

**Adopted Minutes
Spanish Fork City Council Meeting
June 20, 2006**

Elected Officials Present: Councilmembers G. Wayne Andersen, Matthew D. Barber, Steven M. Leifson, Seth V. Sorensen and Chris C. Wadsworth.

Mayor Joe L Thomas was excused.

Staff Members Present: David A. Oyler, City Manager; Richard J. Heap, City Engineer/Public Works Director; S. Junior Baker, City Attorney; Seth Perrins, Assistant City Manager; Kent R. Clark, City Recorder/Finance Director; John Bowcutt, Information Systems Director; Dave Anderson, City Planner; Dee Rosenbaum, Public Safety Director; Christine Johnson, Assistant City Attorney; Dale Robinson, Parks and Recreation Director; Pam Jackson, Library Director; Mark Byers, Animal Control; and Marlo Smith, Engineering Secretary.

Citizens Present: Janis Nielsen, A. Craig Hall, Ginger Fenton, Shayne Ahlin, Joyce Kallas, Jeremy Twitchell, Royden Hill, Dana Robinson, Ernie Thorton, David Olson, Alyn Olson, Bryan Redd, Richard A. Evans, Michael Davis, Lynn Rindlisbacher, and Gordon Raymond.

CALL TO ORDER, PLEDGE, OPENING CEREMONY, RECOGNITIONS

Call to Order

The meeting was called to order at 6:00 p.m. by Mayor Pro Tem Matthew D. Barber.

Pledge

The pledge of allegiance was led by Dana Robinson.

Spanish Fork Fiesta Days Rodeo Royalty

The Fiesta Days Royalty was introduced. The royalty members thanked the council and the Diamond Fork Riding Club for their support.

NEW BUSINESS

Sexually Oriented Businesses - Ordinance Revisions

Mr. Baker said this is an ordinance dealing with Sexually Oriented Businesses. This is a sensitive topic and is exhaustive in the study and the process that is required to adopt this ordinance. The current ordinance has been in place for several years. The city reviews current ordinances to see that they meet current standards particularly legal standards as established by the legislature and supreme court. Craig Hall has been asked to help review our current ordinance. Mr. Hall has litigated many sexually oriented business issues. He is one of the leading attorney's in the state dealing with Sexually Oriented Businesses. With Craig's

assistance we have obtained several studies of adverse effects of sexually oriented businesses. The council has been asked to review and Mr. Baker is familiar that the council has reviewed the studies. In these studies there is overwhelming evidence that crime increases substantially in the vicinity of a sexually oriented business, also property values decline. Based on those studies of adverse effects the City can regulate a sexually oriented business but it cannot prohibit because of the First Amendment.

Craig Hall

Mr. Hall said the regulation of sexually oriented businesses is a difficult and complex area. The supreme court gave local governments the opportunity to totally ban nudity in the commercial speech arena. Facilities and establishments that had previously been licensed for totally nude establishment now can be regulated out of this type of conduct. This is the main change in the ordinance. Presently the ordinance is fairly problematic on whether you could prohibit totally nude establishment. The ordinance you have been reviewing totally bans nude commercial speech and regulates seminude establishments with quite a degree of particularity and very detailed in nature.

Mr. Hall feels the ordinance does many important things being:

1. Bans and prohibits totally nude conduct.
2. Establishes a distance in time regulations.
3. Population cap or restriction on how many establishments.
4. Establishes a geographical area based on the zoning ordinance.
5. Establishes a rigorous application process with time lines and decision making matrix.
6. Establishes a detailed process and procedure for suspension, revocation or investigation of an establishment that may be accused of violating the provisions of the ordinance.

The studies have been made available in the City Attorney's office for review. He thanked the mayor, council and employees that have reviewed those studies. He has asked Mr. Baker to have the studies remain with the office of the City Recorder in the unlikely event that the City is sued. The studies may be used as evidence.

Councilmember Barber asked Mr. Hall if he is satisfied with the ordinance.

Mr. Hall said he helped review the ordinance and the changes and he is comfortable with the proposed ordinance.

Councilmember Wadsworth asked Mr. Hall to clarify the changes that have been made to the ordinance.

Mr. Hall reviewed the changes to the ordinance dealing with definitions, zoning, business license procedures, and establishing how many sexually oriented businesses may be in the City. He discussed disciplinary actions, employee requirements and license fees.

Councilmember Barber said a lot of time and effort has been brought into this ordinance to help meet the legal obligations as well as preserving high standards of the community.

