

Minutes of the Salem City Council Meeting held on August 24, 2016 in the Salem City Council Chambers.

Work Session: 4:00 p.m.

Mayor and City reviewed the items on the agenda. They went over the resolution and the study for the power rate increase. The study recommended a 4.2% increase in revenue for the power department. After reviewing many options, scenarios and looking at ways to accomplish this, the rate structure for the residential would get a 5.5% increase for the 1st tier, the 2nd tier would get a 6% increase, the 3rd tier would get a 6.5% increase and the last tier would get a 7% increase. The commercial rates would get a 5.5% increase. By doing the increase this would help to begin building up the reserve for the power. The study recommended our reserve amount in the electric fund be at least a 20 – 25% of our budget amount. Right now we are not even close.

The study also addressed options for net metering (Solar Power customers). The mayor and council asked to hold off on this portion of the resolution until we have had a little bit more time to review it.

MEETING CONVENED AT: 4:30 p.m.

CONDUCTING: Mayor Randy A. Brailsford

COUNCIL PRESENT:

Mayor Randy A. Brailsford
Councilperson Cristy Simons
Councilperson Aaron Cloward (by phone)
Councilperson Soren Christensen
Councilperson Sterling Rees
Councilperson Craig Warren

STAFF PRESENT:

Jeffrey Nielson, Finance/Recorder
Junior Baker, City Attorney
Chief Brad James, Police Chief
Clark Crook, Power
Matt Marziale, PW/Recreation
David Johnson, Building Dept.

OTHERS PRESENT

Rudd Conover, Jason Broome, Mitch Hogsett, Hyrum Wallace, Tucker Mathie, Wayne Pace.

Mayor Brailsford welcomed everyone to council meeting today. He stated the council meeting that was scheduled for August 17th was canceled because the lack of a full quorum, and was rescheduled for today. We are having it earlier because of other commitments in the evening.

1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE

Mayor Brailsford asked if anyone would like to give a motivational or inspirational message. Councilperson Sterling Rees stated he would like to offer a motivational message in the form of a prayer.

2. INVITATION TO SAY PLEDGE OF ALLEGIANCE

Hyrum Wallace invited those who 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. BIG D HOLDINGS – Petition for Annexation (Atwood)

Bruce Ward explained, this is a different situation. Big D Holdings is wanting to develop property they have, but in order to do this they will be required to do improvements on Canal Road from about 800 East Canal Road to Woodland Hills Drive. The section of Canal Road that will need improvements completed on is not in Salem City limits, but in the county. So they may have to annex the road, but where it is owned by the county, the county would have to be the ones who petition. When Bruce talked this over with Attorney Baker, he recommends that we don't require Big D Holdings to annex the road, but still require them to do the improvements on Canal Road per our city standards. Then when the property to the south is wanting to annex and develop, they can annex the road and do the improvements on the other side of the road. Attorney Baker stated if we require them to do the improvements, he does not see anyone objecting to having the improvements completed.

Bruce Ward recommended that Big D. Holdings contacts the county; make sure they are okay with the improvements. If not, then because this is such a different situation, can we have the council approve tonight the petition for annexation of Canal Road for the area that is not in city limits. This would help so Big D. Holdings would not have to start the process over again.

MOTION BY: Councilperson Sterling Rees to approve the Big D Holdings petition for annexation of Canal Road, from about 800 East to Woodland Hills Drive.

SECONDED BY: Councilperson Cristy Simons.

VOTE: All Affirmative (5-0).

4. APPROVAL OF THE DESIGN ADVANCE AGREEMENT WITH THE DIVISION OF WATER QUALITY FOR THE WASTE WATER TREATMENT PLANT.

Bruce Ward explained this agreement is with the Utah Division of Water Quality for advancement of \$875,000 for our sewer plant. It states that we understand what we are getting into and if we bail out of the project now, then we will need to pay back the state the money. With the project, we are required to pay the first \$500,000 of the project. This

will be Salem City self participation portion. We can either pay as we go and give the \$500,000 to the state and put in an escrow account.

MOTION BY: Councilperson Craig Warren to approve the Design Advance Agreement with the division of Water Quality for the new Waste Water Treatment Plant.

SECONDED BY: Councilperson Soren Christensen.

VOTE: All Affirmative (5-0).

5. APPROVAL OF THE PROJECT COST AND LOAN ORIGINATION FEE ACCEPTANCE FORM FOR THE PROJECTS FUNDED THROUGH THE UTAH STATE REVOLVING FUND PROGRAM (EXHIBIT 2)

Bruce Ward stated this is for the approval of the project cost for our sewer treatment plant. The cost of the project is estimated at \$14,000,000, of which Salem City is required to have \$500,000 up front cost and then another \$500,000 for the project. The interest rate is set at 1.15% and is for 20 years. If we bail out of the project, we will be required to pay back the state the cost accrued at the time.

MOTION BY: Councilperson Cristy Simons to approve the Project Cost and Loan Origination Fee Acceptance Form for the Projects Funded through the Utah State Revolving Fund Program for the new Sewer Plant Project.

