

NORTH OGDEN CITY COUNCIL MEETING MINUTES

June 7, 2011

The North Ogden City Council convened in regular session on June 7, 2011 at 5:30 p.m. in the North Ogden City Council Chambers, 505 East 2600 North. Notice of time, place and agenda of the meeting was delivered to each member of the City Council, posted on the bulletin board at the municipal office and posted to the Utah State Website on June 2, 2011. Notice of the annual meeting schedule was published in the Standard-Examiner on January 1, 2011.

PRESENT:	Richard G. Harris	Mayor
	Wade Bigler	Council Member
	Ron Flamm	Council Member
	Martha Harris	Council Member
	Carl Turner	Council Member
STAFF PRESENT:	Edward O. Dickie III	City Manager
	Dave Carlson	City Attorney
	Debbie Cardenas	Finance Director/Acting City Manager
	Dave Nordquist	Community Services Director
	Julia LaSeure	Deputy City Recorder
EXCUSED:	Annette Spendlove	City Recorder/HR Director
	Brent Taylor	Council Member
VISITORS:	Cody Deeter	Brett Hamblin
	John Zunbuchen	Bob Napoli
	Dave Hulme	Sheryl Ward
	Donna Hall	Linda Stoddard
	Bruce Hall	Rich Kotter
	Lewis Barker	Ann Schmitt
	Rod Barker	Melanie Barker
	Kim Christensen	Aaron Christensen

WELCOME

Mayor Harris welcomed everyone in attendance. He then offered the invocation and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. Consideration to approve business licenses.
2. Consideration to set June 14, 2011 as a date to hold a public hearing to receive comments on an Entertainment Overlay Zone.
3. Consideration to set June 14, 2011 as a date to hold a public hearing to receive comments on the final budget for fiscal year 2011-2012.

Council Member Harris moved to approve Consent Agenda items 1 through 3. Council Member Flamm seconded the motion.

Voting on the motion:

Council Member Flamm	yes
Council Member Bigler	yes
Council Member Turner	yes
Council Member Harris	yes

Voting was unanimous. The motion passed.

PUBLIC COMMENTS.

Richard Kotter, 536 E 2750 N, said he lives across from the McCormick property. He mentioned at the last meeting the City Council voted on the sale of the property but it was a close vote and he thought there could be a chance that someone will change their mind. He has lived there for over 30 years. That property is available for purchase at a reasonable price and this is an opportunity that comes up very seldom. He said he thinks it is important to the park's expansion. Cherry Days is held there and it gets very crowded. This additional land would provide more elbow room. The City is growing and increasing in population. If you don't buy it the McCormick's still have some options of what to do. They could rent it out or sell it to someone else. They also have a corral there and horses that are grandfathered in so there could continue to be 17 horses on that ¾ acre. He is concerned with the weeds and seeds blowing around. The budget is tight but there is a way to deal with it and it sounds logical and reasonable. He said he is not opposed to opening the house to rent to a nice family for a few years but the museum has put a foot in the door. It's a once in a lifetime opportunity and he said the City should go for it.

Lewis Barker, 2720 N 850 E, said he owns some property adjacent to the property to be discussed in item 10. North Ogden purchased that property from his father years ago and he is here to ask some questions. Mayor Harris said since there aren't too many people here we could take a few questions. Mr. Barker said there are two acres in question, are both parcels being considered? Mayor Harris said to his knowledge it is only the 7.2 acre parcel. Mr. Barker asked if there is access to Mountain Rd. Mayor Harris said yes, it will front on Mountain Rd.; there is access through there by the canal and through Heritage Grove. Mayor Harris said there will be access to that parcel. The City needs to maintain access there as well. Mr. Barker asked if it could be legally subdivided if a developer purchased this property. Mayor Harris said to his thinking yes. Mr. Barker asked if the City will guarantee access. Mayor Harris said there would have to be access. Mr. Barker asked if there is secondary water. Mayor Harris said there would have to be. Mr. Barker said Pineview has access and asked whether that would have to be honored? Mayor Harris replied yes. Mr. Barker has an easement there also which will have to be honored. Mayor Harris said yes. Mr. Barker asked if the new owner will be left to deal with the encroachment issues on that property. Mayor Harris said it will be surveyed and those boundaries will be honored. Mr. Barker asked if the City will deal with it. Mayor Harris said he doubts it but the land will be surveyed.