Mr. Baker said this ordinance regulates the businesses and the other aspect is zoning. We allow sexually oriented businesses in the I-1 zone, north of 1600 North and west of I-15. The Planning Commission reviewed this zoning and recommended minor changes. Because the public hearing notice requirements could not be met to discuss the zoning portion a public hearing meeting will be held on July 18th. Mr. Baker clarified that there are currently no sexually oriented businesses in the city.

Councilmember Andersen made a **motion** to **approve** Ordinance 06-06: An Ordinance Amending Title 5, Chapter 28 of the Spanish Fork Municipal Code Concerning Sexually Oriented Businesses. Councilmember Sorsensen **seconded**, and the motion **passed** with a unanimous vote. A roll call vote confirmed the unanimous vote.

PUBLIC COMMENTS

Brian Redd

Mr. Redd said he lives on Mill Road in Leland. He is wondering the status of the neighborhood committees.

Councilmember Andersen said other committees are addressed by ordinance. Because an ordinance or other information is not available for neighborhood committees, it will be discussed as to what criteria is expected.

Mr. Redd said during the council election it was said there would be enhanced communication and neighborhood meetings that are not taking place to date. He doesn't feel the communication between the neighborhoods and the council is being addressed properly. He would like to see the city improve this process soon.

PUBLIC HEARINGS

Fieldstone - Zone Change - Public Hearing Spanish Fields West Preliminary Plat

Councilmember Sorensen made a **motion** to move into the public hearing portion of City Council meeting. Councilmember Wadsworth **seconded**, and the motion **passed** with a unanimous vote.

Mr. Anderson will address both the Fieldstone Zone Change and the Spanish Fields West Preliminary Plat at this time.

Mr. Anderson reviewed the zone change request for a parcel located at 300 South 1400 West. The current zoning of the property is I-2 and Rural Residential; the applicant has requested that the zoning be changed to R-1-12. The General Plan designates the property as Residential 1.5-2.5 units per acre/Residential 2.5 to 3.5 units per acre. The Development Review Committee and Planning Commission have reviewed this zone change request and have found the R-1-12 zoning is the most consistent with the City's general plan.

Mr. Anderson said the preliminary plat proposed is not unlike the existing Fieldstone development. The proposed development is for a 48.43-acre parcel. The proposed zoning of the property is R-1-12. The proposed development is a master planned development that contains 139 lots for a density of 2.69 units per acre. The lot sizes range from 5,000 square feet to more than 12,000 square feet. The vast majority of the lots in the proposed development are approximately 6,000 square feet in size. This development would contain 16 acres of open space. The applicant has not requested a particularly large density bonus. The base density of 2.69 units per acre allows for the development of 130 lots and the applicant has requested 139 lots. Mr. Anderson reviewed the calculations relative to bonus density that warrant the additional nine lots.

Mr. Anderson discussed the 16-acres of open space that would be dedicated to the city. The open space is a heavily forested area that would be left undisturbed by the Parks and Recreation Department at this time with the exception of the trail. However, by leaving the trees in tact it would not stop the city from developing the property in the future for more active recreation.

Mr. Anderson said the Planning Commission reviewed this proposal at their last meeting. The minutes were delivered to the City Council by email. The Planning Commission had quite a lengthy discussion pertaining to the zone change and the preliminary plat. In summary the issues focused on were traffic and the limited number of routes for residents to travel through the development. Concerns were raised relevantly to the construction traffic. The applicant has the ability to construct an access to eliminate the construction traffic driving through the existing development. Concerns were also raised due to some of the smaller lot sizes. Since the planning commission meeting the applicant has adjusted lots sizes to meet the 6,000 square foot minimum requirement, which does conform to the city's standard for master planned developments. The Planning Commission and Development Review Committee recommend approval of the Fieldstone Zone Change and the proposed Spanish Fields West Preliminary Plat.

Councilmember Leifson said the Recreation Committee has visited the site. They feel this will be a great addition to the City to leave the open space undeveloped at this time.

Councilmember Barber opened the meeting for public input on the Fieldstone Zone Change Request.

Shasha Kallas

Ms. Kallas asked if there were other developments that were permitted to have the small lot sizes of 6,000 square feet.

Councilmember Barber said Mr. Anderson would address her question momentarily.

Councilmember Andersen asked for an explanation about reference to the pavilion being completed prior to continuing with this development.

Mr. Thornton said the pavilion is functioning at this time, the restrooms are finished. There are two items they are waiting for. The scissor gate that goes in the cooking area was ordered six weeks ago and shipped from California, but it has not arrived. The grills the City is providing

have not arrived either. The plastering of the foundation is not completed and Fieldstone is pursuing the contractor to get this completed. He doesn't feel these items are just cause in holding up this development. The restrooms are functioning, the tables are in place and the power is finished.

Councilmember Wadsworth asked Mr. Thornton about the proposed chain link fence.

