

**Adopted Minutes
Spanish Fork City Council Meeting
January 17, 2012**

Elected Officials Present: Mayor G. Wayne Andersen, Councilmembers Steve Leifson, Rod Dart, Keir A. Scoubes, Richard Davis, Brandon Gordon.

Staff Present: David Oyler, City Manager; Junior Baker, City Attorney; Seth Perrins, Assistant City Manager; Dave Anderson; Community Development Director; Trapper Burdick, Assistant City Engineer; Kent Clark City Recorder/Finance Director; Dee Rosenbaum, Public Safety Director; Angie Warner, Deputy Recorder.

Citizens Present: Colby Gurr, Quincy Whittaker, Ethan Silva, Matthew Muhlestein, Aaron Silva, Mike Poulter, Tristan Davis, Duncan Rowbury, Alynn Pulsipher, Marvin Wharton, Paul Bartholomew, Linda Bartholomew, Mike Brown, Kade Tingey, Richard A. Evans, Beth Pearson, Mike Pearson, Cary Hanks, Josh Davis, Kylie Davis, Wesley Whittaker, Michael Whittaker, Chris Whittaker, Jay Clayson, Starlene Clayson.

CALL TO ORDER, PLEDGE, RECOGNITION:

Mayor Andersen called the meeting to order at 6:00 p.m.

Stephen Adams led in the pledge of allegiance.

PUBLIC COMMENTS:

Cary Hanks, Director of the Spanish Fork/Salem Area Chamber of Commerce presented the newsletter that will be sent once a month as an insert in the Daily Herald.

COUNCIL COMMENTS:

Councilman Dart said the Senior Citizen Center will be having their Valentines Dance on February 10th.

Councilman Gordon said he met with the Youth City Council and will now be the Councilmember for the Youth City Council.

Mayor Andersen said on Friday and Saturday the Council and City Staff met for a two day work session where they reviewed the city department projects.

SPANISH FORK 101:

Support Center – Seth Perrins

CONSENT ITEMS:

- a. Minutes of Spanish Fork City Council Meeting – January 3, 2012

Councilman Scoubes made a **Motion** to **approve** the consent items.

Councilman Dart **Seconded** and the motion **Passed** all in favor.

PUBLIC HEARING:

Councilman Leifson made a **Motion** to move into Public Hearing to discuss the FY2012 Budget Revision #1.

Councilman Davis **Seconded** and the motion **Passed** all in favor at 6:20 p.m.

The proposed Spanish Fork City Budget for Fiscal Year 2012 Revision #1

Kent Clark presented the budget and reviewed the City's Capital Projects Funds, Economic Incentives, Sales Tax, Property Tax Comparison, Utility Rate Comparison, Enterprise Funds, and General Fund Revenue.

Seth Perrins presented a 3% increase for salary ranges for Spanish fork City employees.

Mayor Andersen welcomed any public comment.

Rick Evans asked how much money do we generate in a year in the electric fund and how much is in the reserves of the electric fund.

Beth Pearson asked the Council to not raise the salary ranges because there is a big unemployment status right now. Ms. Pearson thought the Support Center will be a great thing because she never gets a response.

Linda Bartholomew asked if it is common among other cities to offer millions of dollars for incentives. And what about the local business, is the City going to encourage the Main Street businesses.

Tim Terry said this is a mistake with Costco, the City is only looking at the benefit of the sales tax. Mr. Terry said that Lehi has an empty Micron building; Orem has a big building half completed. Mr. Terry is afraid that could happen here. With the economy the big businesses are just looking for a write off. Mr. Terry said the City shouldn't get into other businesses, and should stick to the utilities. Mr. Terry said the City is shafting the downtown businesses.

Marvin Wharton said that he backs up what has been said and thanked the public that came. Mr. Wharton has checked with other cities that have become involved in something like this and is afraid to lose the local businesses. Mr. Wharton is strongly opposed in transferring the money for incentives.

Cary Robarge, President of Chamber of Commerce, commended the City for their participation in the Installation Banquet. Mr. Robarge said regarding the incentives, other cities do give incentives to bring business. Mr. Robarge thinks this will help the development of North Park and bring other businesses. Mr. Robarge said small businesses here in town may feel threatened but do see the benefits too.

