

NOTICE

Notice is hereby given that the Mayor and City Council will hold a Work Session on March 13, 2013 in the Council Chambers, 45 West 100 South, beginning at 6:00 pm.

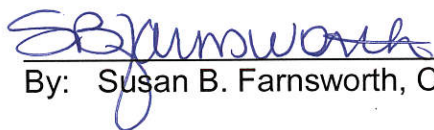
DISCUSSION ITEMS

1. Discussion regarding development on the Ahlin Ranch Property
2. Discussion – Development Fees
3. Budget
4. General Discussion

If you are planning to attend this Public Meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City Office ten or more hours in advance and we will, within reason, provide what assistance may be required.

CERTIFICATE OF MAILING

The undersigned duly appointed City Recorder for the municipality of Santaquin City hereby certifies that a copy of the foregoing Notice and Agenda was e-mailed to the Payson Chronicle, Payson, UT, 84651.



By: Susan B. Farnsworth, City Recorder

Posted:
City Offices
Post Office
Zions Bank

**MINUTES OF A COUNCIL WORK SESSION
HELD IN THE COUNCIL CHAMBERS
March 13, 2013**

The meeting was called to order by Mayor James E. DeGraffenried at 6:01 p.m. Council Members attending: Keith Broadhead, Matthew Carr, Kirk Hunsaker, James Linford and Rick Steele.

Others attending: City Manager Ben Reeves, Community Development Director Dennis Marker, Jimmy DeGraffenried, and other unidentified individuals.

DISCUSSION ITEMS

Development on the Ahlin Ranch Property

Dennis Marker said he had been approached by Jimmy DeGraffenried, who is working with the owner of a portion of the property near Pole Canyon. The original development agreement allowed 350 homes on the property, which included a mix of townhomes and ½ acre and ¼ acre lots. In 2007 the City was approached by DAI development, who wanted to modify the original concept to include a range of lots, clustered patio and twin homes, and larger lots around the perimeter. Mayor DeGraffenried clarified that he had no ties to the property or the owner, as the property did not belong to his son, Jimmy. The Council reviewed a preliminary plat for the parcel.

Dennis Marker said that the agreement with DAI called for Highland Drive to be continued to the South interchange during the first phase. A clubhouse/library and extensive trails were planned for the project. DAI Development went into foreclosure. The property is now divided, with two owners. The final plat was never granted approval. Reducing the number of lots could be handled at an administrative level, but realignment of the public space would require Planning Commission and City Council approvals. Mr. Marker said there had been some consideration and discussion concerning a sports complex in the area.

Jimmy DeGraffenried said he would like to develop ½ acre and larger lots along Pole Canyon, as people seemed to be looking for lots with more property. Original plans called for 102 lots in this section, and Mr. DeGraffenried is proposing 70. He presented a map of the changes to the Council. The developer proposes that 10 or 11 lots be placed on Pole Canyon Road as the first phase.

Mr. Marker said he and City Manager Ben Reeves had met with Mr. DeGraffenried prior to the meeting, and a major issue with the change was the stipulation in the recorded development agreement that the first phase would put in the frontage road. Mr. Marker said this would be a ¾ mile collector road, which JUB Engineering estimates will cost \$1,200 per foot, about \$4.5 million total. Mr. DeGraffenried said that would be cost prohibitive now. He said he knew the developer would be responsible for his portion of the road, but this proposal will be for just one row of houses. Council Member Steele said the neighbors would be happier with this proposal. He asked what the developer's plans for the frontage road would be. He said he would like to see the loop tied in, so there was more than one way in or out. Council Member Linford suggested collecting a bond per house that would satisfy the road costs.

COUNCIL WORK SESSION

March 13, 2013

Page 2

Development on the Ahlin Ranch Property, continued:

Mr. DeGraffenried said this proposal is for one row of houses, in order to see if the theory that people will buy bigger lots is correct. He said it was a gamble because there are more development costs, and they do not know if the lots will sell for sure. Council Member Linford said he liked the idea of less density. Council Member Carr said the proposal was in harmony with the hillside protection zone. Mr. DeGraffenried said the lots that border the PI pond will be much bigger.

