in attendance who
16 addressed the Council at this time as follows:

18 **Eric Anthony:** Mr. Anthony mentioned a pressurized irrigation problem (low water
pressure) he has had on his property for 10 or 15 years. He noted that his neighbor has
20 complained frequently to the city (and has followed the advice of the city) with no
resolution. He added that this is a broader issue than involving just a few residents.
22 Mr. Anthony noted that he will be going to public works to address this issue. Adam
Cowie, City Administrator, stated that he will also follow-up discuss the issue with
24 the Public Works Director.

26 **Brad Godfrey:** Mr. Godfrey stated that he lives on the west side of Lindon
(Fieldstone Development). He noted that they have gotten together as a community to
28 discuss issues as a unified body. Mr. Godfrey thanked the Council for building their
development on the west side of the City and for their homes there. He also expressed
30 his appreciation for their park and also for the fiber coming in to their area which they
are very excited about. Mr. Godfrey stated they have started a Facebook account for
32 west Lindon City to talk about things they like or concerns they may have. He noted
they have also been talking with Heath Bateman, Lindon City Parks and Recreation
34 Director, about amenities the community would like to have in their area and they
would like to participate where they can. Mr. Godfrey concluded by thanking the
36 Mayor and Council, on behalf of his neighbors for all that they have in their
community.

38 **Maxine Smith:** Ms. Smith commented that her neighbors have been moving large
40 quantities of sand with dust issues etc. She stated that she contacted the city and
spoke with Jordan Cullimore, Associate Planner, about ordinances covering dust etc.
42 She stated that Mr. Cullimore talked to the neighbors and still nothing was done. Ms.
Smith stated she then asked a Lindon City Police officer about the issue and he didn't
44 know anything about the situation. Ms. Smith stated that she had no answers by
Friday so she contacted the police again to see if they could do anything. She
46 complained that there had been 13 hours of enormous dust and wanted the issues

2 addressed. She also contacted the City Administrator and she indicated that it was
3 convened that the officers could not do anything and that he would write a letter to
4 the neighbors that would take up to seven days. Ms. Smith complained that the
5 neighbors are now on day five and they start at 7:30 in the morning and work to the
6 evening moving the dirt. She added the contractor is digging down 4 or 5 feet and
7 hauling the dirt from their property to the neighbor's property. Ms. Smith's stated her
8 complaint is that the city ordinance is not being enforced.

9 Mr. Cowie commented that immediately following Ms. Smith's initial
10 complaint, Jordan Cullimore, Associate Planner, did speak with the neighbors and a
11 police officer went to the property the same day and on Friday another officer was
12 dispatched to the property. Mr. Cowie noted there were three visits to the property in
13 three days by city officials regarding this issue, which in his opinion is very
14 responsive. Mr. Cowie stated that the city policies regarding dust and dirt can be
15 subjective. He added the neighbors have been noticed to try and curtail the dust and
16 they did spray it down. Mr. Cowie stated that a code violation letter of notification
17 will be sent if needed. Mr. Cowie commented that the city has had no additional
18 negative feedback from the other neighbors in the area. Ms. Smith also mentioned a
19 Lindon sign on 200 south that is being repaired and suggested using pavers instead of
20 the grass as it would save on water and maintenance.

21 **Jocelyn Soderstrom:** Ms. Soderstrom stated that she is also a Fieldstone resident.
22 She noted one of the things her neighborhood is concerned about are the mosquitos;
23 which is a pretty bad problem. Ms. Soderstrom commented that they were told this is
24 a county issue but they are wondering if the city can do anything to work with the
25 county to help alleviate the problem. Mayor Acerson commented that he will talk
26 with County Commissioner, Larry Ellertson regarding the issue. Ms. Soderstrom
27 stated they have contacted the Utah County Mosquito Abatement. She also gave her
28 contact number 801-785-7592.

29 **Roy Shepherd:** Mr. Shepherd inquired if Lindon City has a beautification law in
30 place. Mr. Cowie stated the city does not. Mr. Shepherd mentioned the "white top
31 law" which is a law against culturing noxious weeds, which includes the same
32 category as Russian Olives and Siberian Elms, which can't be cultivated with white
33 top in the same category. Mr. Shepherd inquired if there is any recourse regarding this
34 issue. Mr. Cowie stated that the County keeps a running tally of noxious weeds and if
35 we are familiar with the affected locations we can work with the County to have them
36 come and spray. He added the County has sprayed areas in the past but there is
37 nothing specific in the city ordinances. Mayor Acerson stated that they will be in
38 contact with the County regarding this issue.

39 **MacKinlay Timms:** Mr. Timms stated that he is also a Fieldstone resident. He
40 inquired what the best procedure is on how to address issues in the city and if the
41 open session is the right forum. Mayor Acerson commented that the open session at
42 City Council meetings is a great forum to get questions and issues addressed and the
43 Council is open to any and all input and concerns. Mr. Timms stated that his
44 neighbors met as a community and discussed some issues and noted they do have a
45
46

lengthy list of items they would like to have addressed. Mayor Acerson directed Mr. Timms to provide the list to the City Manager. Mr. Cowie suggested scheduling a Mayor's Open house at the Fieldstone Development to address the issues. Councilmember Powell commented that each of the Councilmembers has an email account and all are happy to take emails and to contact them as a group or individually.

Lindsay Heidbrink: Ms. Heidbrink commented that the park at Fieldstone is awesome but it does not have any shade and pointed out that a lot of the other parks in the city a pavilion. She suggested using the PARC tax to get a pavilion at the park for shade which would help to get more use out of the park as it does get very hot. Councilmember Lundberg suggested that Ms. Heidbrink contact Heath Bateman, Parks and Recreation Director, and also let him be aware of the items they would like to see in their development. Councilmember Powell noted that Mr. Bateman would also be in attendance at the Mayor's Open House.

Errol Porter: Mr. Porter mentioned his concerns with Utopia. He noted that many years ago when Utopia was voted on there wasn't a resident in attendance who was in support of expanding to guarantee more funds to Utopia at that time. He noted that an increase in fees or "obligation" is still a tax increase. Mr. Porter urged the Council to listen to the residents and noted that he has lost a lot of trust in the leaders because of what happened years ago. Mayor Acerson commented that the Council will go through the survey taken from the residents later tonight, and noted they are serious about trying to hear what the residents want as representatives of the city. Mayor Acerson encouraged Mr. Porter to stay for the Utopia discussion agenda item. Mr. Porter concluded by stating he does not want the Council to make further commitments to Utopia.

Mayor Acerson called for any further public comments or questions in the open session. Hearing none he moved on to the next agenda item.

CURRENT BUSINESS

6. Public Hearing— *General Plan Map Amendment, Rossi Project.* Brent Skidmore requests a General Plan Map Amendment to change the General Plan designation of property located at approximately 600 North 2000 West from Commercial to Mixed Commercial. The applicant intends to establish office/warehousing uses on the site. The Planning Commission recommended approval.

COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

Hugh Van Wagenen, Planning Director gave a brief summary of this agenda item explaining that the applicant, who was in attendance, proposes to develop these parcels with a site configuration similar to the site plan concept in attachment 3 (included in the

2 packets), and the structures' architectural design will be similar to the structures
3 portrayed in attachment 4 (included in the packets). He noted the complex (located at
4 approximately 97 North 400 West) near the former Noah's Building, and will likely serve
5 businesses that require office/warehousing space in which light assembly, packaging, and
6 shipping activities will occur, and the site currently includes two lots. Mr. Van Wagenen
7 further explained the southernmost lot is split zoned between MC and CG, and when a lot
8 is split zoned the more restrictive zone, which is the CG zone, controls the entire lot. He
9 added that the northern lot is also zoned CG. Mr. Van Wagenen stated the applicant's
10 proposed use is not allowed in the CG, but it is allowed in the MC zone. Therefore, the
11 applicant requests that the two lots be rezoned to the MC zone; City Code requires that
12 any zone change must be consistent with the City's General Plan Designation. The
13 General Plan mirrors the current zoning, so the applicant is requesting that the General
14 Plan designation be changed to permit the zone change and allow their desired uses.