Linda Terry said she markets for drug stores and Stone Drug is one of her stores. It is a small store and very few products. Ms. Terry said the pharmacy is great, the fountain is great and we need to protect those stores. Ms. Terry said the City needs to give incentives to the local down town stores, not the big box stores. People will buy their

pharmaceuticals from the big box stores because they are cheaper. Ms. Terry stated that she buys her pharmaceuticals from Costco in Orem.

Councilman Davis made a **Motion** to move out of Public Hearing.
Councilman Dart **Seconded** and the motion **Passed** all in favor at 7:06 p.m.

Kent Clark said that the majority of the electric profit has been held in reserves for the last 3 years, no money has been transferred into the general fund. Any profit from the electric system is kept here in town and used to provide operation and capital improvements to city residents. There is about \$10 million in reserves.

Dave Oyler said that most major cities provide incentives for projects. Mr. Terry pointed out some of the few projects that have not worked, but there have been lots of projects that have worked. Mr. Oyler said that the property tax in Mapleton City is high because they have no sales tax base. Mr. Oyler said about 20 or 25 years ago the City provided the first incentives to Main Street. The City has applied for a grant to beautify the Main Street again. And when Macey's wanted a new bigger building, there was some negotiation and incentives given to help keep them here in Spanish Fork.

Mayor Andersen said if we are going to be part of the game we have to give incentives. We are not going to bury our heads in the sand and get ran over. Mayor Andersen said it was mentioned that our profits come to us, not to some outsider. Mayor Andersen said that Costco will draw the traffic to increase the business and also to the current businesses.

Councilman Dart said he spoke with the pharmacist of Stone Drug to see if they were worried about Costco coming to town and he said no. Councilman Dart said that Stone Drug has good customer service and that is why Stone Drug has their loyal customers.

Councilman Leifson said he spoke with Bill Summers, with Macey's and he said they might lose a little at first but after a while the ones that don't want to buy in bulk will come to Macey's.

Councilman Davis agrees with Councilman Leifson and Councilman Dart. Councilman Davis said the City does not want to lose businesses, and we want to help our citizens so we do not have to raise rates.

Councilman Scoubes thanked the public for their questions. Councilman Scoubes said one of the questions was asked to not raise employee salary ranges. It does not mean that the employees will get raises unless they meet certain requirements. Councilman Scoubes said the support center has been great.

Councilman Gordon said he appreciates the citizens coming tonight. Councilman Gordon was a business owner on Spanish Fork Main Street and Springville Main Street. When competition came they rolled up their sleeves and played the game.

Councilman Leifson made a **Motion** to **approve** the Fiscal Year 2012 Budget Revision #1 including the following items:

- i. Revenue and Expenditures/Expenses for all funds, including donations in the form of Cash and Fee Waivers.
- ii. Economic Incentives provided by the City to help stimulate economic development in accordance with Utah Code §10-8-2(3).
- iii. Wage changes for Elected and Statutory Officers
- iv. All fees and utility rates schedules
- v. Transfers and expense allocations from Enterprise Funds to other Funds.

Councilman Dart **Seconded** and the motion **Passed** all in favor.

Clayson Annexation

Councilman Davis made a **Motion** to move into Public Hearing to discuss the Clayson Annexation.

Councilman Gordon **Seconded** and the motion **Passed** all in favor at 7:43 p.m.

Dave Andersen said the proposed annexation is located north of PDM Steel. The property is within the Spanish Fork City boundary and requesting to be zoned Industrial 1. The road 300 West will need to be widened in the future to 85 feet. With widening the road the City would need to acquire some of the applicant's property. DRC recommends requiring the land be dedicated for future expansion of 300 West. Planning Commission recommends the City pay the impact fees to connect their home, in trade for the dedication.

Jay Clayson said the majority of the road is going to go to the west side. So it's going to take a lot of our property.

Councilman Leifson made a **Motion** to move out of Public Hearing.

Councilman Scoubes **Seconded** and the motion **Passed** all in favor at 7:49 p.m.

Junior Baker said that it becomes very difficult to waive the impact fees. Mr. Baker suggested a better resolution would be to purchase the balance of the extra land on their side.

Councilman Gordon asked how much land would be needed on their side.

Trapper Burdick said approximately 10 feet more on their side.

Junior Baker said the City could annex the land and worry about the balance of the dedication later. When the property is developed, then purchase the other property.

