

1 NORTH OGDEN CITY COUNCIL MEETING MINUTES

2  
3 February 3, 2015

4  
5 The North Ogden City Council convened in an open meeting on February 3, 2015 at 6:30 p.m. in  
6 the North Ogden City Council Chambers at 505 East 2600 North. Notice of time, place and  
7 agenda of the meeting was delivered to each member of the City Council, posted on the bulletin  
8 board at the municipal office and posted to the Utah State Website on January 30, 2015. Notice  
9 of the annual meeting schedule was published in the Standard-Examiner on December 21, 2014.

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11  
12 PRESENT: Brent Taylor Mayor  
13 Kent Bailey Council Member  
14 Lynn Satterthwaite Council Member  
15 Cheryl Stoker Council Member  
16 Phillip Swanson Council Member  
17 James Urry Council Member

18  
19 STAFF PRESENT: Bryan Steele Finance Director/City Administrator  
20 Annette Spendlove City Recorder  
21 Craig Giles Public Works Director  
22 Dave Espinoza Water Systems Superintendent  
23 Rob Scott City Planner

24  
25 VISITORS: Ted Kearle

26  
27 Mayor Taylor welcomed those in attendance.

28  
29 Council Member Bailey offered the invocation and led the audience in the Pledge of Allegiance.

30  
31 **CONSENT AGENDA**

- 32  
33 1. **CONSIDERATION TO APPROVE THE JANUARY 6, 2015 CITY COUNCIL**  
34 **MINUTES**  
35  
36 2. **CONSIDERATION TO APPROVE THE JANUARY 13, 2015 CITY COUNCIL**  
37 **MINUTES**

38  
39 Council Member Bailey motioned to approve the consent agenda. Council Member  
40 Swanson seconded the motion.

41  
42 **Voting on the motion:**

43  
44 Council Member Bailey aye

45 Council Member Satterthwaite aye  
46 Council Member Stoker aye  
47 Council Member Swanson aye  
48 Council Member Urry aye

49  
50 The motion passed unanimously.  
51

52  
53 **ACTIVE AGENDA**

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55 **1. PUBLIC COMMENTS**

56  
57 There were no public comments.  
58

59  
60 **2. DISCUSSION ON WATER METER READING PARTS**

61  
62 A memo from Mayor Taylor explained we have experienced a significant number of failed water  
63 radios in our water meter reading system. During our Work Session on January 6th we will have  
64 an agenda item to discuss the situation. Based on that discussion, we will get additional questions  
65 researched for you and then plan to bring the item back to you during a future meeting to request  
66 funds to replace the dead radio meters. Here is a summary of the situation: Our system relies  
67 upon a radio to transmit the monthly reading of the water usage to City Hall in order to be billed.  
68 The majority of our current radio transmitters were installed en masse in 1997 when we first  
69 introduced this system. The radios had a 5 year warranty, but have lasted much longer. We  
70 usually see 250-300 failures per year, and have money budgeted to replace some of them every  
71 year. The last few months, however, hundreds have failed every month. The radios have simply  
72 reached their lifespan and are now failing in large numbers. This is expected to continue.  
73 Currently we have 1,700 meters that have failed. We have confirmed that the meters have failed,  
74 because we have replaced the software and had the software contractor fly out to verify that the  
75 system is working. Public Works, Utility Billing, and the software contractor have literally spent  
76 hundreds of hours looking into the issues. We were already transitioning to new fixed-base radio  
77 meters that can be read from a single location (as discussed in the budget earlier this year).  
78 However, we were not planning on 1,700 meters to fail at once and the cost to replace all these  
79 meters is far more than what we have in the budget. The meters cost about \$240, and we are  
80 looking at a total of \$410,000 to replace the 1,700 radios currently dead, and an additional  
81 \$192,000 during the next 1-3 years to replace the remaining 800 meters installed about the same  
82 time (we plan to install these 800 as they fail, unless the Council wishes otherwise). Craig  
83 expects that more meters will fail this winter, as it seems the cold ruins many radios that are  
84 teetering on the edge (many of the 1,700 radios died in the November cold snap that hit). So, the  
85 cost could be even higher. There are funds in the Water Fund to cover these meters if the Council  
86 approves new ones. However, the Council will also need to look very closely at the sustainability  
87 of the Water Fund and a rate increase to cover the new meters. I am sending a letter to the many  
88 residents affected, so that people know the facts of the situation and know that the problem is not  
89 going to be fixed for several months. Craig recommends against replacing the meters in winter,  
90 because opening the water lids this time of year will allow in cold air that can cause pipes to

91 freeze. We also would need to wait for the funds to purchase new meters to be budgeted, and for  
92 them to be ordered. There will be more information on this situation to follow. Here are some  
93 questions and answers from Public Works Director Craig Giles about the meter situation:

94 **Why is it worse to replace meters in the winter?**

95 Not only are we dealing with winter conditions (wet and snow) we have to be considerate of the  
96 cold weather on the other components of the meter (wiring, register, meter) it's not impossible to  
97 replace, it adds more cost (insulation) and the chance to freeze increases. Nobody likes opening  
98 meter pits in the winter if you can avoid it.