Mr. Thornton said he is working with Mr. Christensen who is the property owner to the West of this development on resolving an acceptable solution for all on the type of fencing. Mr. Thornton discussed different option of fencing such precast concrete and also having a berm in place to help elevate the fence further. Mr. Thornton discussed installing trees behind the fence to help with the site issue.

Councilmember Sorensen said he was in favor of this idea to help with industrial and residential zones that have no buffer between them.

Councilmember Andersen said he was concerned about the industrial zone that included the rail road tracks which are an enticement for kids.

Mr. Thornton said the fence would continue to the south end next to the river.

Councilmember Sorensen asked Mr. Robinson his feeling on the completion of the pavilion.

Mr. Robinson said it is substantially complete at this time, but there are minor maintenance things that need to be completed.

Mr. Thornton said they are working to get all of the items completed.

Discussion took place regarding the lot sizes.

Councilmember Barber asked Mr. Anderson of another development in the area that had 6,000 square foot lots.

Mr. Anderson said the Spanish Fields Development next door had lot sizes of 6,000 square feet.

Discussion took place regarding the construction of homes. The homes will have roof pitches of 6/12 minimum. The home size is 20% above the city's typical standard. The homes would be 1920 square feet for ramblers and 1440 square feet on the main floor on two story homes. The applicant is proposing mixing the housing types.

Doug Kallas

Mr. Kallas asked since there is an ordinance to help control lot sizes could there be an ordinance placed to assure the yards are maintained at current levels in the future.

Councilmember Barber said the applicant did not propose a homeowner's association but there is an ordinance in place to help with nuisance or weed control within the city.

Councilmember Andersen made a **motion** to close the public hearing portion of the meeting. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Andersen made a **motion** to approve the Fieldstone Homes Zone Change request changing the zoning at 300 South 1400 West to R-1-12, based on the following finding(s):

1. The property to the east is zoned R-1-12.
2. The zone is consistent with the General Plan and would accommodate the proposed development.

Councilmember Wadsworth **seconded**, and the motion **passed** with a unanimous vote.

Discussion took place regarding the berm and fencing.

Councilmember Sorensen made a **motion** to approve the proposed Preliminary Plat for Spanish Fields West based on the following findings and subject to the following conditions:

Findings:

1. That the proposed Preliminary Plat meets the City's standards for Master Planned Developments in the R-1-12 zone.
2. That the proposed features warrant the requested bonus density.

Conditions:

1. That the trail along the west boundary of the open space and the river be built.
2. That the area on the south be dedicated to the City.
3. Written approval from Westfield Irrigation be submitted allowing the piping of the ditch.
4. That the east boundary trail be constructed as approved as in the original Preliminary Plat for Spanish Fields.
5. That they work with SESD for the construction and relocation of the powerlines.
6. That they do the study on the river for the armory of the river and flood control.
7. That the fencing to the west be a six foot precast concrete fence.

Councilmember Andersen **seconded**, and the motion **passed** with a unanimous vote. A roll call vote confirmed the unanimous vote.

Ivory Homes - Zone Change Spanish Highlands - Preliminary Plat

Councilmember Sorensen made a **motion** to move into the public hearing portion of City Council meeting. Councilmember Andersen **seconded**, and the motion **passed** with a unanimous vote.

Mr. Anderson said the applicant, Ivory Homes, is requesting a zone change for a parcel located at 2000 East Center Street. The current zoning is Rural Residential, the applicant is requesting that the zoning be changed to R-1-12. The general plan designates the property as Residential 2.5 to 3.5 units per acre. Given the fact that developments in the area have been zoned R-1-12, the Development Review Committee and the Planning Commission feel the requested R-1-12 zoning was the most appropriate for this property. The requested zoning allows for a base density of 2.69 units per acre which is consistent with the density range specified in the General

Plan.

Mr. Anderson reviewed the proposed preliminary plat. The applicant is requesting approval for a 23.25-acre parcel. The proposed preliminary plat is a Master Planned Development that contains 80 building lots for a density of 3.44 units per acre. Lot size's range from some 7,200 square feet to more than 16,000 square feet. The proposed plat contains some land that would be dedicated as open space for a trail adjacent to the railroad.

Mr. Anderson reviewed the calculations relative to bonus density that warrant the additional 18 lots. The Development Review Committee and Planning Commission have reviewed the Ivory Homes Zone Change Request and the Spanish Highlands Preliminary Plat and recommend approval based on the findings and conditions in the staff report.

Councilmember Barber opened the meeting for public input.

Pat Parkinson

Ms. Parkinson said if an area is General Planned for the R-1-12 zoning but a developer can propose a master planned development to change the number of units per acre then the general plan seems to become irrelevant.

