

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, May 3, 2016 at 5:30 p.m. in the Logan City Municipal Council Chamber, 290 North 100 West, Logan, Utah. Chairman Herm Olsen conducting.

Councilmembers present at the beginning of the meeting: Chairman Herm Olsen, Vice Chairman Holly Daines, Councilmember Tom Jensen, Councilmember Jeannie F. Simmonds and Councilmember S. Eugene Needham. Administration present: Mayor H. Craig Petersen, Finance Director Richard Anderson, City Attorney Kymber Housley and City Recorder Teresa Harris.

Chairman Olsen welcomed those present. There were approximately 18 citizens in the audience at the beginning of the meeting.

OPENING CEREMONY:

Pastor Ron Flessner gave the opening thought, prayer and led the audience in the pledge of allegiance.

Meeting Minutes. Minutes of the Council meeting from April 19, 2016 were reviewed and approved.

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to **approve the April 19, 2016 minutes and approve tonight's agenda.** Motion carried unanimously.

Meeting Agenda. Chairman Olsen announced there would be seven public hearings at tonight's Council meeting.

Meeting Schedule. Chairman Olsen announced that regular Council meetings would be held the first and third Tuesdays of the month at 5:30 p.m. The next regular Council meeting is Tuesday, May 17, 2016.

QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL:

Logan resident Joe Tennant addressed the Council and said he would like to know more about the direction of Logan's Light & Power Department in regards to power needs.

Councilmember Simmonds suggested that some of Mr. Tennant's questions can be answered during the light's department budget presentation.

Mayor Petersen added that Mr. Tennant is also welcome to meet with Mark Montgomery, Director of the Light & Power Department.

Logan resident Patty Reeves addressed the Council regarding the liquor laws and feels that no church should dictate the laws of the State of Utah. She also gave each of the Council Member's a hand written letter regarding this issue.

There were no further comments or questions for the Mayor or Council.

MAYOR/STAFF REPORTS:

Declaration: National Day of Prayer – Mayor Petersen

Mayor Petersen read a Declaration designating May 5, 2016 as the National Day of Prayer.

Updates on Projects/Issues – Mayor Petersen

1. Current Construction Projects
 - a. Construction of the sidewalk along the steep dugway will start Monday, May 9 and will continue through the summer months.
 - b. There is a construction project along 100 East between 200 North and 300 North this week.
 - c. Cemetery entrance construction continues and will be completed before Memorial Day.
2. The closing for the purchase of the Emporium, Plaza 45 and Poco Loco properties is scheduled for Monday, May 9.
3. Council Members are invited to attend the Employee Appreciation Lunch on Monday, May 23 at the Golf Course.
4. City projects for the Community Bridge Initiative for Fall 2016 are being assembled. Ideas from Council Members are welcome.
5. Reconstruction of Third Dam will probably be delayed because the Federal Energy Regulatory Commission is unlikely to approve the permit by June 1, 2016.
6. Decorative lights have been installed on 100 North from Main Street to 100 West.
7. Installation of decorative lights on 400 North from Main Street to 700 East will start soon. The duration and cost of the project is likely to be reduced because there is existing conduit and less boring will be required.
8. Community Garden plots near the Bridger School are now being assigned. The cost is \$20 per 200 square foot plot, plus a \$15 refundable clean-up deposit. To reserve a plot, call Helen Muntz at USU Extension, 752-6263.

Budget Presentation – Mayor Petersen

Mayor Petersen read the following Budget Message for Fiscal Year 2017.

The basic philosophy used to develop Logan City's annual budget is that revenue predictions are conservative and the city continues to seek ways to reduce expenses so that tax dollars are used more efficiently. Each year, there are many more "wants" than can be funded based on existing revenue sources. Indeed, it is challenging to fund even the city's basic "needs." But scarcity is a reality in almost all personal and institutional budgets and it has the virtue of forcing a closer examination of how resources are allocated.

Following are budget “highlights” on both the revenue and the expense side.

REVENUE FORECASTS

As noted above, revenue forecasts for all funds are intentionally conservative. This approach has been adopted because predictions that are overly-optimistic can require mid-year expenditure adjustments and also may create expectations for future years that cannot be satisfied. In contrast, conservative revenue forecasts assure that the City will “live within its means” and also can provide a buffer against unexpected downturns in economic activity.

In presenting a balanced Fiscal 2017 Budget for Logan City, the following general assumptions were made regarding the various revenue sources:

Revenues from the General Property – 1.5 % increase

Revenues from the General Sales Tax – 5.0% increase

PROPOSED PROPERTY TAX INCREASE

I propose that the Library Property Tax Levy be increased to generate additional revenue of approximately \$270,000 per year. This would increase the property tax on a \$200,000 home by approximately \$10 per year. By borrowing internally at market rates for a period of eight years, this change would provide \$2,000,000 for new library construction. At the end of eight years, the funds could be used for library maintenance and operations, or the levy could be partially reduced.

PROPOSED EXPENDITURES

Proposed operating expenses are essentially unchanged in all departments, as they have been for several years. This poses a challenge during years of consistently increasing costs, but so far we have been able to maintain services. The most significant proposed expenditure changes in the Fiscal 2017 Budget are as follows:

Pay for Performance - The budget includes a 3% wage/salary increase and approximately \$200,000 for market adjustments. These increases will be distributed to departments who will then have the responsibility to determine how the money is allocated to individual employees.