Bruce Hall, 2548 N 150 E, said his property line will be on the boundary of this property for sale. There is currently a road that has been cut toward Lewis Barker's property. Mayor Harris said that road will stay in City ownership. Mr. Hall asked whether that road would be widened. Mayor Harris said he doesn't know; it depends on the subdivision or the City's needs. He thinks right now no but it would probably allow horse and foot traffic. Mayor Harris said if it becomes a subdivision that could happen.

PRESENTATION TO NORTH OGDEN.

Mayor Harris acknowledged several members of the North Ogden Civic League who are here tonight. They are Sheryl Ward, Donna Hall and Linda Stoddard.

Sheryl Ward said she is the past president and explained that the Civic League is donating \$11,400 this year to the City. She said the Chairman of the Projects Committee, Linda Stoddard, has worked with the City to come up with a list of what we really need to do which is attached as attachment A. This has come from projects like the arts festival, afghans and cookbook. The aim of the Civic League is to beautify North Ogden and these are all things that help with that objective.

Mayor Harris thanked the Civic League for all they do and added that the City has a wonderful partnership with the League.

RED CROSS RECOGNITION OF MICHAEL CEVERING, NORTH OGDEN AQUATIC CENTER LIFEGUARD.

Mayor Harris stated this item is being postponed because Michael Cevering is out of town.

DISCUSSION AND INFORMATION REGARDING UTILITY RATES.

Debbie Cardenas, Finance Director, explained that approximately two years ago staff came to Council stating that nothing could be found relating to the way the utility rates were set. The enterprise funds were losing money and the City needed to establish a rate scale which required a study of the utility fees. We hired Lewis, Young, Robertson and Burningham (LYRB) to complete the study. That study has since been updated twice. It was presented at the budget retreat in 2010 and 2011 and

we want to move forward. The Enterprise Funds are still losing money and we are considering building a new public works facility. She introduced Marc Edminster and Cody Deeter of LYRB.

Cody Deeter said he has been with LYRB for over six years and he does a lot of work like this. He was brought in on this project because the firm has made an effort to increase their ability to be efficient. He apologized for the study taking so long to get done and said he will be presenting several scenarios that are attached as attachment B. He explained that the fund balance, fund depreciation and coverage are things that affect bond interest and are the targets that LYRB looked at in doing the rate study.

Council Member Turner asked if the sewer increase from Central Weber Sewer District (CWSD) is included also. Mr. Deeter replied yes.

Mayor Harris explained to the audience that we have a pass through fee from CWSD that we have to pay. He said he just wants the public to know that we do have that pass through fee.

Council Member Bigler asked why, if we have the money to borrow from that fund, we would need to increase the rates. Mr. Deeter said the reason for the increase is the level of coverage that they are recommending. If you are satisfied saying this recommendation is the gold standard and maybe we can ratchet that down, that is up to the City Council. Mayor Harris said we are not increasing rates to make up the difference that we are borrowing.

Council Member Bigler said the 'difference without' column is showing this without the bond or the loan. Mr. Deeter said it is without the bond but the loan is included in that amount.

Ms. Cardenas said that only affects it in the early years because we are going to pay it back. We still needed the rate increase. Council Member Bigler stated we need the rate increase if we do the bond. Ms. Cardenas said we need the rate increase anyway. Council Member Bigler asked how we can borrow a quarter million dollars out of that fund and then tell the residents they need to pay more. Ms. Cardenas said the increase is the same at the end we are just collecting more in the early years.

Mr. Deeter referred the Council to the 11" x 17" pages which are part of attachment B. He said these recommendations will get the City the highest credit rating and the lowest borrowing costs.

Council Member Harris asked when a resident gets their utility bill is that \$22,000 payback cost going to be part of that utility bill. Mr. Deeter replied yes, a little bit but we were still recommending a 25% rate increase in that fund. He said part of the problem is that the residents don't see the pipes in the ground. He understands that it is hard to see it from the citizens' perspective too.