Discussion took place regarding the General Plan parameters.

Discussion took place regarding the Master Plan Development restrictions.

Janet Pierce

Ms. Pierce asked if a master plan development can consist of more than one land owner's property to bring the acreage up to the required 20-acres.

The council concurred.

Discussion took place regarding the fence requirements for the proposed development.

Discussion took place regarding the planter strips.

Councilmember Leifson made a **motion** to move out of the public hearing portion of the meeting. Councilmember Sorensen **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Leifson made a **motion** to approve the proposed Ivory Homes Zone Change Request, changing the zoning at 300 South 1400 West to R-1-12, based on the following finding:

1. That the proposed Zone Change is consistent with the General Plan designation. Councilmember Andersen **seconded**, and the motion **passed** with a unanimous vote. A roll call vote confirmed the unanimous vote.

Councilmember Sorensen made a **motion** to approve the proposed Preliminary Plat for Spanish Highlands based on the following findings and subject to the following condition:

Findings:

1. That the proposed Preliminary Plat conforms to the City's standards for Master Planned Developments in the R-1-12 zone.
2. That the proposed features warrant the requested density bonus.

Condition:

1. That the requirements of the City Engineer and Electrical Department be satisfied prior to plat recordation.

Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Wadsworth made a **motion** for a five minute recess. Councilmember Sorensen **seconded**, and the motion **passed** with a unanimous vote.

7:40 p.m. Recess

7:47 p.m. Reconvene

NEW BUSINESS (Continued)

Staker Parsons Annexation

Mr. Anderson presented the annexation petition from Staker Parsons for the property located on Highway 6 just south of the Fingerhut Building. He said 107-acres are included in this annexation petition. If the council accepts the petition tonight it will allow for staff to certify the petition and start the annexation procedure.

Councilmember Anderson made a **motion** to approve the Staker Parson Annexation Proposal. Councilmember Sorensen **seconded**, and the motion **passed** with a unanimous vote.

Windmills Update

Ms. Watson updated the council on the windmill project. She said Pacificor had signed the purchase agreement for the power generated from the windmills. The annexation of the Staker Parson property is the last piece of the process to get the permit for building the windmills.

Councilmember Anderson thanked Wastach Wind for their professionalism and patience.

Councilmember Barber said Mayor Thomas called to discuss his excitement of the progress that has been made. Mayor Thomas feels this is a win-win for all involved. It will add a large amount of revenue back into the city from lease payments as well as additional property tax. He is happy to see a great conclusion to this project.

I-15 Road Closure Presentation

Jeff Dupay

Mr. Dupay said he is the project coordinator for UDOT. He gave a presentation of the I-15 resurfacing project from Springville to Spanish Fork. He discussed freeway closures that will be required in the repaving of the bridge surface with new asphalt. He discussed the detour options.

Tyler Shepherd

Mr. Shepherd said there are incentives to keep the project on schedule. The contractor, Staker Paving is anticipating 64 days from start to finish on this project.

Discussion took place regarding the advertisement of the construction and road closures.

PUBLIC HEARINGS

J.P. Hughes - Zone Change Request

Councilmember Sorensen made a **motion** to move into the public hearing portion of City Council meeting. Councilmember Andersen **seconded**, and the motion **passed** with a unanimous vote.

Mr. Anderson said the applicant has asked to continue this request in order to review another zoning possibility.

Councilmember Barber made a **motion** to continue the public hearing until the July 18, 2006 City Council Meeting. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

North Springs Business Park - Preliminary Plat

Mr. Anderson said the current ordinance requires an industrial or commercial subdivision to hold a public hearing. Mr. Anderson reviewed the site. He said the streets will be private. The public will not have access readily available, only access for the property owners within the development. The roads will be owned and maintained by the property owners. The main purpose for the private streets is the applicant could not conform to the City's requirements for public streets. There will be public utility easements in the street, just not public access. The property is zoned I-1 which has no standards for lot dimensions. The Development Review Committee and Planning Commission recommended approval of this preliminary plat.

Councilmember Barber opened the meeting for public comment.

There was none.

Councilmember Sorensen made a **motion** to approve the proposed Preliminary Plat for the North Springs Business Park subject to the following conditions:

Conditions:

1. That the private road be stubbed to the south property line.
2. That the access road be in the middle of the project between lots 2 and 3.
3. That the sewer onsite and lift system are privately owned and maintained.
4. That the storm drainage is privately owned and maintained.
5. That the private roads be dedicated as public utility easements, plus the standard 10 ft.

easement.