Health Care Costs - The City’s health care cost will increase by 9% over last year, compared to an increase of 5% last year.

Retirement Benefits - Retirement costs are substantially unchanged from the previous year.

Other - Appropriate \$10 million for the Hydro III project with Third Dam reconstruction scheduled to begin this fall if the required permit can be obtained from FERC in a timely manner. Appropriate \$3.2 million for lining the first cell of the North Valley Landfill. (Note: \$9.3 million was appropriated last year for road and cell construction, but the actual bids for the two projects totaled just over \$5 million).

SUMMARY

The proposed budget increase in the General Fund compared to Fiscal 2015 is 2.2%. The Environmental Health budget will increase by 1.7 % and the other Enterprise Fund budgets are essentially unchanged.

I appreciate the insight and skill of my staff (especially Finance Director Rich Anderson) in developing a prudent and realistic budget. I look forward to the City Council's careful review and input. Comments from the general public are also invited.

COUNCIL BUSINESS:

Council Budget Workshop Scheduled – May 10, and May 17, 2016 beginning at 5:30 p.m. in the Logan Municipal Council Chambers

ACTION ITEMS:

(Continued from April 5, 2016) PUBLIC HEARING – Consideration of a proposed resolution to approve the Hillcrest Neighborhood Plan – Resolution 16-12

Community Development Director Mike DeSimone addressed the Council regarding the proposed resolution and two ordinances.

He stated on February 25, 2016, the Planning Commission recommended that the Municipal Council approve the Hillcrest Neighborhood Plan along with associated changes to the Future Land Use Plan Map (FLUP), and several rezones.

The City Council reviewed these items in a workshop on March 15, 2016 and held a public hearing on April 5, 2016. The items were continued until May 3, 2016 to allow for the assemblage of the Hillcrest Neighborhood Planning Steering Committee to consider the Deer Pen in more detail. The Hillcrest Steering Committee met April 12, 2016 to discuss Deer Pen Visualization No. 2 as well as other potential options. Based on that discussion, a modified Deer Pen Development Plan was prepared and submitted as part of the Hillcrest Neighborhood Plan. The principles behind this modified plan were a desire to consolidate development along existing streets to avoid going through Deer Crest (private roads) and to minimize new road construction, reduce the number of lots while increasing the overall lot sizes, avoid high voltage transmission lines, consolidate open areas into larger more useable tracts, and work with the Parks Department to commit towards a Parks planning effort in Deer Pen.

Mr. DeSimone said one issue that is still outstanding is making sure that the residents are comfortable with this plan and for the most part the responses he has received have been favorable. He said there were three development proposals in the Deer Pen property:

1. No development
2. Moderate development
3. Maximum development

Staff recommended to Council that we don't rezone the Deer Pen now and wait until we actually have a formal subdivision to go with it. Staff recommended that the Council adopt the Future Land Use Plan with changes that show the boundaries and gives us the policy basis for doing the rezone.

Vice Chairman Daines clarified when we actually change the zoning it will be presented and go through the Planning Commission at the same time we do the subdivision request. At that point, the neighborhood can comment on details such as traffic impacts, driveways, drainage issues, etc.

Mr. DeSimone responded that is correct, the neighborhood will have an opportunity to refine the details.

City Attorney Kymber Housley recommended opening the public hearing for all three proposed items (Resolution 16-12, Ordinance 16-08 and Ordinance 16-10).

Chairman Olsen opened the meeting to a public hearing for Resolution 16-12, Ordinance 16-08 and Ordinance 16-10.

Ron Flessner, Hillcrest Resident – Mr. Flessner said it has been stated that the original intent for the Deer Pen property was to be used as a future cemetery. He asked how will this work with the current plan.

Mr. DeSimone responded the City has determined there is not an immediate need for a cemetery. The City is proposing to build residential lots in the Deer Pen and repay the Cemetery Fund that loaned the money to buy the property in the first place. Then, at some point in the future we will look for another cemetery location.

Michael Timmons, Hillcrest Resident – Mr. Timmons expressed his appreciation to Mr. DeSimone and City Staff for putting together the Hillcrest Neighborhood Plan and he feels what the City has proposed will work. He expressed his support for the revision of the Deer Pen area and said the City and Staff have been very willing to work with the neighborhood. He said one of his concerns is the potential of land use “creep” and what could happen in the future with the open space. His understanding is that in the future there can be minor adjustments but there is a line drawn and what is there will stay and become part of Logan City Parks.

Debbie Brough, Hillcrest Resident – Ms. Brough expressed her thanks to the Council and asked them to consider removing Lots 1, 2, and 3 from the map. She feels that doing this will allow more continuity in the open space. She also suggested the Council determine if the Cemetery Fund is being prioritized as much as it should be in the coming years.

For the remaining open space, she asked if there is a plan or funding set aside for what Parks & Recreation would design for a future park area.

Councilmember Simmonds said it was her understanding that the open space would not necessarily be a “park” with grass but, rather an open space area.

Mr. DeSimone responded that is what the Parks & Recreation Department will determine.

Chairman Olsen said he knows there was some sentiment to leave it natural and to determine whether that would be at a higher or lower cost.