99 **How have we verified that this is indeed a dead radio problem, and not another issue?**

100 **What steps were taken?**

101 The radios are sealed units so the steps are limited. We have the 'drive by' option and the 'hand-  
102 held' option and when both fail to read the meter we then conclude the radio is dead.

103 **How many more meters may fail? How soon do we expect this to happen? How many  
104 meters have been replaced so far?**

105 In the late 1990's approximately 4,000 meters were changed to the meters we now have. Those  
106 meters and radios had a 5 year guarantee. We have replaced approximately 1,500 in the last two  
107 years. With 1,700 being out at present time that leave about 800 that are left to be changed out.  
108 We were in the process of changing out 800 meters each year, hoping to get on top of the aging  
109 meters but as you can see the years caught up to us. We would like to change out these 1,700  
110 now and the last 800 next year.

111 **Is replacing the radios really the only solution here?**

112 Yes, the radios are dead and the only option is to change them out for new ones. There is nothing  
113 wrong with the meters themselves, but with the radio reading, when we change these out we  
114 leave the meter in place and change out the guts.

115 **What is the estimated cost to replace the 1,700 dead meter radios? What is the estimated  
116 cost to replace the number of currently functional radios that may fail in the next year?**

117 The cost to replace the radio and the register (they are one unit now) with a 20 year warranty will  
118 be \$410,000. The cost of the last 800 will be approximately \$192,000. We have been budgeting  
119 each for replacements unfortunately they are dying quicker than anticipated.

120

121 Public Works Director Giles introduced Ted Kearle from Master Meter, who will provide a  
122 presentation regarding the makeup of the new meter reading system, and Jared Wright from HD  
123 Supply, who is a technical expert that the City will rely upon for the technical side of the system.

124

125 Mr. Kearle provided a brief history of the development of the City's meter reading system,  
126 taking much of the information from Mayor Taylor's memo. There was general discussion  
127 throughout his presentation, with a focus on the difference between the various water meters that  
128 have been used by the City throughout the years. Council Member Bailey stated he is concerned  
129 that water meters are being replaced when the meters could have been repaired by simply  
130 replacing the battery in the meter. He wondered what the City will be gaining by replacing the  
131 City's meter reading system and how those replacement costs will be recouped. City Recorder  
132 Spendlove explained that meters were read today and of the 5,943 accounts in the City, 2,050 of  
133 those meters did not provide a reading. This means the number of meters that are failing  
134 continues to grow each month. There was a debate among the Council over purchasing a new  
135 meter read system or maintaining the current system and reducing the number of meter reads  
each month in order to reduce staff costs. Mr. Giles noted that originally he planned to replace

137 600 meters this year, but after understanding the number of meter failures, he has amended his  
138 proposal to replace 1,900 meters for a total cost of \$374,500. If this proposal is approved, it  
139 would be necessary to replace his annual budget by approximately \$60,000 to replace the  
140 additional 600 or 800 meters that are anticipated to fail. Discussion centered on the importance  
141 of determining if meters to be replaced are actually dead and in need of repair as well as  
142 staggering repairs so that it is not necessary for the City to budget large amounts of money to  
143 replace a large number of meters in a given year.  
144

145 Mr. Wright then provided the Council with technical information regarding the meter system that  
146 his company is proposing the City use. He played a video that illustrated how citizens can easily  
147 use the software associated with the City's meter system to track their readings and water usage.  
148 Council Member Bailey asked if the system is web-based, to which Mr. Wright answered yes.  
149

150 Mayor Taylor inquired as to the integration of the drive-by meter reading system with the fixed  
151 base system since the City will be relying upon both systems for the next several years until all  
152 meters can be replaced. Mr. Wright indicated the two systems can be integrated within the  
153 City's utility billing system.  
154