Council Member Bigler said the '% increase' column shows an increase from the 2012 proposed budget. He asked what the increase is from what people are paying now. Mr. Deeter said there is not a rate increase built into the proposed 2012 budget. Ms. Cardenas said there are no proposed rate increases in our 2011-2012 budget. Council Member Bigler asked whether the 25% increase is over and above these numbers. Mr. Deeter said that is correct. Council Member Bigler said he would like to know what that increase is going to be. Mayor Harris wants that reviewed so that we are all on the same page, he suggested adding a column for 2011.

Council Member Flamm said this is about \$60 a year if the City is using the utility increase to bond. He asked, if we did a general obligation bond what would that mean to the rates?

Marc Edminster said the feasibility for a general obligation bond is tricky because there are some timing issues. You wouldn't even be able to hold a bond election until November. If you hold an election in November the best case scenario is to issue bonds early February of next year. It has the lowest cost financing available generally but a utility revenue bond is attractive to the bond agencies because the City has control. He thinks they are sufficiently similar that he would not recommend a general obligation bond and added it is a perfectly legal way though.

Council Member Flamm asked if it is \$60 for a utility bond are we talking a large difference. Mr. Edminster said if you assume they would be issued at the same time he doesn't think it would be a huge difference. Council Member Flamm said it is pretty similar. Mr. Edminster replied yes. Mr. Deeter said they do that calculation but he would guess it will be very

similar. Mr. Edminster said under State Law there is a maximum you can bond for so if you use your limit you would be very restricted.

Council Member Turner asked about Scenario 4; 'no bond'. He said we were \$800,000 short on funds and had to borrow from the General Fund, will this affect that. Ms. Cardenas said no, that is the General Fund and these are Enterprise Funds. She said on scenario 4 if we don't issue bonds the sewer rate is still going up 3%. If we do the bond it is a 22% increase because that 3% is already there.

Council Member Bigler asked what dollar number staff used for the average resident's bill. Mr. Deeter said there isn't an average bill; it is based on equivalent residential connections.

Council Member Harris said the only thing that slides on usage is water. Everything else is the same every month. She looked at her bill and might expect it to go up roughly \$6 but it could be less. Mr. Deeter replied yes. Council Member Harris said for the amount of money her household pays on these fees it is an enormous value. She thinks she is getting a lot for that.

DISCUSSION AND/OR ACTION TO APPROVE THE FINAL ACCEPTANCE OF STONERIDGE SUBDIVISION PHASE I.

Dave Carlson, City Attorney, referred to the staff report recommending final acceptance of Stoneridge Subdivision which is right on the border with Pleasant View. He said when a subdivision is approved there is a list of infrastructure that the City requires. This is kind of a checklist. The Public Works Inspector has gone out and checked those things. In this case there are two items which will continue. The City will retain 10% of the escrow because the sidewalks are brand new. Assuming there are no problems after a year that 10% will be returned to the developer. The other issue is the requirement of a road between this subdivision and a subdivision in Pleasant View. The City's agreement with the developer is that the road could wait until there were 30 homes constructed in that subdivision. The City will retain money in escrow to complete the road. The two accesses are a fire issue but the Fire Marshal has looked at it and is comfortable waiting.

Council Member Flamm asked what would happen if the developer sold the other property and to complete the road that property would need to be purchased, that could increase the amount so that the escrow might not cover it. Mr. Carlson said that is a great question that needs an answer. He recommended that this be pulled until the next meeting.

Council Member Harris moved to table this item until the June 14, 2011 meeting. Council Member Flamm seconded the motion.

Voting on the motion:

Council Member Flamm	yes
Council Member Bigler	yes
Council Member Turner	yes
Council Member Harris	yes

Voting was unanimous. The motion passed.

DISCUSSION AND/OR ACTION TO APPROVE THE FINAL ACCEPTANCE OF BROWNS FARM SUBDIVISION.

Dave Carlson said this was originally an RDA project that sits back behind Taco Time off Washington Blvd. It has taken some time to get this to final acceptance. There were some issues in getting everything complete. There were items that were never completed and the City had money in escrow and then that bank went solvent. Mr. Carlson said the Building Official, Gary Kerr, has done a great job on this. He has been very persistent and did a great job staying with the developer and getting him to complete those items. Staff recommends granting final acceptance.