Vice Chairman Daines said in regards to the funding, residents need to realize that it won't happen quickly. We already have a long list of Parks & Recreation projects that are prioritized and this area would be added to that list as far as improvements being made. There is no guarantee that it will happen fast.

Councilmember Jensen said in regards to leaving the area natural some of it has been disturbed.

Mr. DeSimone said it will also require some restoration work to be done and that will also be determined through the process with Parks & Recreation.

Mayor Petersen said the area also has to work with storm drainage and as we put in lots there would have to be some contouring in this area.

Ben Gunsberg, Hillcrest Resident. Mr. Gausberg thanked Mayor Petersen, the Council and Staff for being so receptive to the neighborhood concerns and ideas. His one concern is the cul-de-sac off 1500 East. He said there was a traffic study done and he asked as these lots are built, how much traffic will be coming down 1500 East. He asked if it would be cost prohibitive to have the through road and go off Aspen Drive because that would split the traffic for those heading North and take some pressure off 1500 East.

Mr. DeSimone said one of the reasons they decided not to go off the private street is that it would cost the City money but there is also no right of way extended through and we would have to purchase property to make it work. The decision was to use the existing City right of way instead. There are only 22 lots on this roadway and if speeding is an issue, the police department can do more enforcement. Traffic counts have been done and they are minimal.

Public Works Director Mark Nielsen said according to the ITE Manual which indicates traffic counts, it states that in a residential neighborhood each home accounts for about 10 trips per day.

Mr. Gausberg said if the traffic is coming off Aspen Drive he feels it would be more appealing to a future homeowner if they were off a busy road.

There were no further comments and Chairman Olsen closed the public hearing.

Councilmember Jensen said he has been impressed as he has read through the plan and feels it has been revised in an appropriate and responsive way.

ACTION. Motion by Councilmember Jensen seconded by Councilmember Simmonds to **approve Resolution 16-12** as presented. Motion carried unanimously.

***(Continued from April 5, 2016)* PUBLIC HEARING – Consideration of a proposed ordinance to amend the Future Land Use Plan Map (FLUP) for those areas identified in the Hillcrest Neighborhood Plan as suitable for map amendment – Ordinance 16-08**

Chairman Olsen said regarding the request from Hillcrest resident Debbie Brough of removing Lots 1, 2, and 3, what is the Council's desire.

Mr. DeSimone responded they were there in the second proposal and again it was accessing private driveways and roadways. It would require us to negotiate with the developer to have access and the other option is to come off 1700 East and residents didn't want the additional traffic. The total number of lots was reduced by 2. His recommendation is to leave Lots 1, 2, and 3 where they are now.

Vice Chairman Daines said the City has really tried to go through a process and address as many of the concerns from the neighborhood as possible. She feels we need to move ahead and supports the plan as presented leaving Lots 1, 2, and 3.

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to **adopt Ordinance 16-08** as presented. Motion carried unanimously.

***(Continued from April 5, 2016)* PUBLIC HEARING – Consideration of a proposed rezone of areas identified in the Hillcrest Neighborhood Plan as suitable for rezone – Ordinance 16-10**

Vice Chairman Daines said she likes the suggestion from Mr. DeSimone to hold off on the rezone until we have the subdivision ready to go. Residents could then comment specifically once there is a definite plan.

Mr. DeSimone stated the recommendation is this is the proposed rezone/zoning map changes. He suggested the Council adopt the proposed map; it doesn't change until a subdivision plan is brought forward and then the Council can look at the changes for the specific property.

ACTION. Motion by Councilmember Simmonds seconded by Councilmember Jensen to **adopt Ordinance 16-10** as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed resolution adopting the Community Development Block Grant (CDBG) Annual Action Plan, Program Year 2016, for the City of Logan – Resolution 16-14

At the April 19, 2016 Council meeting, CDBG Coordinator Aaron Smith addressed the Council and reviewed the Annual Action Plan.

He stated the City is required to develop an Annual Action Plan each year for submission for approval to the U.S. Department of Housing and Urban Development (HUD), which plans delineate funding allocations to CDBG sub recipients and strategic priorities and a

community needs assessment. It is estimated that the City has \$448,808 to allocate from HUD for PY2016.

The City has complied with the applicable requirements approved by HUD and outlined in the City’s Five-Year Consolidated Plan, which requires that:

- A steering committee is formed to meet and review each eligible application for funding and to come to a unanimous consensus for a recommendation; which recommendation includes funding allocations and funding conditions; and which is submitted for approval to the collective City Council; and
- Specified public hearings are held, notices are published, and both the Consolidated Plan and Annual Action Plan under consideration are made available for public review and comment in accordance with the Citizen Participation Plan.

Application Period

The City of Logan held an application period from February 5, 2016, to March 4, 2016. During the application period, two application workshops were offered to provide potential applications with an opportunity to learn about application requirements.

City Departments and nonprofits serving low/moderate income residents were invited to make application.