155 Discussion then centered on the steps staff followed to ensure the request for proposal (RFP)  
156 process was sound and that the bid received and selected by the City is the best, after which there  
157 was a continued emphasis on taking steps to spread the meter replacement program and costs out  
158 over multiple years to ensure that in another 15 or 20 years the City is not faced with replacing  
159 all meters at one time again. Mayor Taylor then noted that estimated over a 10 year life span, the  
160 new meters are cheaper than reading the existing meters manually and over a 20 year life span,  
161 the cost is almost half as much as the City is currently paying; the program will pay for itself.  
162 Mr. Giles added that one thing that is very attractive about the program is that there is local  
163 service available, which has not been the case with the existing system.  
164

165 The City Council concluded they would like additional information regarding the legal  
166 requirements to read meters a certain number of times each year in the City. They would also  
167 like to have a detailed discussion regarding the reevaluation of the water utility enterprise fund to  
168 determine how to structure the cost of capital expenses into the rates and fees charged to  
169 residents.  
170  
171

### 172 **3. DISCUSSION ON BUDGET FOR WATER METER READING PARTS**

173

174 Finance Manager Steele used the aid of a PowerPoint presentation to review the financial  
175 condition of the City's water fund:

- 176 • The cash balance as of June 30, 2014 in the water fund was: \$2,694,134
- 177 • We budgeted use of \$218,599 of cash balance this year
- 178 • This would leave us a balance of \$2,475,535 as of June 30, 2015
- 179 • The City has been depreciating water meters over the years and have accumulated  
180 depreciation of over \$200,000 on them
- 181 • If we purchased the meters now at an estimated cost of \$374,500 our new cash balance  
182 would be \$2,101,035

183  
184 Currently our water rates are:  
185 Base Rate - \$8.65

- 186 • Usage Rates
  - 187 ○ 0 to 19,000 Gallons - \$1.62 per 1,000 Gallon
  - 188 ○ Over 20,000 Gallons - \$2.16 per 1,000 Gallons

189  
190 We have about 5,700 water connections

- 191 • A \$1.00 increase would result in an \$68,400 annual increase in revenue
- 192 • This fiscal year our budget showed we were still short in fully funding our depreciation  
193 by \$171,000 or about \$2.50 per month per resident.
- 194 • To replenish the cash in the water for the purchase of meters in one year, rates would  
195 have to be raised \$5.49.

196  
197 Mr. Steele indicated his recommendation would be to depreciate the meter purchase and capture  
198 the cost of the meters over a few years. Another recommendation would be to change the tiering  
199 of usage amounts. (Le. - Lower the usage amount to 7,000 before the higher usage rate kicks in.  
200

201 Council Member Bailey inquired as to the target fund balance for the Water Utility fund, to  
202 which Mr. Steele responded half the amount of the Water Utilities annual operating  
203 expenditures. Council Member Bailey inquired as to the annual operating expenditures, to which  
204 Mayor Taylor answered approximately \$500,000. He noted the fund balance is much higher to  
205 cover the cost of capital expenditures charged to the Water Utility fund.  
206

207 The Council had a discussion regarding Mr. Steele's recommendation to change the tiering  
208 system used in the utility billing rate chart, with a focus on making adjustments to allow people  
209 to pay for what they are actually using. Mayor Taylor noted that the City's water rates are fourth  
210 lowest in the region and Council Members Bailey and Satterthwaite stated he would like to keep  
211 rates that way.  
212

213 At the conclusion of the discussion, Mayor Taylor summarized his understanding of what the  
214 Council has asked for in order to proceed with future discussions:

- 215 • Information regarding the legal requirements to read water meters (how often).
- 216 • Whether the City can implement an equal pay program for water utility costs.
- 217 • Options for amending the City's water rate tier structure based on usage and pay for  
218 actual use.
- 219 • Information to facilitate the reevaluation of the water utility enterprise fund to determine  
220 how to structure the cost of capital expenses into the rates and fees charged to residents.
- 221 • The cost to continue to manually read meters compared to the cost to replace meters.

222 Mayor Taylor concluded he is hopeful to be able to have the information by the end of the month  
223 in order for discussion to continue.  
224

225 Item 6 was then heard out of order.  
226  
227

228 **6. DISCUSSION CONCERNING UTILITY BILLING, LATE FEES, RECONNECT**  
229 **FEES, LOCKBOX, AND CONVENIENCE FEE**

230  
231 Ms. Spendlove provided an overview of a program offered by Well's Fargo called Lockbox  
232 where a customer's utility payment will be deposited directly into the City's account without  
233 processing by the City. Currently it takes three City employees 72 hours per month to process  
234 utility payments, which costs approximately \$1,152 and the monthly Lockbox cost is \$851. This  
235 will free up the employees to address other needs in the office, such as records management. Ms.  
236 Spendlove then stated she is concerned that the City's fees for late payments, reconnections, and  
237 convenience are too low when comparing to other cities; the City's costs, especially for  
238 reconnections, are not coming close to being covered. She noted there are many repeat offenders  
239 because the penalty is not stiff enough. The Council discussed the issue and indicated they are  
240 supportive of considering fee increases in these areas, especially relative to reconnections. They  
241 also indicated they want to charge convenience (credit card) fees to all customers that pay with a  
242 credit card if allowed by law.