SECONDED BY: Councilperson Aaron Cloward

VOTE: All Affirmative (5-0).

6. APPROVE FORSGREN ENGINEERING WASTE WATER TREATMENT PLANT TASK ORDER AGREEMENT

Rudd Conover from Forsgren Engineering explained the state has reviewed the contract with Forsgren to do the engineering for the waste water treatment plant. Right now we are on schedule, but it is a little tight, will need to keep moving forward. He went over the termination clause that states the city has the right to turn them down. Each phase will be broken down into tasks.

Rudd – state has approved the contract, point out some items, we are on schedule, but it is a little tight. It is broken down into tasks. Termination clause, we have the right to turn them down. This would be advance for the design of the work. Mayor asked if the state okay.

Soren, do we need other bids for this. Junior, it is not requirement to get another bid. We have followed our purchasing police with the professional service. The council felt good about it.

MOTION BY: Councilperson Craig Warren to approve Forsgren Engineering Waste Water Treatment Plant task Order Agreement.

SECONDED BY: Councilperson Sterling Rees.

VOTE: All Affirmative (5-0).

Bruce Ward stated he would be meeting with the engineers for the engineering of the design.

7. APPROVE RESOLUTION AMENDING ELECTRIC/SOLAR UTILITY RATES

Mayor Brailsford stated we have discussed the power rate increases in work session. UMPA had hired a company to do a rate study for UMPA members. After the rate study, we had an opportunity to review the new rates and what we would need to help build up a reserve for the electric fund. The council reviewed different scenarios in work session and also on their own prior to the meeting.

The concern was brought up about the need to do the increases in Electric, PI, and Sewer. The city's costs are increasing and the need for improvements being enforced by state and federal regulations.

MOTION BY: Councilperson Sterling Rees to approve Resolution 82416 amending the electric rates with the change to take out the net metering rate at this time.

SECONDED BY: Councilperson Craig Warren.

VOTE: All Affirmative (5-0).

8. APPROVE INTERLOCAL AGREEMENT WITH UTAH COUNTY MAJOR TASK FORCE

Police Lieutenant Greg Gurney presented this item. He stated this task force is made up of police officers from different jurisdictions in the county. If a city cannot provide man power, they are asked to contribute money. Salem City provides money each year for the task force. It is money very well spent each year, this year we budgeted \$2,500, and it is a great benefit to Salem.

Councilperson Soren Christensen asked about the task force. Lieutenant Gurney stated this is a task force for major drug or crimes when we do not have the man power to handle it.

MOTION BY: Councilperson Soren Christensen to approve the Interlocal Agreement with Utah County Major Task Force.

SECONDED BY: Councilperson Cristy Simons.

VOTE: All Affirmative (5-0).

9. APPROVE WATER DEPARTMENT TRUCK

Mayor Brailsford stated last council meeting it was discussed that the water truck bid that was recommended was not a full cab truck and was asked to get new bids. Matt Marziale presented the new bids for the truck: Jerry Seiner Buick GMC – 2016 Sierra 2500HD 4WD Crew Cab for \$43,482.02, Larry H. Miller Provo – 2016 Chevrolet 3500HD Silverado for

\$44,936, Doug Smith SF – 2016 RAM 3500 Tradesman Crew Cab 4x4 for \$44,657. The truck does have the snow plow option.

It was recommended by staff to go with the Jerry Seiner 2016 Sierra truck for \$43,482.02.

MOTION BY: Councilperson Aaron Cloward to approve the purchase of the water truck for Jerry Seiner for the 2016 Sierra truck for \$43,482.02.

SECONDED BY: Councilperson Soren Christensen.

VOTE: All Affirmative (5-0).

10. APPROVE PURCHASE OF AERATION MOTOR FOR SEWER LAGOON

We have gotten bids, we have aerators on the pond, we have bids on it, and this will be a replacement. Mike feels best option to go with Bisco. The current sewer plant to continue working we recommended to purchase it, it is a budgeted item. Will be a back up. Mayor we need the current plant to continue to run, but we don't need major upgrade, but necessities will need to happen to run.

MOTION BY: Councilperson Craig Warren to approve the purchase of the aeration motor for the sewer lagoon from Bisco

SECONDED BY: Councilperson Cristy Simons.

VOTE: All Affirmative (5-0).

11. APPROVE MINUTES OF AUGUST 3, 2016

Mayor Brailsford asked for approval of the minutes from August 3, 2016 as written or with changes.

MOTION BY: Councilperson Soren Christensen to approve the minutes of August 3, 2016 as written.

SECONDED BY: Councilperson Sterling Rees.

VOTE: All Affirmative (5-0).

12. APPROVE BILLS FOR PAYMENT

Mayor Brailsford asked for approval of the bills for payment.

AMOUNT:

MOTION BY: Councilperson Soren Christensen to approve the bills for payment.

SECONDED BY: Councilperson Craig Warren.

VOTE: All Affirmative (5-0).