CDBG Program Year 2016 Funding Recommendation

The CDBG Steering Committee met on March 17, 2016, and made the following funding recommendation:

| Activity | Funding Amount |
|--|-----------------------|
| 400 N 300E/500 E Medians and Crossings | \$180,000 |
| 200 W 1600 N Sidewalk | \$73,000 |
| 400 E Center Sidewalk | \$48,000 |
| Family and Information Center Building Addition | \$19,000 |
| Whittier Center Window Replacement | \$20,000 |
| Common Ground Facility Roof | \$14,047 |
| Bridgerland Literacy Program Expansion | \$5,000 |
| Program Administration | \$67,321 |
| Woodruff Neighborhood Plan | \$5,000 |
| Access and Mobility Plan | \$5,000 |
| Program Planning | \$12,440 |
| Total Funding | \$448,808 |

It is recommended that any PY2016 funds awarded by HUD in excess of the estimate or any funds recaptured from any other CDBG activity from any program year will be automatically reallocated to the 400 N 300 E/500 E Medians and Crossings activity up the total activity budget.

Public Review and Comment Period

A public review and comment period regarding the proposed PY2016 Annual Action Plan runs from April 4, 2016 to May 3, 2016, and is scheduled to end at the conclusion of the public hearing scheduled for May 3, 2016.

Public Hearing

A public hearing is scheduled for May 3, 2016, for the purpose of receiving public input by Logan residents regarding the proposed plan. The hearing takes place as part of the regularly scheduled City Council meeting, which begins at 5:30 p.m. Special accommodations are offered for those that request and need them.

Chairman Olsen opened the meeting to a public hearing.

Kelly Howell, Director of the Whittier Community Center addressed the Council. She thanked the Steering Committee for including the Center's request for funding. The Whittier Center is 108 years old and the windows are original. They recently received \$25,000 from an Eccles grant and \$20,000 from CDBG will allow them to replace some of the windows this year.

Claudia Brilliant from the Family Information Resource Center addressed the Council. She thanked the Council for their support and asked them to approve the proposed funding.

There were no further comments and Chairman Olsen closed the public hearing.

ACTION. Motion by Councilmember Jensen seconded by Vice Chairman Daines to **approve Resolution 16-14** as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed resolution approving the budget for the 2016 Freedom Fire Event – Resolution 16-19

At the April 19, 2016 Council meeting, Parks & Recreation Director Russ Akina addressed the Council regarding the proposed budget for the 2016 Freedom Fire event.

Mr. Akina stated the Logan Parks and Recreation Department is preparing to produce the Freedom Fire annual patriotic community event for Friday, July 1, 2016, at Utah State University Maverik Stadium to commemorate our nation's independence. The event known as Freedom Fire is composed of live professional entertainment, aerial fireworks, sound and lighting, and promotion of the event that involves marketing, advertising, and the development of sponsorships, grants, and ticket sales to help offset event expenditures.

The proposed 2016 Freedom Fire Budget is the following:

**2016 Freedom Fire Proposed Budget
Parks and Recreation Department**

| <u>Revenue:</u> | <u>2015 Actual</u> | <u>2016 Proposed Budget</u> |
|-----------------------------------|--------------------|-----------------------------|
| Ticket Sales | 46,030 | 48,000 |
| RAPZ | 30,000 | 40,000 |
| Sponsorships | 36,000 | 42,000 |
| Donations | 50 | 500 |
| RAPZ Pop. Split | <u>46,859</u> | <u>46,360</u> |
| Projected Revenue: | 158,939 | 176,860 |
| | | |
| <u>Expenses:</u> | | |
| Production Expenses | 18,000 | 18,000 |
| Entertainment | 19,200 | 30,160 |
| Advertising | 8,168 | 4,000 |
| Event Insurance | 11,484 | 11,500 |
| USU Facilities Fee | 11,295 | 11,500 |
| Portable Toilets | 643 | 700 |
| Staging, Lighting, Sound | 25,400 | 35,000 |
| Fireworks | 60,000 | 60,000 |
| Ticket Printing | 1,366 | 400 |
| Master of Ceremonies | 200 | 200 |
| Stage Handling, Camera Live Video | 2,000 | 3,000 |
| Sales Tax Expense | 0 | 2,400 |
| Miscellaneous Expense | <u>1,183</u> | <u>0</u> |
| Total Expenses: | 158,939 | 176,860 |

He said there are some anticipated changes in regards to expenses this year. One of them being staging, lighting and sound. Last year the expenses were \$25,400 and this year they will be \$35,000. Bids will go out for these services. He will know in May if we will receive the additional \$10,000 RAPZ grant.

Chairman Olsen opened the meeting to a public hearing.

There were no comments and Chairman Olsen closed the public hearing.

Councilmember Jensen asked how assured are we to receive RAPZ funding for Freedom Fire.

Mayor Petersen responded that the RAPZ Committee met last Thursday to make its final determination so it will go to the County Council on Tuesday, May 10. Last year we received \$30,000 and this year we requested \$40,000. He feels we won't get anything less than \$30,000 for Freedom Fire.

Vice Chairman Daines said for some reason if Logan does not receive allocation for Freedom Fire we can adjust the budget for this event if needed.

Parks & Recreation Director Russ Akina responded so far we are doing well in regards to the budget. The variable will be when we start selling tickets and what the sale of those tickets will be. Ticket sales start tomorrow and if things don't move forward from a budget standpoint we would need to make adjustments as needed. The \$11,000 insurance for the event is for liability coverage.

ACTION. Motion by Councilmember Jensen seconded by Councilmember Needham to **approve Resolution 16-19** as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed resolution approving an increase in Rental Fees for the Tournament Room at the Logan River Golf Course – Resolution 16-20

At the April 19, 2016 Council meeting, Parks & Recreation Director Russ Akina addressed the Council regarding the proposed resolution for Tournament Room Rental Fees.