15 Mr. Van Wagenen then referenced an aerial photo of the proposed area to be re-
16 classified, photographs of the existing site, the conceptual site plan, conceptual
17 architectural renderings and the use comparison between CG and MC zones. He noted the
18 applicants would like this general plan amendment approved in order to have the second
19 agenda item (zone map change) in order to put up a project that is being referred to as
20 flex office warehouse space on about 10.7 acres with twin buildings on each parcel (he
21 showed several examples of similar buildings in the city). He also presented a concept
22 plan (early stages) submitted by the applicants for the Council's review. He noted that the
23 Planning Commission (five Commissioners) reviewed and unanimously recommended
24 approved this General Plan Amendment to the City Council. Mr. Van Wagenen
25 commented that the Planning Commission discussed that the City needs to be
26 conscientious and sensitive about what to allow on the 700 North Corridor because of
27 what it may spur in the future. He then presented a short video submitted by the
28 applicant of a similar project (Blender Bottle) for the Council's review.

29 Mr. Van Wagenen then presented the findings of fact as follows:

- 30 1) The General Plan currently designates the property under the category of General
31 Commercial. This category includes retail and service oriented businesses, and
32 shopping Centers that serve community and regional needs.
- 33 2) The applicant requests that the General Plan designation of the property be changed
34 to Mixed Commercial, which includes the uses in the General Commercial
35 designation, as well as light industrial and research and business uses.

36 Mr. Van Wagenen also presented the analysis as follows:

- 37 a) Relevant General Plan policies to consider in determining whether the requested
38 change will be in the public interest:
- 39 b) It is the purpose of the commercial area to provide areas in appropriate locations
40 where a combination of business, commercial, entertainment, and related
41 activities may be established, maintained, and protected.
- 42 c) Commercial use areas should be located along major arterial streets for high
43 visibility and traffic volumes.
- 44 d) The goal of commercial development is to encourage the establishment and
45 development of basic retail and commercial stores which will satisfy the ordinary
46

2 and special shopping needs of Lindon citizens, enhance the City's sales and
property tax revenues, and provide the highest quality goods and services for area
residents.

4 He noted the objectives of this goal are to:

- 6 1. Expand the range of retail and commercial goods and services available
within the community.
- 8 2. Promote new office, retail, and commercial development along State
Street and 700 North.

10 He also note the applicable city-wide land use guidelines as follows:

- 12 a) The relationship of planned land uses should reflect consideration of existing
development, environmental conditions, service and transportation needs, and
fiscal impacts.
- 14 b) Transitions between different land uses and intensities should be made gradually
with compatible uses, particularly where natural or man-made buffers are not
16 available.
- 18 c) Commercial and industrial uses should be highly accessible, and developed
compatibly with the uses and character of surrounding districts.

20 Mr. Van Wagenen then turned the time over to the applicants for discussion. Mr.
Skidmore, Mr. Dodge and Mr. Miner approached the Council at this time. Mr. Dodge
22 also commented that the Planning Commission questioned if it makes sense to build a
building like this in this corridor as they did not have the sketches when they addressed
24 the Commission. Mr. Dodge stated they had Curtis Miner Architects design the building
as they have concerns also with the 700 North Corridor to ensure that it is done right. He
26 then showed photos of other Class "A" building office parks in the area and stated that
they plan on building a nice flex space building with the truck drop docks screened on the
28 inside. He noted that the drawings are conceptual only to get the zone changed and each
of the buildings are approximately 86,000 square feet. He stated they anticipate getting
30 larger size tenants that will take entire buildings if not multiple buildings (with some
tenants already committed if this is approved). They also plan to lease or sell, but most
32 likely there will be more leasing. Mr. Dodge added the project will look extremely nice
and attractive. This type of a project is very hot in the market right now and will attract
34 good companies and tenants and they anticipate it too be full even before it is completed.

36 Curtis Miner, with Curtis Miner Architecture, noted that he is working with Mr.
Skidmore and the developers on this project. Mr. Miner then shared his comments on
why this proposed development is an appropriate use for this property. He commented
38 that they understand that 700 North is a critical commercial corridor and the City wants
to preserve it, as that, as long as it functions correctly and this will not detract from that.
40 He explained how a Commercial development works and noted that Commercial
developers evaluated this piece of property and they realized that this would be a good
42 transition piece. The main factors commercial developers look at to determine if a
property would work as a viable commercial property are traffic factors, intersections,
44 rooftops and lot configuration. 700 North will have the traffic advantage but 2000 West
will not. Additionally the lot is too deep going east to west. This will be a well done
46 office warehouse/use with storefront. He noted that where the transition happens depends

on traffic, transportation etc. He added that the building will screen the property and have very nice architectural features.

Councilmember Bean asked to hear from Planning Commission members present as to what led to their approval of this item. Sharon Call, Planning Commission Chairperson, noted that the Commission had similar concerns as the Council. What convinced the commissioners more than anything was (from the information received) that this type of project would be a good transition into retail space, and they felt it would add to the area rather than take away. Bob Wily, Planning Commissioner, commented that they had an extended discussion on how commercial development would spin out from the intersection at 700 North. Mr. Wily stated that following their discussion the Commissioners were convinced that this concept, with the appearance of Class "A" office space with the bays inside and buffering to residential neighborhoods, was logical and a good transitional step for development on what is now a low traffic corridor. He added they felt it would get something started in the area that will bring positive attention to the corridor, which makes sense for that location.

Mayor Acerson called any public comments at this time. There were several residents in attendance who addressed the Council as follows:

Lynn Chase: Mr. Chase commented that this looks like a good project but he has concerns about increased truck traffic and how the existing road will be upgraded to handle the increased traffic. Mr. Van Wagenen commented that the existing road in front of the two parcels is not a fully built out road and if approved the road would get built out and would be expanded and would be built to full width on their frontage (eastern portion of the road along the two lots).

Brad Godfrey: Mr. Godfrey commented that he has observed that when traffic gets congested a lot of people take a right off of 2000 west and take a short cut through their neighborhood (Fieldstone Development). He noted that there are a lot of children in their community and he has concerns about safety with a lot of vehicles going through their neighborhood at high speeds.

Jocelyn Soderstrom: Ms. Soderstrom also voiced her concerns of traffic through the neighborhood and stated if this is approved they would like to see at a light at the intersection so people can get out and are not going through the subdivision.

Kathy Rockhill: Ms. Rockhill voiced her concerns that this is a big piece of ground and worries that it would take away from prime land on 700 north. She questioned if this is that a good choice to do a warehouse at this location and if it wouldn't be better suited on Sam Whites Lane and if this piece is landlocked. She also voiced her concerns about safety and noise issues and issues with the many abandoned warehouses in the city.

Linda Nelson: Ms. Nelson commented that this is an important corridor that goes right to the freeway and questioned if this is the most profitable type of building for the city and if the city is not being premature in making this decision.