6. That the private roads be dedicated as emergency access to the south.
7. That the applicant contact the Army Corps of Engineers to work out any wetland issues. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

CONSENT ITEMS

Minutes of Spanish Fork City Council Meeting - May 16, 2006 Rodeo Ticket Sales, Western Unlimited Contract Change Order for Geneva Rock

Councilmember Sorensen made a **motion** to **approve** the consent items as presented. Councilmember Andersen **seconded**, and the motion **passed** with a unanimous vote.

NEW BUSINESS (Continued)

Architect Contract - Police/Court Building

Mr. Heap said the selection committee reviewed seven proposals and narrowed it to four. The committee then interviewed the four applicants. The committee includes the building committee, the public safety department, the state court office and the district court. An American Institute of Architects contract was used with revisions. The contract is not to exceed 690,000 unless there is an increase in the size of the building. At that time the 5.75% cap will be used. EDA Architects has a lot of experience with court and police station construction. They came highly recommended. Staff recommends approval of the contract subject to the City Attorney's approval of the revisions.

Discussion took place regarding the financial parameters will not exceed 690,000 unless the size of the building changes. If the size of the building changes the financial parameter is 5.75% of the construction cost.

Councilmember Leifson said this contract is a standard contract. He likes that the court was involved in this process.

Mr. Heap thanked the building committee members for their involvement.

Councilmember Sorensen made a **motion** to approve the contract with Edwards & Daniels Architects, Inc. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Neighborhood Committees

Councilmember Andersen said he is concerned not only with the neighborhood committees but also additional committees that have been proposed. Many of the existing committees are established by ordinance with specific guidelines as to the number of people, the length of the term and detailing the function of the committee. Councilmember Andersen is concerned that the

same process is not being taken for new proposed committees.

Councilmember Sorensen concurred. He feels that it is wise to establish parameters and goals to help clarify the intent of the committee.

Councilmember Barber said the intent was there but was not conveyed to the committee members.

Discussion took place regarding committees that are not covered by an ordinance.

Councilmember Leifson said some committees are governed by State law as to the number of people that can serve on a committee.

Councilmember Wadsworth asked if the building committee should be expanded. It is his understanding that this committee is going to continue.

Councilmember Sorensen agrees that the building committee should be changed from an ad hoc committee.

Councilmember Andersen said if a committee is used on a continual basis it needs to be addressed by ordinance.

Councilmember Barber asked if the staff was clear as to the direction to take with the committee ordinances.

Staff concurred.

Councilmember Wadsworth commended the council for the support of the neighborhood committees.

Budget Revision FY 2006

Councilmember Sorensen made a **motion** to move into the public hearing portion of the meeting. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Mr. Oyler said this is the budget revision for the current year budget to reflect any transactions in the first 11 months and projecting what will occur in the last month of the fiscal year. Mr. Clark will discuss changes to the general fund. Mr. Oyler said the budget is an estimate and they try to be conservative. As we go through the budget year, we adjust the actual expenses and revenues. We always want to be under expenses and try to project the revenue correctly.

Mr. Clark discussed the increases in the revenue source from property tax, sales tax and energy tax.

Mr. Oyler discussed the natural gas revenue increase restrictions from the state legislature.

Mr. Clark discussed the increase in revenue due to the increase of building permits. He discussed interest earnings and less money from the enterprise funds.

Mr. Robinson discussed the changes to the FY2006 Parks & Recreation Budget pertaining to the following:

- Senior Citizens Center increase in food cost and an increase of 8,000 due to land purchases.
- Parks had a \$21,000 increase in motor pool.
- Fairgrounds \$29,000 increased in motor pool.
- Buildings and Grounds increase due to resurface the parking lot at Swenson Ball Park.

Mr. Oyler said after talking with Richard Nielson the resurfacing of the parking lot will not take place until after July which will require this amount to be carried over to the next budget year.

- \$25,000 in capital project in Parks for the Quail Hollow Pedestrian Bridge.
- \$9,700 increase in Buildings and Grounds if for the back entrance for rodeo contestants at the Fairgrounds.
- Golf Course Club House \$12,000 increase in data processing with regards to the new reservation program.
- \$9,000 in capital equipment to cover the cost of the security system recommended by the consultants for the back nine holes.

Discussion took place regarding the golf revenue. Mr. Robinson said March and April were rained out and the revenue is down \$30,000 to \$40,000.

Discussion took place regarding the status of the golf course revenues due to the new projects being implemented.

Councilmember Barber said recreation seasons are split between fiscal budgets.

Mr. Heap discussed the changes to the FY2006 Public Works Budget pertaining to the following:

- Increase in the revenue in building inspections.
- Capital Projects was down \$26,000 due to the increase in asphalt prices.
- Residential water sales revenue and water meter reimbursements.
- Sewer collection. Roll the money over to next year due to slip lining the sewer lines instead of replacing the pipe.
- Treatment Plant & shops area had an increase of natural gas.
- Electric capital account carry over some to next year to finish projects.