243  
244 Council Member Urry then asked for an update regarding a recent discussion about a subdivision  
245 that has asked for the City's assistance in working with Pineview Water for water service for  
246 their development. Mayor Taylor provided a brief update regarding correspondence he has had  
247 with Pineview, but noted that once he has more firm, factual data he will provide a report to the  
248 City Council.

249  
250  
251 **4. DISCUSSION ON THE GREEN WASTE PIT**

252  
253 Mayor Taylor reported on staff research regarding options for providing different services to  
254 residents related to use of the green waste pit, such as offering a green waste pick-up or other  
255 drop-off options. Inadvertently, that research brought the City's pit into the radar of the State of  
256 Utah Department of Environmental Quality (DEQ), which regulates compost facilities. They are  
257 interested in ensuring the City's facility is meeting their requirements. City Administration is  
258 working with DEQ and will provide additional information to the Council during upcoming  
259 budget meetings. There was a brief discussion of some of the changes that will likely be  
260 required at the green waste pit in order to comply with DEQ regulations, such as no longer  
261 accepting asphalt, circulating and recycling leaves, limbs, and branches, with Mayor Taylor  
262 noting there may not be a significant budget impact, but he will provide additional information  
263 when available.

264  
265  
266 The Council then took a break.

267  
268  
269 **5. DISCUSSION CONCERNING AN AMENDMENT TO ORDINANCE 11-16**  
270 **HOME OCCUPATIONS, TO CLARIFY THE STANDARDS FOR THE**  
271 **ALLOWANCE OF ACCESSORY BUILDINGS/GARAGES**

273 A staff memo from City Planner Scott explained when the City Council is acting in a legislative  
274 capacity it has wide discretion. Examples of legislative actions are general plan, zoning map, and  
275 land use text amendments. Legislative actions require that the Planning Commission give a  
276 recommendation to the City Council. Typically the criterion for making a decision, related to a  
277 legislative matter, requires compatibility with the general plan and existing codes. On June 4,  
278 2014 the North Ogden Planning Commission (NOPC) directed Staff to investigate the home  
279 occupation standards exception for the allowance of garages. There are currently five home  
280 occupations that have a conditional use permit allowing a garage. Home occupations are allowed  
281 in all residential zones. Further discussions were held by the NOPC on August 20, 2014,  
282 September 3, 2014, September 17, 2014, October 1, 2014, and October 15, 2014. On October 15,  
283 2014 the NOPC held a public hearing regarding the draft amendment. The amendment has the  
284 following components.

- 285 1. The ordinance allows garages with a sunset clause of two years; requires the operator to  
286 submit a new conditional use permit application for an additional extension of two years.  
287 There is no limit on new applications unless the operator violated the conditions of  
288 approval. This amendment is applied to both new and existing home occupations. The  
289 operator would be required to submit a report each year demonstrating compliance with  
290 the conditional use permit conditions.
- 291 2. The ordinance clarifies that the required garage parking stalls cannot be used for the  
292 home occupation if the home occupation infringes on the space for the required parking  
293 stalls.
- 294 3. A new section is added establishing a purpose statement for the Home Occupation  
295 chapter. The other sections are renumbered.

296  
297 On January 6, 2015 the North Ogden City Council held a work session to review the draft home  
298 occupation garage exception amendment. The City Council gave direction to Staff to draft an  
299 ordinance that eliminated the garage exception. Since then the City Council has had additional  
300 informal discussions with various planning commissioners and requested Staff to further include  
301 a list of prohibited uses in the home occupation chapter. Staff has consulted with our legal  
302 counsel and received comments that have been incorporated into the draft ordinance.

303  
304 The following is a synopsis of the latest draft ordinance:

305 11-16-1 Purpose Statement.

306 Purpose statement no longer references garage exceptions.

307 11-16-2 Permitted Home Occupations.