2 **Eric Anthony:** Mr. Anthony mentioned the challenge of the erosion of boundaries and
4 how they impede on each other. He stated that the city needs to be solid now on this issue
6 and suggested to error on the benefit of the city in the long run. He commented that the
8 corridor is a natural investment for Lindon City and to be cautious today for the benefit
tomorrow. He voiced his opinion that more retail is needed to protect future tax revenue,
and to do their best to shrink the mixed commercial zone. He encouraged the Council to
have a discussion with Pleasant Grove City to see what their plans are for the area.

10 **David Danielson:** Mr. Danielson voiced his opinion that the truck noise will bother them
12 in the residential area. He commented that the residents could hear the noise from the
“Noah’s Building.” He also inquired what other options there are and what Pleasant
Grove City has zoned or planned at this point in the area.

14 Mr. Dodge commented that this project is a flex base development, which he feels
16 is a great use for the property. Mr. Dodge feels the argument is that the 700 North
18 corridor is not impacted by pushing the zoning to the north because it will be the last to
20 fill in. He also feels that noise will not be an issue as the truck bays are located on the
inside of the buildings. He understands that this corridor is the city’s “golden egg” and as
far a kick starting the corridor, this is a nice tilt up building with a glass front and he feels
it will be a great start for the 700 North corridor and will bring retail revenue.

22 Mr. Van Wagenen showed the current zoning map for reference to show the
commercial and mixed commercial zones in the city.

24 Mayor Acerson called for any further public comments or questions. Hearing none
he called for a motion to close the public hearing.

26 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
28 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

30 Councilmember Powell commented that she likes the thoughtfulness of the
32 Planning Commission regarding this issue. She noted that she has seen similar projects
34 with this type of building on Sam White lane that seems to add to the area. They have
come a long way with these types of buildings and she feels they are attractive and they
are advantageous to our community’s growth.

36 Mayor Acerson mentioned the noise and traffic issues and stated that there are
38 city ordinances in place pertaining to these issues that they would have to adhere to. Mr.
Cowie added that there may be problems arise from the residential zones that are
surrounded by commercial zones. He noted at the site plan stage they will look at things
to mitigate these issues.

40 Councilmember Bean commented the borders in all of the zones are somewhat
42 arbitrary. He noted there is the potential on 700 north to do something important there
44 and it is certainly an important part in the hopes for the future of the sales tax base in the
city. He also stated where this parcel is on 2000 west he feels it is a little different and
pointed out that it is on a non-arterial road.

46 Councilmember Lundberg commented that the applicants indicated they will be
working with city staff regarding the architectural look and feel of the exterior/visible

2 aspects of the building. Mr. Dodge stated that the city's architectural design guidelines
requires them to work with staff on the building exterior requirements.

4 Councilmember Hoyt expressed his appreciation to the residents for their
comments tonight and commented that he feels noise will be coming one way or another
because of the corridor. He stated that 700 north is sacred but he is leaning toward
6 supporting the Planning Commission on this decision, mainly because he agrees that
2000 west (parcel # 14:057:0061) will never get a retail business or anything besides
8 something like this proposed project. He noted that he does like this concept and design
and feels it will bring great employees and businesses to the area. It is his hope that this
10 will start the ball rolling in the area and support businesses to come to 700 north.

12 Mayor Acerson inquired if this project will move the discussion (CDA) further
with the Alpine School District and how this project will tie into that. Mr. Van Wagenen
stated that the School District's big concern in the area is the residential and too much
14 retail and this not being a residential piece and has some possibility for retail. They would
like to see high paying retail jobs etc. and flex space use may not provide that. This is a
16 nice pocket and he feels they would consider this project somewhat favorable.

18 Councilmember Lundberg commented that she feels this flex space would fit in
the vision for the corridor, but her only hesitancy is that there is the possibility to lose a
potential big box in the area.

20 Mayor Acerson called for any further comments or questions from the Council.
Hearing none he called for a motion.

22
24 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE
APPLICANTS REQUEST TO CHANGE THE GENERAL PLAN DESIGNATION OF
THE LOTS IDENTIFIED BY UTAH COUNTY PARCEL #14:057:0052 AND
26 14:057:0061 FROM GENERAL COMMERCIAL TO MIXED COMMERCIAL.
COUNCILMEMBER POWELL SECONDED THE MOTION. THE VOTE WAS
28 RECORDED AS FOLLOWS:

30 COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
32 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
34 COUNCILMEMBER LUNDBERG AYE
THE MOTION CARRIED UNANIMOUSLY.

36 **7. Public Hearing** – *Zoning Map Amendment, Rossi Project.* Brent Skidmore requests
a Zone Map amendment to change the zoning designation of property located at
38 approximately 600 North 2000 West from General Commercial (CG) to Mixed
Commercial (MC). The applicant intends to establish office/warehousing uses on the
40 site. The Planning Commission recommended approval.

42 COUNCILMEMBER LUNDBERG MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER HOYT SECONDED THE MOTION. ALL
44 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

2 Mr. Van Wagenen led the discussion by explaining now that the Council has
3 passed the General Plan Map Amendment the zoning map, as it currently stands, can now
4 be amended, which is the request of the applicant and will allow them to move forward
5 with the potential site plan. Mr. Van Wagenen directed the Council to refer to the
6 previous discussion regarding this agenda item. He also directed the Council to reference
7 the discussion on agenda item #6 as part of the motion. Mayor Acerson called for any
8 public comments at this time.

9
10 **Eric Anthony:** Mr. Eric Anthony encouraged the Council to consider holding off on this
11 piece and to think about it for a week or two and to introduce the alignment with Pleasant
12 Grove again and discuss their vision. He would suggest to learn a little bit more and get
13 some education, and to have a discussion with Pleasant Grove City before making a
14 decision.

15
16 There was then some general discussion between Mr. Anthony and the Council regarding
17 his comments.

18 **Kathy Rockhill:** Ms. Rockhill commented that this could potentially be like Alpine with
19 shopping strip malls etc. which are very nice and Lindon really needs some shopping
20 areas. She feels that this project would hinder the strip mall approach and really doesn't
21 fit into the vision of the area.

22
23 **David Danielson:** Mr. Danielson asked if there has been an economic study done to
24 validate to change the commercial zone as this is a concern.

25
26 **Linda Nelson:** Ms. Nelson commented that if this is going to happen to ensure that the
27 buildings are very nice and she can see the value of seeing something built that will
28 encourage or signal other businesses to move into the area also.

29
30 Mayor Acerson commented that the concept or idea of the Council and Planning
31 Commission is to try and have a vision and do what is in the best interest for the citizens
32 of Lindon and generating an economic base that will provide good jobs and sales tax
33 revenue and property taxes; that is really how cities operate. Coming up with that plan
34 can be challenging and the implementation is always challenging. The Council has tried
35 to come up with a vision to have as a guiding factor as to how to approach these things.
36 Mayor Acerson commented that it is the intent of the Council to be proactive in
37 encouraging businesses to come to the area.

38 Councilmember Lundberg commented that the Council appreciates the citizen
39 input and noted that she is not sure this project eliminates opportunities necessarily if
40 they are going to do a building that is aesthetically pleasing because there are
41 developments of this nature that are very successful. Councilmember Bean commented
42 that he feels it would be meaningful to sit down and talk with Pleasant Grove about what
43 is defined in their zones.

44 Following some additional discussion Mayor Acerson called for further public
45 comment. Hearing none he called for a motion to close the public hearing.

2 COUNCILMEMBER POWELL MOVED TO CLOSE THE PUBLIC HEARING.
3 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
4 VOTED IN FAVOR. THE MOTION CARRIED.