Council Member Harris moved to approve final acceptance of Browns Farm Subdivision. Council Member Turner seconded the motion.

Voting on the motion:

Council Member Flamm **yes**
Council Member Bigler **yes**
Council Member Turner **yes**
Council Member Harris **yes**

Voting was unanimous. The motion passed.

DISCUSSION AND/OR ACTION TO APPROVE A RESOLUTION DECLARING REAL PROPERTY SURPLUS LOCATED AT APPROXIMATELY 2625 NORTH MOUNTAIN ROAD AND AUTHORIZING THE MAYOR TO SELL IT BY ANY COMMERCIALY REASONABLE MEANS.

Dave Carlson referred to the last City Council meeting when direction was given for the City to sell this property to pay for the purchase of the McCormick property. In order to sell it the City has to declare it surplus. This property is not planned for any specific use on the General Plan. Once you declare it surplus there are a number of options for the sale of this property. The only restriction is that it be sold by ‘commercially reasonable means’. Mayor Harris asked that we consider some additional language on this resolution. Mr. Carlson said he distributed it earlier. One change was to make sure the City preserves an easement to Coldwater Canyon and that the terms of the final sale are subject to the approval of the City Council. It was brought up that is that selling the property right now might not be the best time to sell this property. There is no harm to the City in waiting to sell the property but if the City waits for the real estate climate to get better it would benefit the City. We need to have an understanding that Administration could wait until they feel it is a more opportune time. Council Member Flamm asked if we know how much we paid for this property. Mr. Carlson replied no not right now. Edward O. Dickie III, City Manager, said we usually purchase property for fair market value.

Council Member Flamm stated he feels this is not a great time to sell and he would hate to put it out there until we have a sure vision of where we are going. He said that would be a nice area for a park. Mr. Carlson said the Council could adopt the resolution tonight or just table this item to a certain date in the future to look at it at that time.

Council Member Harris asked if this resolution passed tonight declaring it surplus and we just sat on and nothing happened, is there any damage to having it determined surplus? Can you un-surplus it? Mr. Carlson answered yes. Council Member Harris said this is just the first step. Mr. Carlson replied yes.

Council Member Bigler said the market is tough right now but at a minimum he would like to get some of Mr. Barker’s questions answered for him. Why is it going to affect the neighborhood to the south? Where is the road? Council Member Bigler said we are not sure and he wants the boundary lines shown. Mr. Carlson said we know what the parcel looks like and we have a map. Mayor Harris said we haven’t had it surveyed yet. Council Member Bigler said he would rather wait until we know for sure.

Council Member Turner said we are making this more complicated than it is; we are just trying to declare it surplus. We can see on the General Plan where the property is. If it is surplus we can deem it so with this resolution. It still requires City Council approval. He suggested we declare it surplus and added that we don’t have to sell it right now; we could sit on it for ten years.

Council Member Flamm moved to table this item until the meeting on June 28, 2011. Council Member Bigler seconded the motion.

Voting on the motion:

Council Member Flamm **yes**
Council Member Bigler **yes**
Council Member Turner **yes**
Council Member Harris **yes**

Voting was unanimous. The motion passed.

Council Member Bigler said he appreciates us doing that. He said there are others who may have more information and he just wants to see it.

DISCUSSION AND/OR ACTION TO APPROVE A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE AND SALE AGREEMENT AND TO PURCHASE THE PROPERTY LOCATED AT 545 E. 2750 N., NORTH OGDEN, UTAH.

Dave Carlson said the funding mechanism for this was approved at the last Council meeting for the purchase of this property. The Resolution before the Council tonight gives the Mayor the authority to complete the purchase of the property.

Council Member Harris moved to approve Resolution 06-2011 authorizing the Mayor to execute a purchase and sale agreement and to purchase the property located at 545 E. 2750 N., North Ogden, Utah. Council Member Turner seconded the motion.

Council Member Bigler said he mentioned this the other night and he is still uncertain how we are going to pay for this. All the projections we saw earlier are based on us paying this all back. Mayor Harris said we have scenarios of how to do that; the plan right now is to pay it back at \$22,000 a year for ten years. He said if we have a bad year we will delay it a year.