Mr. Akina stated the Logan River Golf Course is owned and operated by the City of Logan and maintained by the Parks and Recreation Department. The Logan River Golf Course which is managed by the Parks and Recreation Department offers the public limited use of the Tournament Room for a fee. The Tournament Room fee is for the purpose of offsetting costs associated with use of the room, monitoring, cleaning and routine maintenance, management of reservations, and a catering fee for reservations that choose to not use the Logan River Golf Course concessionaire services.

Mr. Akina proposed the following fee increases:

| Current | | Proposed | |
|----------------|-------|-----------------|----------------------------|
| 1-3 hours | \$250 | 1-3 hours | \$350 |
| 3-5 hours | \$500 | 3-5 hours | \$600 |
| Full Day | \$600 | Full Day | \$700 |
| | | Per event | \$100 for outside catering |

Chairman Olsen opened the meeting to a public hearing.

There were no comments and Chairman Olsen closed the public hearing.

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to **approve Resolution 16-20** as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed resolution for the approval of IPP Renewal Offer Documents – Resolution 16-21

At the April 19, 2016 Council meeting, Dan Eldredge, General Manager of the Intermountain Power Agency (IPA) that manages the Intermountain Power Project (IPP) addressed the Council regarding the proposed resolution.

Vice Chairman Daines said at the April 19 Council meeting, Mr. Eldredge presented the resolution but the Council did not have the opportunity to hear from Logan Light &

Power Director Mark Montgomery. Vice Chairman Daines indicated she would like to know how Mr. Montgomery and others from the City feel about the proposal. She feels this has been a great investment in the past and she would like to hear further opinions.

Mayor Petersen responded that Mr. Montgomery was unable to attend tonight's meeting but he is supportive of the resolution and proposed that we increase our allotment to 5% realizing that is not binding on us.

Mayor Petersen said he had some skepticism about this issue but, he feels this is a good idea and an idea that short of bankruptcy by some utilities in California would not have negative financial implications for the City.

Chairman Olsen opened the meeting to a public hearing.

Logan resident Joe Tennant addressed the Council and said at the last meeting when the proposal was made, it seemed to him there would be less power available. The new plant would be downsized and he would like to know how the Council feels about that happening.

City Attorney Kymber Housley responded this is a unique power contract that we have and we are currently in IPP with this particular project. Currently, it's a coal fired plant and expires in 2026. The goal is to add longevity to this by converting to natural gas. Currently it's a 1,600 megawatt plant and we have 2.49% of those megawatts. With the conversion and California increasing their green power supply to 50% in their portfolio, there is thought that it could drop as low as 600 megawatts. Mr. Montgomery does not feel it will drop that low and would be somewhere between 800 and 1,000 megawatts.

There is very little risk to the City and having this in place is insurance more than anything. We have the rights to it but we turn around and sell it to California. The nice thing is if we ever needed it, we can call it back so it gives us a cushion if we ever had another power supply fail or become unavailable. There is very little downside even if the power providers were to go bankrupt we could still use the power and would not purchase new power. He is not aware of us calling it back other than during the Enron crisis.

Chairman Olsen said his view is that if we can increase our proportionate share by 5% we should.

Logan resident Bill Bower addressed the Council and said a lot of people talk to him and don't understand how come we are buying power when we have a power plant in Logan Canyon. He asked how much do we generate on our own.

Mayor Petersen responded our average load over the year is about 75 megawatts and our hydro facility at maximum production will generate about 7.5 megawatts so the hydro facility in Logan Canyon is less than 10% of our need. The hydro is also inconsistent depending on water flow.

There were no further comments and Chairman Olsen closed the public hearing.

ACTION. Motion by Vice Chairman Daines seconded by Councilmember Simmonds to **approve Resolution 16-21** as presented. Motion carried unanimously.

***(Continued)* Consideration of a proposed resolution for the approval of IPP Sale of Renewal Excess Power – Resolution 16-22**

Mayor Petersen said Resolution 16-22 will be continued to a date yet to be determined until we know more about the outcome of the resolution that was just approved regarding The Renewal Offer Documents.

Mr. Housley said the way Resolution 16-22 is written now, the Council could approve at this time. Ideally, the Council should approve it before the end of June.

Consideration of a proposed resolution indicating the intent to adjust the boundary between the City of Logan and the City of River Heights – Resolution 16-23

At the April 19, 2016 Council meeting, City Attorney Kymber Housley addressed the Council regarding the proposed boundary adjustment. He was approached by Wasatch Construction which is a division of Wasatch Properties. This is a Dell Loy Hansen project in the area of the Riverwoods Apartments and they have approached the City asking if we would be willing to do a boundary line adjustment to include the property shown in the exhibit which he provided to the Council. The parcel is located at approximately 200 East 600 South in River Heights and is approximately 5.44 acres. River Heights City has also been notified and they are doing a similar resolution for this boundary adjustment. The purpose is to extend the current Riverwoods complex for additional housing. The issue for River Heights is they don't have the ability to provide utilities without a lot of cost.

Mr. Housley added the public hearing will be held on July 19, 2016 after a 60 day protest period.

ACTION. Motion by Councilmember Jensen seconded by Vice Chairman Daines to **approve Resolution 16-23** as presented. Motion carried unanimously.