5 Mayor Acerson called for any further discussion from the Council. Hearing none
6 he called for a motion.

7 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE
8 APPLICANT'S REQUEST TO CHANGE THE ZONING DESIGNATION OF THE
9 LOTS IDENTIFIED BY UTAH COUNTY PARCEL #14:057:0052 AND 14:057:0061
10 FROM GENERAL COMMERCIAL (CG) TO MIXED COMMERCIAL (MC) AS
11 REFERENCED IN THE DISCUSSION FROM AGENDA ITEM NUMBER SIX.
12 COUNCILMEMBER POWELL SECONDED THE MOTION. THE VOTE WAS
13 RECORDED AS FOLLOWS:

14 COUNCILMEMBER POWELL	AYE
15 COUNCILMEMBER BEAN	NAY
16 COUNCILMEMBER BRODERICK	AYE
17 COUNCILMEMBER HOYT	AYE
18 COUNCILMEMBER LUNDBERG	ABSTAIN

19 THE MOTION CARRIED THREE TO ONE WITH ONE IN ABSTENTIAN.

20
21
22 **8. Concept Review** – *National Packaging Innovations General Plan and Zone Change.*
23 Ed Daley, of National Packaging Innovations, requests feedback on a proposal to
24 change the General Plan designation of Parcel #13:063:0057 (approx. 750 N 2800 W)
25 from Mixed Commercial to Commercial and to rezone the property from General
26 Commercial (CG-A8) to Mixed Commercial (MC). The applicant intends to establish
27 office/warehousing uses on the site. No official motions will be made.

28
29 Mr. Van Wagenen led this discussion by explaining this is item is similar to the
30 previous agenda items tonight. He noted this is a request by Ed Daley, who was in
31 attendance, of National Packaging Innovations, for feedback on a proposal to change the
32 General Plan designation of Utah County Parcel #13:063:0057 from Mixed Commercial
33 to Commercial and to rezone the property from General Commercial (CG-A8) to Mixed
34 Commercial (MC). Mr. Van Wagenen then presented an aerial photo of the proposed
35 area to be re-classified, photos of the existing site, a conceptual site plan, and a
36 conceptual architectural rendering.

37 Mr. Van Wagenen stated the applicant intends to establish office/warehouse uses
38 on the site. He noted that no official motions will be made tonight as this is just an
39 opportunity for the applicants to receive feedback from the Council before they submit
40 their official proposal. He added they have already been before the Planning
41 Commission. Mr. Van Wagenen added this application is similar to the previous agenda
42 items discussed tonight as it is a flex space project.

43 Mr. Van Wagenen noted the applicant proposes to develop these parcels with a
44 site configuration similar to the site plan concept in attachment 3 (included in packets).
45 The structures' architectural design will be similar to the structures portrayed in
46 attachment 4 (included in packets). He added the complex will likely serve businesses

2 that require office/warehousing space where light assembly, packaging, and shipping
4 activities will occur. Mr. Van Wagenen stated the lot currently has a General Plan
6 designation of General Commercial and is zoned CG-A8. The applicant's proposed use is
8 not allowed in the CG-A8, but it is in the MC zone. Consequently, the applicant seeks
feedback on a proposal to rezone the lot to the MC zone. Mr. Van Wagenen stated that
City Code requires any zone change must be consistent with the City's General Plan
Designation. Mr. Van Wagenen stated the General Plan mirrors the current zoning, so the
applicant would also request that the General Plan designation be changed to permit the
zone change.

10 The applicant, Mr. Daley, addressed the Council at this time. He noted this
12 project is similar to the previous applications discussed (flex space) but they will owner
14 occupy it themselves. He stated they plan on extending from what the "Blind Man"
16 business is currently doing and move the border down to transition in to that area. Mr.
18 Daley stated they are a packaging business supply house warehousing providing boxes,
20 peanuts, tape, shipping etc. and they will distribute them. They plan on having trucks
come in (8-5) there will not be a constant flow of trucks only two or three a day. They
will also have their own delivery vehicles to deliver products. He stated they have been
located in American Fork for the past seven years and have grown to a point where they
need to relocate. He noted they are building because they have not found any facilities
that will fit their needs.

22 Following some general discussion by the Council Mayor Acerson moved on to
the next agenda item.

24 **9. Review and Action** – *Notice of Intent to Withdraw from URMMA*. The City Council
26 will review and take action on a proposed one-year advance Notice of Intent to
Withdraw from the Utah Risk Management Mutual Association (URMMA) and its
28 joint protection insurance program, which withdrawal will be effective July 1, 2015.
This notice is being provided in order to solicit competitive bids and select best
30 overall services for insurance coverage prior to Lindon's 2015-2016 fiscal year.
Requests for competitive bids will be solicited in the spring of 2015. URMMA will
be invited to be part of the bid process.

32 Mr. Cowie opened the discussion by stating the City Council will review and take
34 action on a proposed one-year advance "Notice of Intent to Withdraw" from the Utah
Risk Management Mutual Association (URMMA) and its joint protection insurance
36 program, which withdrawal will be effective July 1, 2015. He noted this action item was
initiated by discussion with the Council several months ago where staff was given
38 direction to explore other insurance costs. There is enough information to warrant giving
the year notice to URMMA to be able to explore and receive official proposals on other
40 options for insurance coverage. The decision to leave URMMA would be a financial
issue for the City. Mr. Cowie stated this notice is being provided in order to solicit
42 competitive bids and select best overall services for insurance coverage prior to Lindon's
2015-16 fiscal year. Requests for competitive bids will be solicited in the spring of 2015.
44 URMMA will be invited to be part of the bid process. He noted that Lindon City has
enjoyed a positive relationship with URMMA for several decades. Mr. Cowie discussed
46 that during its tenure with URMMA the City has not taken opportunity to officially

2 evaluate its insurance rates and services through competitive market proposals. He further
3 discussed that Lindon has recently received preliminary information that other insurance
4 providers may be able to provide similar or better insurance coverage with significantly
5 lower overall cost to the city. However, quotes for insurance services are typically valid
6 for only a short period of time and the founding URMMA Interlocal Agreement requires
7 member organizations to give one-year advanced notice prior the end of the fiscal year if
8 it chooses to leave the organization. Mr. Cowie stated that since it is unknown if a new
9 insurance provider will be selected after evaluating future proposals/bids, the City is
10 obligated to give notice of its intent to leave URMMA at this point in time. Mr. Cowie
11 added that the City desires continued positive relationships with URMMA's staff and
12 board members as URMMA will continue to provide insurance coverage and risk
management services to the City during the 2014-15 fiscal year.

13 He went on to say the notice of intent to withdraw from URMMA is strictly being
14 considered by the City Council to ensure the best use of financial resources for insurance
15 coverage and risk management activities of Lindon City. He explained if the Council
16 approves the Notice of Intent to Withdraw from URMMA, staff anticipates a Request for
17 Proposals (RFP) will be prepared and sent to various insurance providers in the spring of
18 2015. Mr. Cowie commented that the City will invite URMMA to respond to the RFP
19 and participate in the bid selection process for insurance coverage during Lindon's 2015-
20 16 fiscal year. Mr. Cowie then referenced the letter that will be provided to URMMA if
21 the Council determines to approve the withdrawal notice.