Mr. Marker said the agreement could be amended for this portion, building in trigger points for when this section of the road would be completed. There is a potential for secondary access from the property to the north. Mr. Reeves said about a third of the frontage will hit the new road, and about two thirds will be on the Thompson property. He said it makes more sense to have proportionality on the road costs, with money set aside for the road in the future, whether triggered by a certain number of homes or development. Council Member Linford said he was concerned that reasonable access be provided, and traffic not be impeded. He is also concerned about green space. A certain amount was reserved in the original agreement. Mr. Marker said this property is in an R-15 zone, and technically the developer could put in a standard subdivision with no green space. The previous developer proposed to increase public open space in exchange for increased density.

Council Member Carr asked what improvements are proposed for this development. Mr. DeGraffenried said a sewer line, sidewalk, curb and gutter will be put in, and the road widened. Council Member Broadhead asked if the original density for the entire property would still be allowed. Mr. Marker said the density was based on a concept, and any variation would have to come to the Council. He recommended a new agreement be made which would amend the overall density.

Council Member Broadhead asked if there were sufficient fire flows. The Council discussed water issues in the area, including fire flow availability, diverters, two way feeds, and the necessity for the available delivery of a thousand gallons per minute.

The development of the frontage road was discussed. Council consensus held this would have to be part of any new agreement. Mayor DeGraffenried said this could bind the City a little on the Thompson's agreement, and Mr. Thompson would have to be involved. Mr. Reeves said if the overall development agreement indicated the first phase would take care of the road, Mr. Thomson could say it was not his responsibility. He said now that there were two separate properties, a proportionate response was right. Council Member Linford said each lot could be charged based on square footage.

The Council briefly discussed putting ball fields on the property. Mr. DeGraffenried said the owner does want to make money, but is not out to make a killing. They could look at trading ground or other options. Council Member Steele said this would be a perfect spot for a high school. Ben Reeves said the school district has indicated they prefer to be more north of the population center.

COUNCIL WORK SESSION

March 13, 2013

Page 3

Development on the Ahlin Ranch Property, continued:

Council consensus held in favor of the change to larger lots, and directed staff to move forward with the proposal, checking water flow, density, road issues, and whatever else would make it work.

Development Fees

Dennis Marker said this item referred to the amendment regarding inspection fees. Mr. Marker reviewed the changes, including the requirement regarding prepayment of inspection fees, which the Planning Commission set at 7%. The City uses a new building permit program which can track subdivision inspections. Paper work and travel time would be calculated as part of the inspections. After the subdivision is complete, the developer would submit a request for reimbursement of any remaining funds.

Mayor DeGraffenried said that was a huge amount to be tied up for so long. The developers were paying interest on the money, but the City would keep it in a non-interest bearing account. Mr. Marker said the Planning Commission felt it was easier to get the money up front than at the end of the building process. The City collected 4% for inspection fees last year. An additional 3% will be collected for materials testing. Council Member Broadhead said in Spanish Fork 4% covered everything, including materials testing. After some discussion, Council consensus held that 4% be collected for inspections, not 7%, and the money be held in an interest bearing account.

Ben Reeves said returning the unused funds will have fiscal impacts, the extent of which cannot be recognized until utilized. True costs for inspections include the use of the truck and the building, not only personnel. He said it will be a year or two before the City knows how accurate the inspection fees will be. He suggested the inspection amounts be reviewed in a year and adjusted if necessary. If the money is placed in an interest bearing account, it becomes an accounting issue to calculate the interest due to each subdivision.

Mr. Marker said the amendment can be modified however the Council wishes. Council Member Broadhead suggested this be put in a resolution so it was easier to change. Council Member Hunsaker asked if the developer sees the tracking on inspection fees. Mr. Reeves said they had not in the past, but would in the future. Council Member Broadhead asked if progress meetings were held with developers. He said it would be healthy to meet with them every few weeks. Mr. marker said this was done during the park improvement process.

Inspection Fees

Mr. Marker said a question had arisen on builder and developer charges, and whether both groups were being charged for the same items. Staff is looking at consolidating and reducing permit costs so it is more attractive to build in Santaquin. A typical single family home building permit runs around \$14,000, about \$11,000 of which is impact fees. Developers pay for the direct tap into the main, and the builder pays for the meter and inspection.

COUNCIL WORK SESSION
March 13, 2013
Page 3

Inspection Fees, continued:

Mr. Marker said he had some concerns with the connection fees, and wanted to make sure the building permit fees were representative of actual inspection fees. He suggested the ID sign fee be rolled into the building permit fee. Mr. Marker said he will be doing some additional analysis on the fees.