WORKSHOP ITEMS:

Budget Adjustments FY 2015-2016 appropriating: \$25,000 to account for delinquent assessments budgeted for in prior fiscal year but collected in the current fiscal year; \$38,815 from the sale of surplus rolling stock for Parks & Recreation projects at the Logan Cemetery and Bridger Park – Resolution 16-24 – Richard Anderson, Finance Director

Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustments.

The proposed resolution will be an action item and public hearing at the May 17, 2016, 2016 Council meeting.

Zone Change – Consideration of a proposed zone change. Jed Willets, authorized agent/owner, requests a zone change from MR-12 to MR-20 on .24 acres located at 1350 North 200 West;; TIN: 05-041-0056 – Ordinance 16-13 – Russ Holley, Planner

Planner Russ Holley addressed the Council regarding the proposed zone change. Mr. Holley provided a brief history of the property. In 1992 the Planning Commission approved the 6-lot Royal Point Subdivision located South of 1400 North between 200 and 400 West. Each lot was approximately 1.30 to 1.80 acres in size. Lot #6 is associated with this request. In 1992 the zoning was R4, which allowed multi-family structures at a rate of one unit per every 6,000 SF and an additional 1,000 SF for each subsequent unit (4-plexes would require 9,000 SF). Multiple residential structures were permitted one lot. In 1993 the first 4-plex was built and over the course of the following two years seven 4-plexes were built on Lot #6 (1.8 acres). In 1995 tax identification number (TIN) boundaries were divided around the existing seven 4-plexes at the County. The creation of the seven (7) boundaries left the original parent TIN as vacant .24 acre area in the southwest corner. Application for proper subdivision (to create legal building lots) was never made with Logan City. The City has never recognized these additional TIN boundaries. Lot #6 under the R4 zoning ordinances could have allowed for additional units, but were never constructed (reason unknown). Access easements were established at the County for access interior structures. In 2000 zoning designations and densities changed to Multi Family High and the project became “legally existing nonconforming”.

The proponent is requesting a re-zone of Lot #6 from Mixed Residential Low (MR-12) to Mixed Residential Medium (MR-20). This would achieve a higher density allowing for a subdivision to occur and thus creating recognized building lots. It would then be the intention of the proponent to build a multi-family structure (up to 4 units for .24 acres) in the vacant areas in the southwest corner. The MR-12 zone allows 12 units per acre. The MR-20 zone allows 20 units per acre. Currently, Lot #6 is developed at 15.5 units per acre.

Mr. Holley stated this proposal has the potential to possibly set precedence for compromising zoning intent and regulation, because with a city so diverse in its history, there are enormous amounts of non-conforming properties, land uses and structures throughout. In this case, however processed improperly by only going to the County, it could have been legally subdivided in 1993-95 when these structures were built and divided. If a down-zone application back to MR-12 was to be immediately submitted by the Community Development Department, it would allow the subdivision to be platted and result in a 0.24 acre property that is zoned MR-12 and capable of two (2) units and a neighborhood that is zoned the same way as it is today. That would be exactly what the proponent thought he had purchased and what City staff originally told him he had.

The Planning Commission unanimously agreed with this concept, on the condition that somehow only a duplex could be built, not a four-plex, which the MR-20 would allow.

On April 14, 2016, the Planning Commission voted on a recommendation for approval to the Municipal Council for a rezone of 1.80 acres, lot #6 of the original Royal Point Subdivision, from MR-12 to MR-20.

Mr. Holley stated that just after Mr. Willets purchased the property he talked with him and pulled up the map on the City's GIS system and it showed the different tax ID numbers. Mr. Holley assumed it was legally done and he mistakenly told Mr. Willets that he had 0.25 acres and its zoned MR-12 it would support a duplex. It wasn't until after Mr. Willets submitted his project and after the predevelopment meeting that Staff realized the plat wasn't processed properly and Mr. Willets is actually a part owner in Lot #6 which is the entire 1.8 acres. After this was discovered, the idea was to up-zone so in 2011 this exact proposal was made and that application was denied. Councilmember Laraine Swenson instructed staff to try and work with the applicant and see if there was some way that we could work with Mr. Willets to develop this property. Over the last several years, no deal has come to fruition and no progress has been made. The applicant has now returned and is proposing a second rezone.

The entire 1.8 acres Lot #6 would have to be subdivided because that is all we recognize as a City. All seven 4-plexes would be included and all seven/eight owners would need to sign the plat and would then legally recognize the lots and could pull future building permits. In order to do the MR-20, all owners have to agree and Mr. Willets understands this as well. He has to subdivide before he can develop because right now it's over the allowable density in the MR-12 zone.

Vice Chairman Daines asked if we change the zoning and then one property owner wanted to change to an MR-20 zone could this be done.

Mr. Holley responded that was the concern along with the fact that if you rezone the 0.24 acres after its subdivided to MR-20 that would actually allow another 4-plex not a duplex which the MR-12 zone would allow. Staff was also concerned with the idea of going back and trying to fix these things because as the Council knows, our City has a very diverse history with legally existing, non conformities and to go back and try to fix those could be problematic. The request needs to be judged on its own merit and decided upon by Council.