22 Paul Johnson and Karl Parker, loss control manager, representing URMMA
23 addressed the Council at this time. Mr. Johnson, Litigation Manager, stated that they
24 certainly understand why the City is checking in to other options. He noted they have
25 loved the relationship over the years with Lindon City and he expressed that Lindon is a
26 very well-run city with a stellar history. He commented that they also understand the
27 pressures on city government with balancing the budget on limited resources. Mr.
28 Johnson explained that they are in attendance tonight to say "please don't write us off."
29 He further explained they are taking note of this situation and will bring suggestions to
30 the Board that will make URMMA more competitive financially. They hope to be
31 making some changes in the next year to lower the deductible amounts that the city will
32 be happy with. He encouraged the city to keep them in the mix and they will not turn
33 their backs on the city for the next year and they want to maintain the partnership and
34 hope to be partners well into the future. Mayor Acerson stated that the city appreciates
35 the partnership and hopes it will go forward in the future. He noted this action is to keep
36 the options open but it is prudent to look at different options. He also expressed that he
37 appreciates them going forward with their efforts.

38 Councilmember Powell commented that she is grateful the City is taking the
39 opportunity to re-evaluate but she also appreciates what URMMA does and has done for
40 the City in the past. Councilmember Lundberg commented that she feels it is good
41 business practice to periodically check rates and other options. She expressed that she
42 hopes the Council will also consider the service and relationship which has a value and
43 noted that it is not always best to go with the lowest rate.

44 Mayor Acerson called for any further comments or questions from the Council.
45 Hearing none he called for a motion.

COUNCILMEMBER HOYT MOVED TO AUTHORIZE THE MAYOR TO SEND A ONE-YEAR ADVANCE “NOTICE OF INTENT TO WITHDRAW” AS A MEMBER OF THE UTAH RISK MANAGEMENT MUTUAL ASSOCIATION, WITH THE WITHDRAWAL EFFECTIVE JULY 1, 2015. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE

COUNCILMEMBER BEAN AYE

COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

COUNCILMEMBER LUNDBERG AYE

THE MOTION CARRIED UNANIMOUSLY.

10. Discussion Item – *Utopia/Macquarie Public/Private Partnership*. The City Council will discuss and evaluate the Macquarie Capital public-private partnership proposal and review preliminary results from the on-line public survey sent to Lindon utility customers. Representatives from Macquarie Capital will be available to answer questions from the City Council. Per the UTOPIA/Macquarie Pre-development Agreement, the City has until Friday, June 27, 2014 to notify Macquarie of its intent to proceed with Macquarie’s proposal or not. Additional discussions regarding other UTOPIA/UIA business matters will also occur. No motions will be made.

Mr. Cowie opened the discussion by explaining the discussion tonight will be to evaluate the Macquarie Capital public-private partnership proposal and review the preliminary results from the on-line public survey sent to Lindon utility customers. Mr. Cowie noted that representatives from Macquarie Capital are in attendance to answer questions from the Council. He went on to say that per the UTOPIA/Macquarie Pre-development Agreement, the City has until Friday, June 27, 2014 to notify Macquarie of its intent to proceed with Macquarie’s proposal or not. He added that no motion is necessary for this discussion item tonight.

Mr. Cowie further explained this is the third public meeting that Lindon City Council has held to discuss the UTOPIA / Macquarie public-private partnership opportunity provided in Macquarie’s Milestone 1 report. He stated that this proposal will enable full completion of the fiber optic network to every address in the City with Macquarie covering the cost of installation and operation of the network in exchange for a utility fee collected by the City (\$18-\$20) from each residence and business over the next 30 years. He commented that those residents provided with the connection will receive a basic level of internet service at no additional charge. Mr. Cowie then referenced website links to view additional information about Macquarie’s proposal for UTOPIA, milestone 1 and Macquarie’s responses to the questions sent by the City Council, and also the link to an additional set of questions/responses prepared for Centerville City.

Mr. Cowie further discussed that on May 28th the UTOPIA Board of Directors received a proposal from FirstDigital Telecom of Salt Lake City expressing their interest in the UTOPIA network. He noted the Board passed a resolution authorizing this proposal to be vetted over the next 60 days, in conjunction with continuing to progress

2 through the Macquarie proposal (copy of the resolution is included in the packets). An
3 additional resolution was passed to prohibit any additional proposals until the Macquarie,
4 FirstDigital, and other proposals that Orem City is exploring are vetted (copy of the
5 resolution is included in the packets).

6 Mr. Cowie then presented a brief slideshow presentation. He stated the proposal
7 includes providing fiber to be installed to every home in Lindon as well as all of the
8 member cities approximately (160,000) addresses that would be served on the network if
9 entirely built out and would provide to each address a basic level of internet service. He
10 reiterated in exchange for this service a utility fee will be assessed to each single family
11 home of \$18-\$20 and half that amount for multifamily residences of which 95% are
12 single family residences in Lindon City and double the fee for businesses. He added that
13 any revenue received from the upselling of services is a potential key to success and
14 would be split between the Internet Service Provider and wholesaler and the cities. This
15 proposal is a thirty year partnership (utility fees collected for 30 years) and at the end of
16 the thirty year period the network would be returned to the cities in an upgraded state
17 which would cover Macquarie's costs of operation and maintenance of the system.

18 Mr. Cowie then covered the network scale of service levels and agency objectives
19 that would provide the basic internet service. Mr. Cowie also referenced the agency
20 objectives to complete the network coverage and noted there is not currently enough
21 political will to see that happen if all of the cities were able to bond together it could be
22 done a lot cheaper and cost less, but he does not see all eleven member cities coming
23 together to make that happen. Mr. Cowie stated the current model (5-6 year model) is
24 slow and the political will is struggling to continue to pay the OpEx deficits; with this
25 partnership that would go away. He noted that open access for ISP's would be
26 maintained and paying down the Utopia bonds and looking for upsell opportunities in any
27 number of ways would certainly be a benefit of the partnership. Mr. Cowie then stated
28 the costs associated with moving forward to Milestone 2 would be around \$30,000 which
29 would be owed to Macquarie if Utopia backs out, and as the deal progresses there will
30 additional charges. He noted the way the PDA was set up allows some off-ramps for the
31 cities to exit if they choose to do so.

32 Mr. Cowie then referenced the survey sent to Lindon residents and utility
33 customers whose email addresses were available to the City. He noted the City also
34 posted the survey on the City's Facebook page and website. He added the Daily Herald
35 ran an article promoting the survey several days after it had been emailed to residents. He
36 noted that hard copies have also been collected at the Lindon Senior Center.

37 Mr. Cowie noted to date they have had 535 respondents which gives a general
38 framework of Lindon residents (with respondents overwhelmingly reported to be Lindon
39 residents (91%). He noted that most of the emails were directly from utility paying
40 residents. Mr. Cowie commented that this level of response is not uncharacteristic of
41 other self-reporting surveys that Lindon City has performed in the past. He then presented
42 the results of the survey to the Council.

43 Mr. Cowie further explained that self-reporting surveys cannot be relied upon to
44 be statistically accurate, but it is the hope that enough responses are received to
45 understand the general opinions of Lindon residents regarding the proposed partnership
46 details.

2 Mr. Cowie then turned the time over to the Macquarie representatives, Duncan Ramage and Mike Lee.

4 Mr. Ramage commented that he would like to share some observations of the results of the survey and clarifications of the model as follows:

- 6 1. Lindon has more connections than most member cities. 69% said they would upgrade. 41% say it is similar to other fees (water, sewer, etc.)
- 8 2. The rebate concept applies to UIA customers (who have entered into a loan on their home or paid upfront). The idea would be that they are recovered through a grace period on the utility fee going forward.
- 10 3. The Utopia customers who currently pay something would effectively be trading the fee for the utility fee.