Mr. Oyler said the motor pool in electrical went down dramatically due to lack of mechanical problems.

- Revenues in electric due to not transferring one million from the electric fund to the general fund.
- Supplies in Solid Waste are up \$21,000 basically for additional garbage cans due to the

- increase of population.
- \$150,000 in capital projects will be carried over for future projects because of the storm drain project down 300 West not being finished due to lack of easements from property owners.
- Irrigation, we are not pumping as much as anticipated during the fiscal year.
- \$23,000 in payment to Ensign Bickford to for an interest free loan years ago.

Mr. Bowcutt discussed the changes to the FY2006 Information Systems Budget pertaining to the following:

- \$15,000 increase in salaries and wages.
- \$58,000 increase in supplies for cable modems and set top boxes because of HDTV and Tivo type of interest.
- Professional and Technical \$10,000 lower.
- \$40,000 lower on other services.
- Capital Projects also lower
- CATV down bu internet revenue is up.

Councilmember Wadsworth asked when the rate changes will take place.

Mr. Bowcutt said it will be in next years budget. Because the costs to the programmers such as ESPN, USA etc. continues to increase.

Mr. Oyler said there are minor adjustments to the Public Safety Budget. If there are more specific questions please ask Mr. Rosenbaum.

Councilmember Barber opened the meeting for public comment.

There was none.

Councilmember Sorensen made a **motion** to close the public hearing portion of the meeting. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Sorensen made a **motion** to approve the FY 2006 Budget Revision. Councilmember Leifson **seconded**, and the motion **passed** with a majority vote of 4:1.

Councilmember's Sorensen, Leifson, Andersen and Barber were in **favor** of the motion.

Councilmember Wadsworth was **opposed** to the motion. Councilmember Wadsworth read the following comments:

1. *I disagree with the additional 6.81% 401K retirement contribution paid to non-public safety employees based on the following principles:*

Principle 1: The creation (government) should not exceed the creator (citizens); citizens should not be forced to bestow benefits to employees that they themselves do not receive.

Principle 2: Government should not exist for the benefit of those who work for it. It's only legitimate purpose is the protection of citizen's life and property and to provide them service.

Principle 3: Government officials should spend tax dollars as if they were their own, provided that they are fiscally responsible.

Principle 4: Government should not advantage one individual group at the expense of another.

*When more of the people's substance is exacted through the form of taxation than is necessary to meet the **just** obligations of the Government and the expense of its economical administration, such exaction becomes **ruthless extortion** and a **violation of the fundamental principles** of a free government.*

(President Grover Cleveland, Second Annual Message, December 6, 1886; Message and Papers 8:509)

2. *I disagree with the decision to build a new ballpark at this point in time. I believe it would be more prudent to first fully utilize all the fields at the respective schools that the citizens have already paid for with their property taxes. The problem of poorly maintained fields that supposedly pose a hazard to players should be fixed so that school children are not at risk.*

ADJOURN TO REDEVELOPMENT AGENCY

Councilmember Sorensen made a **motion** to move into the Redevelopment Agency (RDA) meeting. Councilmember Leifson **seconded** and the motion **passed** with a unanimous vote.

Reconvene City Council Meeting

Councilmember Barber made a **motion** to move out of the Redevelopment Agency meeting and reconvene the City Council meeting after a five minute recess. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

9:20 p.m. recess

9:28 p.m. reconvene

NEW BUSINESS (Continued)

Allied Waste Request for Fuel Surcharge

Gordon Raymond with Allied Waste addressed the council. He explained the impact the company was experiencing do to the increase in fuel costs. He is asking for a flat fee fuel surcharge be added to their contract.

Discussion took place regarding how the fuel increase was involved with the contract bid.

Mr. Clark discussed the different scenarios of allowing for a fuel surcharge such as how long will the surcharge be applicable and what if gas prices decline.

Councilmember Leifson said he would like Mr. Raymond to work with staff to come up with a solution instead of the council making a decision not knowing all the facts.

Councilmember Wadsworth asked what would happen if the surcharge was not approved.

Mr. Raymond said he isn't sure but the company is experiencing significant impacts with the fuel prices increasing.

Discussion took place regarding the council being sensitive to this issue but yet wanting to see all viable options that work best for the City and for Allied Waste.

Budget Adoption FY 2007

Mr. Clark reviewed the property tax choice to decrease due to the debt service portion on the fire station bond being completed. He said Spanish Fork City has the lowest property tax rate in Utah County. Mr. Clark discussed the property tax rate increase mandated by Utah County due to reappraisals of existing buildings.