The Planning Commission changed the staff's recommendation from denial to favorable based on the notion that the land owner would only pursue a duplex and they also talked about a deed restriction. Staff feels the better recommendation would be to submit a down-zone application back to MR-20 and at the time the subdivision plat is being processed which would allow a pending ordinance situation and would limit the development only to a duplex. The other advantage to the down zone application is if Council desired, the Logan Gateway project could also be included.

Councilmember Simmonds said she doesn't understand why the subdivision would not be completed first.

Mr. Holley responded we can't process a subdivision when the density doesn't allow it and currently it only allows 25 units. In 1992 it would have been allowed when it was built but they did not process a City subdivision at that point and only subdivided the tax ID numbers at the County. It could have been subdivided in the 1990's but it wasn't. Now to subdivide, it has to increase to 20 units per acre so you can go back and divide off

all of the existing 4-plexes. Once the subdivision is platted, then development could occur on Mr. Willets 0.24 property.

Mr. Housley said the problem with a deed restriction is it would have to go on the entire Lot #6 which means the other seven property owners have to agree and they are not likely to do so. He is not worried that Mr. Willets is going to come in and do a 4-plex; he is just trying to accomplish what was originally presented to him. The process would be that immediately following his application, we would downsize back to MR-12, Lot #6 and the Gateway project.

Mr. Housley continued and said the other owners have a lot of incentive and they can't sell it off legally. We are trying to be fair to Mr. Willets who came to the City in good faith and was told at that time that he could move forward. Normally, we don't do all of this but the City has some ownership in the mistake that was made when Mr. Willets first came to us.

Councilmember Simmonds said she is not opposed but is just trying to limit any potential liability in terms of having it zoned too high for too long.

Mr. Housley said the protection is that we will have a pending zone change back to MR-12 which will prevent any development exceeding the MR-12. The intent is to have the Council approve the rezone and allow Mr. Willet to apply for his subdivision and then subdivide. Staff will then do an application to change the zone back to MR-12.

The proposed ordinance will be an action item and public hearing at the May 17, 2016 Council meeting.

Code Amendment – Logan City requests an amendments to the Land Development Code Section 17.25 (Drinking Water Source Protection (SP) Overlay Zone) to permit the use of Class V injection wells in Drinking Water Source Protection Zones 3 & 4 only – Ordinance 16-14 – Mike DeSimone, Community Development Director

Community Development Director Mike DeSimone addressed the Council regarding the proposed code amendment. The proposed modifications to Section 17.25 (Drinking Water Source Protection (SP) Overlay Zone) of the Land Development Code are required in order to comply with the State & Federal requirements to manage storm water on-site. Underground injection systems, called Class V injection wells, are currently prohibited in all Drinking Water Source Protection Zones. These changes would permit the use of Class V injection wells in Drinking Water Source Protection Zones 3 & 4 only. A Class V injection well is a type of drainage facility that generally depends on gravity to drain fluids below the land surface and generally involves little or no pretreatment. A typical Class V system is a dry well or a septic system.

On April 14, 2016, the Planning Commission recommended that the Municipal Council approve the proposed amendments.

Public Works Director Mark Nielsen added there are four zones in our Source Protection Plan. The four zones take in most of the East side of Logan and with the new Storm

Water regulations; we have to be able to infiltrate water. Right now if you are in any of the four zones, you cannot infiltrate water but, the Storm Water regulations require it. We are eliminating Zones 3 & 4 from the exclusion and only using Zones 1 & 2.

Chairman Olsen asked will this have any impact on our discharge volume to the West side of Logan City.

Mr. Nielsen responded no, it will not have any impact. The amount of water we are infiltrating with storm water is minimal.

The proposed ordinance will be an action item and public hearing at the May 17, 2016 Council meeting.

Zone Change – Logan City requests to rezone the Main Street frontage of the City block located between 200 North – 300 North from Public (PUB) to Town Center (TC). This action includes approximately 4 acres on the following properties or portions thereof: TIN: 06-0016-0001, -0002, -0004, -0019, -0020, -0021, -0022, -0023, -0024, -0025, -0027 – Ordinance 16-15 – Mike DeSimone

Community Development Director Mike DeSimone addressed the Council regarding the proposed rezone. Logan City is proposing to rezone approximately four acres from Public (PUB) to Town Center (TC) along the front or eastern half of the City block. The purpose is to develop this area commercially.

On April 14, 2016, the Planning Commission recommended that the Municipal Council approve the rezone.

Councilmember Simmonds asked is it appropriate to rezone the property, while the Library is still there.

Mr. DeSimone responded yes, it is appropriate.

Councilmember Needham asked if we want to remodel the Library we'll still have the proper zoning, is that correct.

Mr. DeSimone responded yes, if we remodel internally within the existing walls of the Library but, we would need a conditional use permit if we were to expand the Library. His understanding is that the Library will be relocated.

Mr. Housley added that the Council can always change the zoning back.

Councilmember Jensen observed that 30 years ago the City made a lot of effort to acquire the land on this block for the purpose of making it a municipal block and we took commercial properties off. Now, we are going to rezone it to put commercial properties on although reconfigured in a different way.

The proposed ordinance will be an action item and public hearing at the May 17, 2016 Council meeting.