13. COUNCILPERSON CRISTY SIMONS

Councilperson Cristy Simons reported on the Library auction and fund raiser for Salem Days. The Library was able to bring in just under \$10,000. With the Chic-fil-A fundraiser, (proceeds donated from sales on August 15) was \$250.

Mayor Brailsford turned the time over to Councilperson Rees and Councilperson Aaron Cloward.

Councilperson Rees reported there is a UMPA meeting tonight then the UMPA summer social. Tomorrow in the morning will be SUVPS meeting. He stated the Salem Days golf tournament went well along with the rest of Salem Days and thanked those who were involved.

Mayor Brailsford stated the employees did a great job for Salem Days, especially Jen Wright and Matt Marziale.

Councilperson Aaron Cloward thanked the employees for Salem Days too. The fall sports programs are on the way.

Mayor Brailsford discussed the recycling bins have been removed. Right now the only alternative is to take recycling items to SUVSWD.

Mayor Brailsford asked Jeff Nielson to report on new solid waste cans. Jeff stated we have found new company who will do the solid waste cans for us at a lower cost. We will be ordering these cans. They are a little different and are 96 gallon cans instead of 100 gallon cans.

Jeff Nielson also stated to the council, that the new power rates will be on next month's billing, so August usage, but billed September.

Mayor Brailsford excused Councilperson Simons, Councilperson Rees, and Attorney Baker at 5:15 p.m.

14. CHIEF BRAD JAMES, PUBLIC SAFETY DIRECTOR

Chief James did not have anything to report tonight.

15. DAVE JOHNSON, BUILDING OFFICIAL DIRECTOR

Dave Johnson did not have anything to report tonight.

16. ATTORNEY JUNIOR BAKER

Attorney Baker was excused.

17. JEFFREY NIELSON, CITY FINANCE DIRECTOR/CITY RECORDER

Jeff Nielson explained the auditors were here this last week. We will continue to work on items for the auditors until it is completed.

18. MATT MARZIALE, RECREATION/PUBLIC WORKS DIRECTOR

Matt Marziale reported the road department is working on the sidewalk for 750 East and then also on Center Street. They will be doing concrete next week. The parks department is working on repairing the sidewalk from the Salem Elementary school to the foot bridge over the pond. The city has finally received permission from the Corp of Engineers to bring the storm drain/sewer line from the storm drain drying beds to the sewer lift station.

19. CLARK CROOK, ELECTRICAL DIRECTOR

Clark Crook reported the new power pole truck we ordered had finally arrived. It has been a year since we ordered it. The old pole truck we will keep it around for a short time to see if there is any use for it. The boom on it is still works pretty good. If we ever do need a back up pole truck the surrounding cities or SESD have been good to help out. When we are ready to get rid of the old pole truck, we will need to surplus it.

Councilperson Craig Warren asked Clark about the power boxes on people's yards that have the transformers in them. What clearance is needed from the city for those boxes. Clark stated we need 10 feet in the front and on the sides and back we need 3 feet.

Lieutenant Gurney reported we took possession of the new vehicles for the police department. They are now getting their equipment installed on them and will be about another two weeks. The two new trucks will be replacing the Ford Crown Vic and one of the 2008 pickup trucks. Officer Bill Swartwelder will be back to work on Monday, he has been off for surgery.

20. BRUCE WARD, ENGINEERING

Bruce Ward reported the 400 North and Main Street storm drain project is just about complete, the contractor is wrapping up a couple of minor items. The storm water gates were installed in the boxes, but because they were just installed, we have not seen the outcome of the gates yet.

Bruce also reported it has been a year since the 100 East project was finished. They did a walk through on it for the warranty work of the project. Everything looked good.

21. WADE REYNOLDS, STORM DRAIN/SAFETY COORDINATOR

Wade Reynolds was excused.

COUNCIL REPORTS

22. MAYOR RANDY BRAILSFORD

Mayor Brailsford did not have anything to report tonight.

23. COUNCILPERSON STERLING REES

Councilperson Sterling Rees was excused earlier.

24. COUNCILPERSON SOREN CHRISTENSEN

Councilperson Soren Christensen reported we continue to use a lot of water for outdoor watering. The water wells and springs are going down slowly. PI continuing to use a lot of water. The wells and springs are not producing water and continue to go down slowly. The Mt. Nebo Water Agency had a meeting and approved new member cities, Santiquin and Genola. The group declined to allow Strawberry Water Users to join the group. They will be working on Phase 2 of the water study.

Councilperson Christensen also brought up meters for PI. Bruce Ward stated he is working on a grant for the PI meters.

25. COUNCILPERSON AARON CLOWARD

Councilperson Aaron Cloward did not have anything to report.

26. COUNCILPERSON CRAIG WARREN

Councilperson Craig Warren did not have anything to report.

ADJOURN CITY COUNCIL MEETING

MOTION BY: Councilperson Soren Christensen to adjourn city council meeting.

SECONDED BY: Councilperson Craig Warren.

VOTE: All Affirmative (3-0).

MEETING ADJOURNED AT: 5:30 p.m.