12
14 Mr. Ramage explained they explored possible options and said shutting down the network would not be an attractive option as there is a valuable option in the ground. Another option would be to sell the asset that the Board is looking at. He noted that Macquarie's understanding was that Google may or may not be interested in the asset. Other options for selling would likely not increase competition in the market, nor would other options address ubiquity. Macquarie's model would address all of the key objectives and it would clearly reduce the operating deficit from day one. It would also build out to everyone in every city. He added that Macquarie would provide a firm, fixed price for the delivery of the build out, and the risk transfer would be complete and none of the sales solutions would address the current debt.

22
24 Mr. Ramage then reviewed the Macquarie's Proposal Business Model Roles and Responsibilities. Mr. Ramage also highlighted the value-for-money idea by comparing the proposed utility fee of \$18-\$20 per month to standard service prices for Comcast and CenturyLink for both internet services and bundled internet/phone services. Mr. Ramage noted that DSL and Cable internet services were last-generation technologies and fiber services are faster and provide more consistent service than DSL and Cable.

28
30 Mr. Ramage also covered the financing with regard to project implementation. He noted that lenders were highly confident that the proposal was financeable, but as such it needed to be structured tightly. The nature of the PPP financing world was that financing needed to face the cities rather than the ultimate user. This was why the fee was structured as a utility fee to be paid by all addresses.

34
36 Mr. Ramage addressed the idea that the utility is a tax. He agrees this is the hardest pill to swallow. Relative to what you could get in the market it is a good deal and if you choose not to take the service there is significant improvement in the service as you do get something directly in return. The concept that it is different that a tax as you get something from it. Their position is that the basic service compares very well to other providers.

40
42 Mr. Ramage said there was no guarantees to pay off the debt. He also encouraged the Council to remember that Macquarie will be putting forth a substantial amount of equity, and that they are not guaranteed its money back over the thirty year partnership. They are still facing risks of many kinds, including real cost risk, operating risk, development risk, and refresh risk. He noted the proposed \$20 utility fee may not cover all the cost required either.

2 Councilmember Lundberg commented that she is hearing from residents that the
compulsory fee is not feasible and they will have to upgrade. Mr. Ramage stated they will
4 provide a menu of service and pricing the ISP's will go by. Mr. Lee said it was important
to keep in mind the root cause as to why some ISPs were racing to the bottom, that being
operating expenses. He added that Macquarie's model would mandate a certain level of
6 customer service.

8 Mayor Acerson opened the meeting to public comment at this time. He also
encouraged the comments to be limited to 3 minutes. Mr. Cowie made mention that the
10 decision made by the Council on June 17th just be whether to move on to Milestone #2
and will be a small commitment to get more information to move forward. There were
12 several residents in attendance who addressed the Council including discussion by the
Council and the Macquarie representatives:

14 **Roy Shepherd:** Mr. Shepherd commented that years ago he attended a meeting at the
16 inception of Utopia there was only one person in the whole crowd who was not in
opposition. He added that it not the proper place for city officials to hire a company to
18 come to our city and build high technology all for competition. He cannot believe we
shouldn't be in as deep as we are. Mr. Shepherd suggested putting this proposal in black
20 and white and send it to every resident in Lindon.

22 **Kathy Rockhill:** Ms. Rockhill expressed her concerns of the 30 year contract. She noted
it worries her that she doesn't hear any confidence about getting the debt down, and she
24 doesn't want to see more money spent. She also worries about getting involved and then
not being able to pay for this.

26 **Larry Ellertson:** Commissioner Ellertson inquired if the utility fee will increase and if
28 all cities don't participate will it go up even further. Commissioner Ellertson also asked
about ISP marketing. Mr. Lee said a part of the reason why ISPs were not marketing was
30 due to the lack of ubiquity. He noted the proven most effective means of marketing had
been door-to-door approach. There was then some lengthy discussion on ISP providers,
32 fees and services.

34 **Linda Nelson:** Ms. Nelson commented about assurances and relationship with other
cities. Mr. Cowie stated that Lindon is small percentage overall.

36 **Errol Porter:** Mr. Porter expressed his concerns that forcing everyone to have the
38 internet is not wise and could possibly be a huge potential of promoting bad things for
our city.

40 **Kurt Stembridge:** Mr. Stembridge commented that he feels the \$18-\$20 utility fee is ok
42 because we owe a debt and questioned if we do this when would the debt be paid off? He
also suggested putting this to the city as a vote. He also has concerns about the 30 year
44 contract.

2 **David Spencer:** Mr. Spencer, with the Orem City Council, questioned with the
4 competition with the ISP's and the rates drop 70% will they be able to sustain the
customers as an ISP or will it be a race to the bottom. He also voiced his concerns that the
Macquarie deal, over a period of 30 years, is 256 million dollars.

6 **Eric Anthony:** Mr. Anthony commented that it sounds like "we need to vote for the bill
8 to know what's in it." He noted that he was on the City Council on the second round of
Utopia where a lot of promises were made that were not kept. Mr. Anthony stated that he
10 thinks Utopia is what it is and he feels this is a company that is coming in from a socialist
country to try to save this; he is a capitalist and believes in paying the piper. He would
12 rather choose for himself than have any government agency owning his access to the
market. This is not a utility or a right. He encouraged the Council not to vote for the bill
and then find out what's in it.

14 **Robert Jackson:** Mr. Jackson stated that he is a Sumo Fiber customer. He also
16 commented that he knows this is a tough decision. He noted that assuming the city
chooses to go to Milestone 2 he would like to see more firm numbers like how much of
18 the utility fee (tax) will go to debt and service. Mr. Jackson suggested to the Council to
be forward looking as fiber is the future. He also agreed that there is bad things on the
20 internet but there are a lot of great things too.

22 **Maxine Smith:** Ms. Smith voiced her concerns that a utility fee being charged to those
24 who will never use it and it does not seem right to those citizens who won't utilize it.

David Danielson: Mr. Danielson asked if there isn't a more strategic approach and is
26 there a risk that allows the customer to tailor it; perhaps subsidizing. Mr. Danielson stated
that he is happy to pay as a consumer and noted that running cable is not a big deal.
28

30 Following an additional question and answer period Mayor Acerson brought the
discussion back to the Council.

32 Councilmember Lundberg asked for clarification if the thirty year contract that
they will collect the utility fee per serviceable address from each city, whether the city
34 can collect or not, if Macquarie does not perform to what is outlined, can they sell their
concession agreement to another operator. Mr. Ramage stated that it would not be them
36 selling it but the control of it would effectively revert to the cities and the lenders. For the
most part there will be significant penalties for non-performance.

38 Mayor Acerson asked about the penalties and if they will go to off-setting those
monthly fees. Mr. Ramage confirmed that is the primary mechanism. Councilmember
40 Broderick inquired if there will be an ISP package proposal at any point during the
milestones. Mr. Ramage confirmed they will pull some together. Councilmember Powell
42 commented that she would like to hear from the Fieldstone residents.

44 Mayor Acerson encouraged those in attendance to stay engaged and talk to
neighbors and friends about this issue as the Council wants as many people involved as
46 possible as there are still issues to flesh out to ensure the best decision is made.

Mayor Acerson called for any further comments or questions from the Council.
Hearing none he moved on to the next agenda item.

11. Public Hearing – *Proposed Lindon City Budget, Fiscal Year 2014-15*. Kristen Colson, Lindon City Finance Director, will present the proposed Lindon City Budget document for fiscal year beginning July 1, 2014, which includes recommended changes to the city-wide fee schedule and the proposed Lindon City Redevelopment Agency budget. They City Council will hear public comment on the proposed City and RDA budget, including the allocation of revenue from the water, sewer, storm water, and other enterprise funds to the general fund. The Council will direct staff on major budget issues. The Tentative Budget was presented and approved on May 6, 2014. The City Council also held a public work session on the budget on May 20, 2014. Final recommendations from the City Council will be implemented prior to final budget adoption in a public hearing scheduled for June 17, 2014.

COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

Mr. Cowie opened the discussion by stating Kristen Colson, Lindon City Finance Director, is in attendance to present the proposed Lindon City Budget documents for fiscal year beginning July 1, 2014, which includes the recommended changes to the city-wide fee schedule and the proposed Lindon City Redevelopment Agency budget. Mr. Cowie noted the City Council will also hear public comment on the proposed City and RDA budget, including the allocation of revenue from the water, sewer, storm water, and other enterprise funds to the general fund. He stated the Council will then direct staff on major budget issues.

Mr. Cowie stated the Tentative Budget was presented and approved on May 6, 2014. He added the City Council also held a public work session on the budget on May 20, 2014. Mr. Cowie commented that the final recommendations from the City Council will be implemented prior to final budget adoption in a public hearing scheduled for June 17, 2014. He noted the Council will be presented the budget materials tonight and will take a straw poll vote on major budgetary issues. Mr. Cowie noted that the City is still awaiting the certified property tax rates from Utah County and will update the projected revenues accordingly after receiving the new rate.

Mr. Cowie then referenced the following items that will be presented for the Council's review and consideration followed by discussion:

- Finance Director's Budget Message
- Summary Budget and Fund Balance Overview
- Updated Utility Fee Rate Study Letter from JUB Engineers
- Summary of Proposed Fee Schedule Changes
- Major Budget Issues – Straw Poll (*to be provided at meeting*)
- Elected & Appointed Officials and Employee Compensation Programs
- Proposed 2014-15 Fiscal Year Budget
- Proposed 2014-15 Fiscal Year Fee Schedule

Mr. Cowie stated after Council review and input, recommended changes will be updated and presented in the final budget on June 17th.

Ms. Colson addressed the Council at this time. She referenced the following major budget items and noted they will be the budget issues for 2014-15. She noted that more information will be presented throughout the budget process.

Budget Issue #1

Issue: Should Lindon City provide employees with a 1.4% Cost Of Living Allowance (COLA) increase and provide for a merit step increase in January?

Ms. Colson began by giving a summary of Budget Issue #1. She noted that this is a budget issue that is done annually (except for three years due to the recession) and noted the increase to the budget is shown by fund. She added that the Consumer Price Index (CPI) had an average annual increase of 1.4% from March 2013 to February 2014 according to US Department of Labor. Ms. Colson stated the performance evaluations are performed annually in January at which time merit increases will be made available to those who meet the criteria. She went on to say that historically, COLA and merit increases have provided somewhat consistent buying power for the employees and have kept salaries competitive and employee morale high.

Ms. Colson then referenced the Differential Fiscal Impact as follows:

	COLA only	Merit Only	COLA & Merit
General Fund	\$43,933	\$36,984	\$82,390
Water Fund	\$2,766	\$2,697	\$5,501
Sewer Fund	\$1,632	\$1,592	\$3,246
Storm Water Fund	\$2,182	\$2,128	\$4,340
Recreation Fund	\$2,358	\$2,299	\$4,689
Citywide Totals	\$52,871	\$45,699	\$100,166

Ms. Colson noted that both the COLA and Merit increases are reflected in the Proposed Budget.

BUDGET ISSUE #1:

THE CITY COUNCIL STRAW POLL VOTE WAS RECORDED AS FOLLOWS:

- COUNCILMEMBER POWELL AYE
- COUNCILMEMBER BEAN AYE
- COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER HOYT AYE
- COUNCILMEMBER LUNDBERG AYE

Budget Issue #2

Issue: Should Lindon City hire a full-time Water Technician, a part-time Utilities Technician, and change the Community Center Program Coordinator from part time to full-time?

Ms. Colson began by giving a summary of Budget Issue #2. She noted the Public Works Director has requested that a full-time Water Technician be hired to assist in the water division. He has also requested a part-time Utilities Technician be hired to manage Blue Stake requests and assist with water meter reading and shut offs.

Ms. Colson also noted the Parks and Recreation Director has requested that the Community Center Program Coordinator be changed from part-time to full-time, which would allow more time to initiate and oversee classes and activities held at the Community Center. Ms. Colson stated that they are recommending that half of the cost of this position be funded by the PARC Tax and so the net increase to the recreation fund would only be \$7,785 for the 2014-2015 fiscal year (including salary and benefits).

Ms. Colson then referenced the Fiscal Impact. She noted that the amounts shown below reflect both salaries and benefits, without COLA and Merit increases for these positions. She added that the COLA and Merit increase costs for these positions are included with Budget Issue #1.

<u>Water Technician</u>	
Water Fund	\$62,068
<u>Utilities Technician</u>	
Water Fund	\$9,150
Sewer Fund	\$4,575
Storm Water Fund	\$4,575
Total	\$18,300
<u>Program Coordinator</u>	
Recreation Fund	\$32,272
PARC Tax	<u>\$32,272</u>
Total	\$64,544

Ms. Colson noted that all of these positions are reflected in the Proposed Budget.

BUDGET ISSUE #2:

THE CITY COUNCIL STRAW POLL VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL	AYE
COUNCILMEMBER BEAN	AYE
COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
COUNCILMEMBER LUNDBERG	AYE

Budget Issue #3

Issue: Should Lindon City increase Water, Sewer and Storm Water utility rates?

Ms. Colson began by giving a summary of Budget Issue #3. She explained that the utility rates should not only cover current operational expenses, but also allow reserves to be established over time in order to fund repairing and/or replacing aging

system components. Ms. Colson noted that the current utility rates do not meet this objective.

She noted that the City Engineer conducted a utility rate study to determine and recommend utility rate increases for water, sewer, and storm water utilities. The recommendation was to implement an annual increase over the next five years of 3% for water rates, 4% for sewer rates, and 13% for storm water rates. Additional information can be found in the engineer's rate study report.

Ms. Colson then referenced the recommended rate changes listed below along with the 2013-2014 rates as follows:

Utility	2013-2014 Rates	Recommended 2014-2015 Rates
Water (1" meter)		
Below North Union Canal	\$15.70	\$16.17
Base	\$1.29 / kgal	\$1.33/kgal
Usage		
Above North Union Canal		
Base	\$16.91	\$17.51
Usage	\$1.34 / kgal	\$1.40/kgal
Upper Foothills		
Base	\$26.14	\$26.24
Usage	\$1.63 / kgal	\$1.63/kgal
Sewer		
Base	\$16.32	\$16.97
Usage	\$2.93 / kgal	\$3.05/kgal
Storm Water (per ESU)	\$4.84	\$5.47

(kgal = 1000 gallons; ESU = Equivalent Service Unit, i.e. a single family home)

Ms. Colson noted the monthly increase on an average resident's utility bill (below North Union Canal) would be:

Water	\$1.02
Sewer	\$1.74
Storm	\$0.63
add'l tax	<u>\$0.20</u>
Total	\$3.59

Differential Fiscal Impact:

Water Fund	\$33,775
Sewer Fund	\$54,355
Storm Water Fund	\$54,600

Ms. Colson noted these changes are reflected in the Proposed Budget and the revised Fee Schedule.