308 A new section 2 identifies a list of permitted and prohibited home occupations. All home  
309 occupations meeting the ordinance standards will be permitted uses; there will not be any  
310 conditional uses.

311 11-2 Definitions.

312 There is a new phrase added to the definition of home occupation adding the provision of the  
313 accessory nature of home occupations.

314 11-16-3 Conditions has been changed to Development Standards of all Home Occupations

315 11-16-3D Conducted Within Living Quarters

316 Section 3 makes home occupations with garages a permitted use as long as all other provisions of  
317 chapter 16 are met. Existing prohibited home occupations as defined in 11-16-2 have a two year  
318 amortization period to continue to operate from December 31, 2014.

319 11-16-3G Traffic.  
320 This amendment eliminates the requirement to have a conditional use for home occupations  
321 having more than five round trips a day. A variance would be required to have more than 5  
322 vehicular trips. A second option is to eliminate this requirement.  
323 11-16-3H Parking.  
324 Parking for home occupations which utilize garages must maintain the two car parking spaces;  
325 the area used for the garage exception can not infringe on that space.  
326 11-16-3 N Product Sales.  
327 The extraneous word in the third line has been deleted.  
328 11-16-4 and 5. The chapter numbers have been revised.

329  
330 The following sections from the General Plan should be considered as part of this decision  
331 process:

332 Community Aesthetics

333 (3) Implementation Goal: Attractiveness, orderliness, and cleanliness are qualities that establish  
334 North Ogden as a place where people care about visual appearances. These qualities should be  
335 preserved and required throughout the city.

336  
337 Zoning and Land Use Policy

338 (1) A definite edge should be established between types of uses to protect the integrity of each  
339 use.

340 (2) Zoning should reflect the existing use of property to the largest extent possible, unless the  
341 area is in transition.

342 Residential Guidelines:

343 (2) Avoid isolating neighborhoods.

344  
345 The memo offered the following summary of potential City Council considerations:

- 346 • Are the draft changes appropriate to the home occupation provisions regarding
- 347 exceptions to allow garages?
- 348 • Is the proposed purpose statement appropriate?
- 349 • Does the General Plan support these amendments?

350  
351 Staff recommends the City Council review the attached draft amendments and give direction to  
352 Staff to prepare a final ordinance.

353  
354 Mr. Scott reviewed his staff report and noted it was prepared in collaboration with City Attorney  
355 Call. He noted the goal is to get away from home occupations being a conditional use in the  
356 City; he wants to write the ordinance in a way that it provides permitted uses that are considered  
357 an accessory to the primary use of the property, which is a residence. He provided an overview  
358 of the proposed ordinance and there was general discussion with the City Council regarding the  
359 intent of the ordinance throughout. The lengthiest discussion focused on a policy decision  
360 regarding an incubator period for certain home occupations that may cause a greater impact upon  
361 a residential neighborhood. Mr. Scott made real time changes to the proposed ordinance as  
362 directed by the Council and indicated he will include the updated ordinance in packet  
363 information for a future meeting during which the Council will have the opportunity to take



364 formal action. Mayor Taylor stated it will be possible for the Council to hold a public hearing  
365 regarding this item on February 24, 2015.

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368 **7. PUBLIC COMMENTS**

369 There were no public comments.  
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371  
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373 **8. COUNCIL/MAYOR/STAFF COMMENTS**

374  
375 Council Member Stoker stated she is concerned that printing of the City's Cherry Days  
376 pamphlets was done by a business outside of Ogden City. Ms. Spendlove noted that the Cherry  
377 Days Committee made the decision. There was a discussion about businesses in North Ogden  
378 that offer printing services, with Mayor Taylor noting that information will be provided to  
379 committees stressing the important to shop local.

380  
381 The Council indicated they would like to have a discussion at the next meeting regarding work to  
382 be done at the Public Works Facility site relative to hard parking surfaces.

383  
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384 **9. ADJOURNMENT**

385  
386 **Council Member Stoker motioned to adjourn. Council Member Swanson seconded the**  
387 **motion.**

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389 **Voting on the motion:**

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391 **Council Member Bailey aye**

392 **Council Member Satterthwaite aye**

393 **Council Member Stoker aye**

394 **Council Member Swanson aye**

395 **Council Member Urry aye**

396  
397

397 **The motion passed unanimously.**

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399 **The meeting adjourned at 11:11p.m.**

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402 \_\_\_\_\_  
403 Brent Taylor, Mayor

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406 \_\_\_\_\_  
407 S. Annette Spendlove, MMC  
408 City Recorder

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410 \_\_\_\_\_  
Date Approved