Mr. Clark reviewed the options in detail of increasing the property tax rate to bond for the police and court building. The different option rates are as follows:

- Option 1 to keep the property tax the same at .00910
- Option 2 to include new growth but also supplement the police and court building at .001110
- Option 3 to include new growth but also supplement the police and court building at .001165
- Option 4 to increase the rate to .001333.

Councilmember Wadsworth asked Mr. Clark to explain truth in taxation hearing for the different options.

Mr. Clark said option would not require a hearing. The other three options would require a hearing. The County Assessor would be given notice and they would send out property tax valuations showing the different property tax assessments for the three options. This valuation is sent out in July. The hearing would be advertised in the paper for two weeks before the hearing date which would be August 15th.

Councilmember Wadsworth commented that the public needs to know the bond has come off for the fire station. The truth in taxation hearing is being the most transparent to the citizens.

Councilmember Sorensen concurred, he prefers option 2 or 3. Because the option 3 rate is not more than last year and option 2 rate is less money.

Councilmember Leifson said he agrees to let the citizens know the fire station bond has come

off. He is in favor of option 3. The property taxes are not increasing even though the property valuation has increased.

Councilmember Andersen said he is in favor of option 2 or 3. Either way there is more money that is needed to pay for the police and court building. He would like to reward the citizens in paying off the bond for the fire station. Option 2 or 3 the property taxes would not increase yet still maintain a revenue stream to help pay for the police and court building.

Councilmember Barber understands everyone's argument. He feels the citizens would be in favor of changing the need from the fire station to the police and court building. He is concerned that we do not have hard costs as to what the payment is going to be, therefore it is hard to determine what the increase in property tax should be. The revenue stream will continue with the electric revenue fund. He is in favor of option 1 for this year. He likes the idea of the truth in taxation hearing to let the citizens voice their concern.

Mr. Oyler said if the council approves a higher amount it will change the budget. He needs to know what option the council is proposing.

Councilmember Leifson said he is in favor of continuing with option 3.

Councilmember Sorensen concurred.

Discussion took place regarding option 1 would not require a truth in taxation public hearing.

Councilmember Wadsworth said he okay with option 3 due to the fact it requires a truth in taxation hearing.

Councilmember Sorensen made a **motion** to adjust the budget to option 3 which will set the property tax rate at .00165 in the FY2007 Budget. Councilmember Leifson **seconded**, and the motion **passed** with a majority vote of 4:1. A roll call vote confirmed the following. Councilmember's Wadsworth, Sorensen, Leifson and Andersen were in **favor** of the motion. Councilmember Barber was **opposed** to the motion.

Councilmember Wadsworth said he has spoken with many different people this past year to try to understand the additional retirement to the non-public safety employees. He feels this is increasing government more than required.

Councilmember Sorensen said he feels the employees are worth every penny they are given. We have some of the best employees in the state which is attributed to the compensation package. We have fewer employees per capita than other cities in Utah County and provide more services which means the employees are expected to do more work and a larger share of the work. Which justifies compensating them more because we are getting more out of them. I see it as a savings because if we had to increase the employees which increase the costs.

Councilmember Wadsworth asked how we know if the other cities are the right size in reference

to the number of employees.

Councilmember Sorensen said you base the number of employees to the number of residents.

Councilmember Andersen asked what Councilmember Wadsworth feels is a fair rate.

Councilmember Wadsworth feels the defined pension is adequate.

Discussion took place regarding the defined benefit that fluctuates every year.

Councilmember Andersen said it is hard to offer a benefit package that is not the same rate every year.

Councilmember Wadsworth discussed the liability for pensions underfunded.

Discussion took place regarding the private sector comparison.

Councilmember Leifson said the current rate was approved in 1983. After talking with past councils and mayor the input he received is to provide an atmosphere that the good employees will stay. He read an article by Covey that a company needs to treat its employees as assets and not liabilities. Councilmember Leifson agrees with the current rate.

Councilmember Andersen asked about the non contributory system.

Mr. Perrins discussed the two systems. At some point time an employee was required to contribute. At this time the state does not allow you to contribute to the 11.59%. Only the non contributory system is allowed.

Discussion took place regarding the public safety retirement.

Councilmember Wadsworth said his concern is the employees do not contribute a single dime to retirement. The excess in retirement could soon exceed half of a million dollars. There are projects that could be funded with this money.

Councilmember Sorensen said cost of living is increasing faster than the retirement.

Discussion took place regarding an independent group completing a survey.

Mr. Perrins said Dave Jackson is preparing a fuller view of total compensation. There are three major contributors to our benefit costs, being health insurance, retirement and dental costs. Mr. Perrins said we will compare to other communities in Utah County. He discussed what comparisons will be made.