Dave Anderson said the City will not need the land until it is developed.

Mayor Andersen agrees to wait until it is developed, let's just annex the property and don't worry about the road right now.

Councilman Dart made a **Motion** to **approve** the Clayson Annexation zoned Industrial 1 with no conditions.

Councilman Scoubes **Seconded** and the motion **Passed** all in favor.

NEW BUSINESS:

Preliminary Plat Approval Extension Request – White Rail Overlook

Dave Anderson presented the proposal for the White Rail Overlook extension for 6 months. They are eager to continue forward with the project, and if the extension is not granted they would have to start over.

Councilman Leifson made a **Motion** to **approve** the Preliminary Plat Approval Extension Request – White Rail Overlook for 6 months.

Councilman Davis **Seconded** and the motion **Passed** all in favor.

Library & Senior Board Appointments

Mayor Andersen appointed Melanie Meeks & Russell Hansen to the Library Board for a 3 year term.

Councilman Dart made a **Motion** to **approve** the Mayors appointment of Melanie Meeks and Russell Hansen to the Library Board for a 3 year term.

Councilman Scoubes **Seconded** and the motion **Passed** all in favor.

Mayor Andersen re-appointed Clea Aust, Ron Lisonbee and Jay Rindlisbacher to the Senior Citizen Board for a 3 year term.

Councilman Davis made a **Motion** to **approve** the Mayors appointment of Clea Aust, Ron Lisonbee and Jay Rindlisbacher to the Senior Citizen Board for a 3 year term.

Councilman Leifson **Seconded** and the motion **Passed** all in favor.

SUVMWA Board of Director, Alternate Board of Director Representative and Technical Committee Representative Appointments

Mayor Andersen appointed Richard Davis, Board of Directors for SUVMWA; Mayor Wayne Andersen, Alternate Director for SUVMWA; Chris Thompson, Technical Committee for SUVMWA.

Councilman Dart made a **Motion** to **approve** the Mayors appointment of Richard Davis, Board of Directors for SUVMWA; Mayor Wayne Andersen, Alternate Director for SUVMWA; Chris Thompson, Technical Committee for SUVMWA.

Councilman Gordon **Seconded** and the motion **Passed** all in favor.

Memorandum of Understanding with SESD for the Cherry Grove Hydro-electric Power Project (this is regarding a proposed hydro-electric power plant on the portion of the Crab Creek trunkline that was constructed several years ago)

Junior Baker said that many years ago the City purchased land up Spanish Fork Canyon for water rights. Later the City sold the land and kept the water rights. The property owner built on the land and connected to the water and contracted for the right to construct a Hydro-electric facility. The owner has assigned the rights of the facility to

SESD. SESD is applying for a grant for a project and would like to start construction. The City reviewed the project and sees it as beneficial. This agreement allows SESD the rights to begin work on the hydro-electric facility, while protecting the City's water.

Mr. Dan Ellsworth, manager for SESD, commended the city staff on their fast response.

Councilman Scoubes made a **Motion to approve** the Memorandum of Understanding with SESD for the Cherry Grove Hydro-electric Power Project.

Councilman Leifson **Seconded** and the motion **Passed** all in favor.

Resolution #12-01 City Council Rules of Order

Junior Baker said that for many years the City Council has had simple informed rules to conduct City Council meeting. The legislature is now requiring cities to adopt formal rules for council meetings.

Councilman Gordon made a **Motion to approve** Resolution #12-01 City Council Rules of Order.

Councilman Davis **Seconded** and the motion **Passed** all in favor with a roll call vote.

Fairgrounds Buildings Notice of Award

Councilman Davis excused himself from the item to be discussed.

Trapper Burdick said this item is for 7 buildings for restrooms/concessions at the new arena. Staff recommends awarding the bid to Hales Construction in the amount of \$1,068,144.00.

Councilman Dart made a **Motion to approve** the Fairgrounds Buildings Notice of Award to Hales Construction in the amount of \$1,068,144.00.

Councilman Leifson **Seconded** and the motion **Passed** all in favor.

ADJOURN:

Councilman Dart made a **Motion to adjourn**.

Councilman Gordon **Seconded** and the motion **Passed** all in favor at 8:13 p.m.

ADOPTED: February 7, 2012

Angie Warner, Deputy Recorder