BUDGET ISSUE #3:

THE CITY COUNCIL STRAW POLL VOTE WAS RECORDED AS FOLLOWS:

2 COUNCILMEMBER POWELL AYE
 COUNCILMEMBER BEAN AYE
 4 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER HOYT AYE
 COUNCILMEMBER LUNDBERG AYE

6
 Ms. Colson then reviewed the proposed 2014-2015 fee schedule changes followed by
 8 discussion:

10 **Additions:**

Land Use

12 Miscellaneous Application - \$150 plus Actual Engineering Cost

Recreation

14 Indoor Soccer \$35

Volleyball \$35

16 Other programs may be added with fees set under the direction of the Community Center
 Advisory Board.

18 Exceeding Rental Time - \$5 for every 5 minutes past the scheduled time

20 **Changes:**

Cancellation Fee (rentals & programs) - increase from \$5 to \$10

22

Land Use

24 Conditional Use Permit

Change from "Animals" to "Wild and Exotic Animals" (Price will remain at \$50)

26 Miscellaneous

28 Request for Information - increase from \$10/hr to \$20/hr to recoup cost of employee's
 time (First 15 minutes are free. Fee will be charged in quarter-hour increments.)

Police

30 Investigative Subpoena, Subpoena Ducus Tecum, Civil Lawsuit - make consistent with
 Request for Information - decrease from \$50/hr (1 hour minimum) to \$20/hr (First 15
 32 minutes are free. Fee will be charged in quarter-hour increments.)

Photos

34 Per page \$5 - change to emailed \$5

36 Traffic Accident Report - change from \$7 (photos cost extra) to \$10 Emailed (with photos) or \$15
 On CD (with photos)

38

Recreation

40 Basketball - increase from \$42 to \$45

Baseball - increase from \$32 to \$35

42 Spring Soccer - increase from \$32 to \$35

44 Community Center Rental Rates

	<u>Area</u>	<u>Resident</u>	<u>Non-profit</u>
46	Classroom	\$20 25 /hr	\$10 15 /hr
	Gymnasium	\$40 50 /hr \$	20 30 /hr
48	Kitchen	\$10 20 /hr	\$10 20 /hr
	Cultural Art Auditorium	\$40 45 /hr	\$20 25 /hr

50

2 Councilmember Broderick expressed his concerns at this time stating in 2011 the
3 budget was 15.9 million and four years later we are at 19.9 million. He stated he has a
4 hard time explaining this to his neighbors. He also mentioned that the police budget has
5 gone from 2 million to 3 million in four years which is a 50% increase. He stated that he
6 cannot in good conscious accept those numbers. Mr. Cowie explained that part of the
7 police numbers are specifically due to the change in accounting policies this past year.
8 The new accounting firm is now requiring that the leases on the police vehicles have to
9 be capitalized in the same fiscal year that the contract is signed. Mr. Cowie explained
10 that we are not spending more money each fiscal year but on the books it has to show that
11 we are accumulating that entire contractual debt obligation. Councilmember Broderick
12 asked if we will spend \$733,000 this year in police vehicle expenses. Ms. Colson replied
13 not in this case as we are also recognizing lease revenue and the sale of the old fleet.
14 There was then some general discussion regarding this issue.

15 Mr. Cowie pointed out that the city is growing and paying for programs and
16 services that are provided. He pointed out that five years ago we did not have the aquatics
17 center, community center, police and fire departments and a number of parks and trails,
18 so there are increased expenditures because of increased level of service. He noted that
19 this is a big aspect as we look at these issues.

20 Councilmember Lundberg stated there are residents in the city that have
21 questioned the pay range scale and there is a concern after looking at the online “Utah
22 Right to Know” regarding staff wage and if a study should be looked at and the pay scale
23 be more defined. She suggested having more discussion on this issue. Mr. Cowie stated
24 that the city does look at the pay scale and he would be happy to present the last study
25 done to the Council. Councilmember Hoyt commented that he would like to be involved
26 in that discussion as well. He also mentioned his concerns about increasing revenues
27 because in 2 or 3 years if there is another dip in the economy we will not make ends
28 meet. He feels we should be pre-emptive now and be lean so when that time comes we
29 won’t have to lay staff off. Councilmember Lundberg stated that she would like the city
30 to get serious about getting a good economic plan in place. Councilmember Powell
31 commented that 2 1/2 years ago there was not much dialogue about economic
32 development and it is refreshing to hear the current dialogue.

33 At this time Mayor Acerson called for any public questions or comments.
34 Hearing none he called for a motion to close the public hearing.

35 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
36 COUNCILMEMBER POWELL SECONDED THE MOTION. ALL PRESENT VOTED
37 IN FAVOR. THE MOTION CARRIED

38 Following some additional discussion, Mayor Acerson called for any further
39 comments or questions from the Council. Hearing none he moved on to the next agenda
40 item.

41 12. COUNCIL REPORTS:

42
43 **Councilmember Powell** – Councilmember Powell had nothing to report.
44
45
46

2 **Councilmember Bean** – Councilmember Bean had nothing to report

4 **Chief Cullimore** – Chief Cullimore expressed his thanks to all who participated in the
6 Memorial Day Ceremony and noted that it was a success. Chief Cullimore also reported
8 that they will be filming a movie in town and they will be blocking the roads while they
10 are filming. He also presented the final statistics for the DUI checkpoint area and noted it
12 was extremely effective. He reported that in four hours they had six (6) DUI's, six (6)
14 misdemeanors and a total of 20 arrests and 35 citations. Chief Cullimore also reported
16 that there has been no progress on the AmBank robbery.

18 **Councilmember Hoyt** – Councilmember Hoyt had nothing to report.

20 **Councilmember Broderick** – Councilmember Broderick reported on the upcoming
22 kickoff of the Parade of Homes and stated that they seemed cooperative and helpful in
24 reaching out to make it a positive experience. He noted that Lindon has a house in the
26 parade of homes.

28 **Councilmember Lundberg** – Councilmember Lundberg had nothing to report.

30 **Mayor Acerson** – Mayor Acerson mentioned upcoming Strawberry Days Parade in
32 Pleasant Grove.

34 **Administrator's Report:**

36 Mr. Cowie reported on the following items:

38 **Misc. Updates:**

- Project Tracking List
- Reminder of Planning Commission vacancies
- Lindon Days Grand Marshal – *response?*
- Landfill – all north Utah County cities approved Interlocal Agreement except Alpine and Eagle Mountain
- Center Street road parcels
- Possible Mayor's Open House dates:
 - o Thursday, June 19th at 6:30pm.
 - o Thursday, July 17th at 6:30pm.
 - o Thursday, August 21st at 6:30pm.
- Misc. Items:

40 **Upcoming Meetings & Events:**

- Newsletter Assignment: Councilmember Bean - JULY newsletter article. *Due by the last week in June.*
- June 10th at Noon. Engineering Coordination Meeting at Public Works. Mayor Acerson and Councilmember Broderick will attend
- June 30th at Dusk. Movies in the Park. Meadow Park (1700 W 500 N)
- July 16th at Dusk. Movies in the Park. Creekside Park (100 S 600 W)
- August 4th - 9th – Lindon Days festival.

- August 5th at Dusk – Movies in the Park. City Center Park (200 N State)
- September 5th at Dusk – Movies in the Park. Citizenship Park (500 N 800 E)

Future Items:

- Employee Policy Manual updates
- Impact Fee and Utilities rate studies

Mayor Acerson called for any further comments or discussion from the Council. Hearing none he called for a motion to adjourn.

Adjourn –

COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING AT 12:35 P.M. COUNCILMEMBER POWELL SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – June 17, 2014

18

20

22

24

26

Jeff Acerson, Mayor

Kathryn Moosman, City Recorder