Councilmember Barber asked for other council comments regarding the budget.

There was none.

Councilmember Barber read the following comments:

1. *Commitment to sewer, water and street replacement. Although it isn't a long term commitment, it is a start and I would hope that this council will make a commitment long term in next years budget.*
2. *Growth is on track to be an all-time high which short term brings in additional revenue, in fees, but we need to keep in mind that this is historically short term and we need to spend that money wisely. I think sometimes we spend that excess revenue on projects that require a long term commitment to operations and maintenance. Historically long term residential development and growth is a drain on our financial resources. In the short term we might have to increase some staff in the building inspection department and I would caution us that we weight very carefully increasing the size of government long term, when we are trying to meet a short term need.*
3. *I like to see the decrease in some of the fees that are included in this budget such as PI and cable. I also would like to see that some of the fees are increasing just for the fact that I think is also shows our commitment to making sure that each utility is paying its own costs and we reduce the need for cross subsidization from other utilities.*
4. *Property Tax decrease - I like the fact that we have an opportunity to lower the property tax due to the public safety bond coming off this year. I think it shows a commitment by government that when we need a tax increase for a specific project that we will lower that increase once the project is completed. The future will require another increase but while we have increased surpluses in electric revenue, we should spend those with the priority going to those essential services that the city provides. Elected officials should never raise taxes just because they can.*

Items I don't agree with in the budget:

1. *The continued amount of subsidization to the swimming pool, golf course, fairgrounds and others. We have taken steps in this budget to change that at the golf course and I hope that through the course of this year we take a similar approach to the other areas that are so heavily subsidized.*
2. *Automated Meter Reading - I would like to see the money that is allocated in this budget be appropriated just for this project in the fund balance. That way if it is determined that the return on investment and technology are what we want then we will have the money ready and it also eliminates the temptation of future councils to spend that money on other projects.*
3. *Indirect Services - I'd like to see the finance committee; the council and staff review the allocations to the indirect services for each department and verify that those amounts reflect a true picture of the services used by each department.*

4. *Retirement Amount - There has been a lot of discussion on this topic and I think the issue warrants a very public, open debate that will include the three areas of compensation, salary ranges, benefits and retirement percentage. I would like to recommend that we have this discussion in a televised work session sometime during the 1st or 2nd week of August. I would agree that we need to reach a resolution in the next 60 days but that the resolution should be based on facts and not on arbitrary opinions and emotion, so that the decision can be defended for years to come and future councils and employees won't have to deal with this every election year and most importantly so that the public can clearly understand the process and methodology used to determine employee compensation. In the end, after all the facts have been presented and debated, this body will need to take a vote and at that time it will be evident where each of us stand on this issue of employee compensation. Until that time, I don't think it is fair for employees or citizens to characterize where each of us stands on the issue. All the more reason we need to have this discussion in early August.*

5. *Capital Facilities - I have some issues with a few items in the six-year capital facilities plan but I'll address those individually throughout the year.*

Councilmember Sorensen made a **motion** to adopt the FY2007 Budget with the change in property tax. Councilmember Leifson **seconded**, and the motion **passed** with a majority vote of 4:1.

Councilmember's Sorensen, Lefison, Andersen and Barber were in **favor** of the motion.

Councilmember Wadsworth was **opposed**.

Mr. Perrins discussed staff growth and the lengthy process in adding an additional employee.

***Councilmember Wadsworth left the meeting at 10:47 p.m.*

OLD BUSINESS

Ordinance 05-06 - Amending Kennel Requirements

Ms. Johnson reviewed the proposed amendments concerning kennel permits.

Discussion took place regarding the potential for an increased work load.

Councilmember Sorensen made a **motion** to approve Ordinance 05-06 Ordinance Amending the Municipal Code Concerning Kennel Permits as presented. Councilmember Leifson **seconded**, and the motion **passed** with a unanimous vote.

Resolution 06-11 Adopting Animal Control Bail Schedule

Councilmember Sorensen made a **motion** to adopt Resolution 06-11 Adopting Animal Control Bail Schedule. Councilmember Andersen **seconded**, and the motion **passed** with a majority vote. A roll call vote confirmed Councilmember Andersen, Leifson and Sorensen were in **favor** of the motion. Councilmember Barber was **opposed** to the motion.

OTHER BUSINESS

There was none.

Adjournment

Councilmember Leifson made a **motion** to adjourn. Councilmember Sorensen **seconded** and the motion **passed** with a unanimous vote. The meeting adjourned at 11:00 p.m.

Marlo Smith, Engineering Secretary

Approved: February 20, 2007