Road Cut Fees

Mr. Marker said the road cut fee is \$75 plus \$1 per square foot, which needed to be increased. The cost for one inspection is close to \$50, and a road cut requires at least two inspections.

A thousand dollar cash bond is required for a road cut permit, which is held for one year. Mr. Reeves said he agreed the City fees should be charged appropriately, but it will dramatically affect the budget. He agreed in principle, but said the Council needed to recognize when fees were cut, funds needed to be made up somewhere else. PI connection fees average \$10,000 a year, and sewer connection fees average \$10 to \$20 thousand a year. Council Member Linford said the fees were to help pay for infrastructure and upkeep and maintenance. Mr. Marker said user fees were for upkeep and maintenance, while sewer impact fees were for impact to the system.

Mayor DeGraffenried said he liked that this was being cleaned up. Council Member Linford said maybe the building permit fee should go up to incorporate different fees. Mr. Marker said the building department would go back and look at how many inspections are done per house. The plan check fee is 65% of the building fee, and that will also be reviewed to see if it needs to be modified. Mr. Reeves recommended that once new fees were established, budgets be reviewed for the last couple of years to see what the fiscal impact would have been if those changes were in place.

Budget

Mr. Reeves said he had recently attended a state meeting regarding federal health care changes. One issue arising now is that if an employee works more than 30 hours, they must be offered health insurance. Some employees decline the insurance, and are paid cash by the City to do so, currently \$300 per month. Other employees may decide to decline if that amount is raised. Currently the City has seasonal, temporary, part time, part time benefitted and full time employees. Those with over thirty hours with benefits are now considered full time. The definition of part time benefitted may need to change.

The Justice Court is required to be open two hours per day. The City has the ability to accept payments 24 hours per day. The court has been open 8 hours per day, but the court clerk has recently resigned and the court could be re-staffed with part-time personnel. Mr. Reeves said staff is looking at combining the court position with a front desk position so two people will be trained in court transactions, in order to cover vacation and sick leave. He recommended advertising for a part-time court clerk. Mr. Reeves said two people are needed to cover the front desk. If the Council desires to hire a part time court clerk, another part timer could be hired for the front desk, the court clerk for 25 hours and the front desk person for 20 hours. The State legislature is considering the issue of offering state retirement for those who have benefits.

COUNCIL WORK SESSION
March 13, 2013
Page 5

Budget, continued:

Mr. Reeves said there was some good news concerning fire and EMS personnel. If personnel is paid by the hour and work more than 29 hours, insurance must be provided. The increase in the minimum wage will also impact this group. Mr. Reeves was referred to a document put together by an international fire group which gives clear definitions on volunteers. If a person provides the service for 20% or less of a regular wage, they are considered a volunteer.

Fire and EMS personnel will not continue to be paid per hour. The City could pay EMS by shift rather than by hour, and a system needs to be created whereby firefighters are paid per fire rather than hourly.

Mr. Reeves said an insurance broker had recently inspected the facilities. There are some concerns with seismic and roofing issues for the museum. Many artifacts are on loan from or donated by residents, and the City insurance does not cover artifacts. There could be a substantial increase in the insurance to cover these items. Council Member Steele said if we were liable for the items it was time to get rid of the duplicates. Mr. Reeves said the duplicate items could be sold and the money used to create better displays. A professional assessor would be needed to assess the value of the museum pieces for the insurance. Council Member Linford said the artifacts were deteriorating because of the condition of the building.

A Library Board has been established for library issues. Mr. Reeves said it may be time to organize a Museum Board. Mayor DeGraffenried said bylaws for a Museum Board could be pulled from other communities, and suggested Museum director Annette Bott be asked to be part of establishing the board.


Mr. Reeves said the State code allows for a botanical and cultural tax which could be implemented for things like the museum. This would need to be approved by voters. Dennis Marker was directed to work on this issue for the November ballot. Council Member Broadhead said if the vote does not pass it will send a message to the museum.

Mr. Reeves said a public transit tax is also possible, which could be a revenue source available in the future.

The meeting adjourned at 8:35 p.m.

Approved on March 20, 2013.


James E. DeGraffenried, Mayor


Linda Midgley, Deputy Recorder