Council Member Harris said she heard about cities being remiss in paying these things back and have gotten in trouble. We have used this method in the past and have paid it back very resolutely. She feels it is important to the integrity of the residents.

Council Member Bigler asked what the sewer fund is for; what is the purpose of that money. Mayor Harris replied capital improvements in the future and emergencies that may arise. Council Member Bigler asked, if we do this, will we have enough if there is an emergency. Mayor Harris said we may not and that is the risk. Council Member Bigler said if we sold the other property he wants it noted that money will go toward paying this off. He would rather do that than leave it open-ended. He would be more comfortable. Mayor Harris said the intent is to do that very thing.

Council Member Flamm said he moved here in 1958 and the McCormicks were here at that time and Mrs. McCormick was a Shaw. He said all the homes east of the park were owned by the Shaw family so this could be property that was originally owned by settlers of North Ogden.

Voting on the motion:

Council Member Flamm	yes
Council Member Bigler	abstain
Council Member Turner	yes
Council Member Harris	yes

Voting was 3 to 1. The motion passed.

PUBLIC/COUNCIL COMMENTS

Lewis Barker said he would like to see the City maximize their sale of the property adjacent to his so it could be put to a good use. Right now there is a pit there where gravel was mined and at one time the City did put quite a bit of fill there. He wondered how it will affect a future developer. He asked if it takes the City a while to fill, is there a possibility to put clean fill in there and make it a more attractive piece of property.

Council Member Turner stated the Parks and Trails Committee will meet tomorrow at 5:30pm.

Council Member Bigler said on May 9, 2011 we received an email from Mr. Kirk Heneffer regarding water usage. Council Member Bigler said he emailed Mr. Heneffer back saying that is a legitimate argument and recommended that we look at that at a future Council meeting. Mayor Harris said that was resolved with the owner. Dave Carlson explained that is an unusual pocket of land and is outside the service area of Pineview. The City’s policy is that the landowners can use the culinary water for irrigation. We sent him a letter stating that he could use the culinary water until the secondary water system goes in over there and then he has to connect to secondary.

Bruce Hall, 2548 N 1550 E, said Council Member Flamm mentioned the property by the gravel pit has in the past been evaluated as a park. There has been precedence stating that it has been looked at as a park. He asked, if the citizens petition the City to develop that area as a park for public use, would the Council allow the citizens to present something to them?

Edward O. Dickie III asked if he is talking about the residents developing and maintaining it. Mr. Hall said the residents have discussed this and wonder whether they can bring forth a plan and a purpose for this property. There are a lot of people who use that property. He suggested it be left in its natural terrain instead of building more homes. He asked the City to consider that. Mayor Harris said we are obligated to listen to the citizens but there is a need for it as a funding source. Mr. Hall asked that the City evaluate and downsize the Public Works complex.

Council Member Flamm said on June 13, 2011 the Clear the Air Challenge begins. They ask us to reduce the miles we drive by using alternate transportation, trip chaining, etc. They are asking us to make a commitment to reduce the carbon emissions. He referred the audience to www.cleartheairchallenge.org or www.travelwise.utah.gov for more information.

Council Member Harris said she attended the Museum's open house and it is amazing what that Committee has done. She thought she knew things about North Ogden even though she has only been here since 1985. It was an excellent opportunity to learn things about our community. If they are able to move into the McCormick house it would be a great thing for more residents to see.

Edward O. Dickie III said he will be meeting with the Museum Committee to discuss the scenario of them renting out the McCormick house.

ADJOURNMENT.

Mayor Harris proposed recessing the City Council and convening in the MBA and RDA then reconvening in the City Council.

Council Member Bigler left at 7:43pm.

Council Member Bigler returned at 8:00pm.

The City Council reconvened at 8:58pm. No action was taken.

Council Member Flamm moved to adjourn. Council Member Bigler seconded the motion.

Voting on the motion:

Council Member Flamm	yes
Council Member Bigler	yes
Council Member Turner	yes
Council Member Harris	yes

Voting was unanimous. The motion passed.

The meeting adjourned at 9:00pm.

Mayor Richard G. Harris

S. Annette Spendlove, MMC
City Recorder

Date approved