FY 2016-2017 Budget Presentations:

1. Overview of General Budgetary Issues – Richard Anderson

Finance Director Richard Anderson addressed the Council regarding the General Budgetary Issues. He referred to the Capital Improvement Project Scorecard and a comparison over the last five, fiscal years and proposed fiscal year 2017. It highlights areas where we need to put some effort. The first is General Fund Capital which is typically the Street Department. We've known for a long time that we need to put in more money into this area. It's not quite as dire as it appears and the number he has which is the standard, is that we should be putting approximately 12 million towards our roads and we have reduced that to approximately 6.6 million dollars.

In addition to the \$1,028,356 shown in the FY 2017 proposed budget, there are other sources of funds that may be available for street construction and repair.

- a. The one-time capital amount of \$2,000,000 shown in the proposed budget.
- b. Estimated additional C&D Road Funds of \$300,000 per year resulting from the 2015 Utah Legislature's \$0.05 per gallon increase in the gasoline tax.
- c. Road sales tax funds of approximately \$3,000,000 per year. These funds are awarded on a competitive basis by the CCOG to support projects in the County. Average amount awarded to Logan during the past 5 years is \$917,313 per year.
- d. An additional transportation sales tax was approved by the 2015 and 2016 Legislature. If placed on the ballot by the County Council and approved by voters, this tax could provide an estimated \$1,200,000 per year for Logan City.

We need to increase the investment in our Water Fund. Over the past several years both in the General Fund and in the Water Fund, we are actually increasing our investment. In the General Fund we are increasing by \$300,000 in the current year which is the proposal from Mayor Petersen.

Regarding fund balance, we are seeing plateauing of revenues in the Electric Department and the same thing in the Environmental Fund. We need to be recommitted to investing in capital and we need to do this over time. He is less concerned about where we are currently and more concerned about where we are going. As long as the Council knows these are things we need to invest in when we have the opportunity.

Storm Water is underfunded but that has more to do with federal mandates and less to do with what we are doing as a City. We need to continue looking at this area as well as the Golf Course and we know we have operational shortfalls as well as capital short falls that we will need to address.

Fund Balance

Mr. Anderson stated that generally speaking the fund balance is in a good position and in almost all funds we have capital reserves, with the exception of the Water Fund for the reason of 10th West. We are fairly close to our target reserves in almost all of our funds and these will change over time as we acquire more reserves. One item of concern is the Sewer Treatment Fund; we have 70 million dollars secured and another 10 million dollars

in other resources. Based on the cost of the project, we will have to either come up with resources out of pocket or borrow additional funds.

He feels the City is heading in the right direction and the idea is to make progress.

Councilmember Simmonds referred to the Cemetery Perpetual Care Fund. The targeted reserve is \$3.5 million dollars and we currently have \$438,000. She asked, if we were to sell all 22 lots in the Deer Crest area how much could we add to the Cemetery Perpetual Fund.

Mr. Anderson responded it would be somewhere between \$600,000 to \$1.5 million dollars. It would depend on how much it will cost to develop the utilities. The lots are worth somewhere between \$40,000 undeveloped and \$80,000-\$120,000 developed. In the current budget we are increasing our investment in the Cemetery Perpetual Car Fund by virtue of the rate increase that was passed by Council over a year ago. We are contributing close to \$100,000.

2. Discussion: Enterprise Transfers – Richard Anderson

Mr. Anderson stated that Logan City will hold a public hearing on May 17, 2016 at 5:30 p.m. in the Logan City Council Chambers to discuss proposed transfers from enterprise funds to the Library City General Fund. He further explained that a transfer is the movement of cash or other resources from one fund to another. Logan City has utilized transfers from enterprise funds as a General Fund financing mechanism for many years. If budgeted and planned correctly, transfers from enterprise funds can help to defray the cost of services such as public safety, public works, parks and recreation and general governmental services, and consequently, keep property taxes low. But for transfers, Logan City would either have to raise property taxes significantly or cut services significantly. Where private sector utility companies are in the business to provide a return on investment to its shareholders, Logan City's shareholders, its taxpayers and citizens, receive this return on investment as a transfer to the General Fund.

The following Fiscal Year 2017 proposed transfers were discussed:

| | |
|---|-------------|
| From Water & Sewer Fund to General Fund | \$730,449 |
| From Sewer Treatment Fund to General Fund | \$323,400 |
| From Electric Fund to General Fund | \$2,882,640 |
| From Environmental Fund to General Fund | \$911,699 |

Logan City has also enacted 911 fees that are assessed on utility customers for the County-wide 911 system, radio communications, and related functions. These fees are technically transferred from the Environmental Fund to the Communication Fund (911 Fund). It is estimated that during Fiscal year 2017 the City will transfer \$1,410,000 for this purpose.

Mayor Petersen said if we attempt to generate revenue from property tax, there is a significant portion of land that is not taxable. On the other hand, where we raise it from

services, this virtually collects it from all entities throughout the City. In many ways, this is a more equitable way to generate revenue.

Mr. Anderson said our last estimate was that for every dollar we decrease transfers; we have to increase property taxes by \$2.30 so that is a significant increase.

3. Pay for Performance – Greg Cox

Human Resource Director Greg Cox addressed the Council regarding Pay for Performance. He said there is a proposed 3% salary increase for all full time employees. He said it will be left to the department heads on what their employees will receive in the way of raises anywhere from 1% up to 3%. There is also another \$200,000 available for market or other adjustments to employee salaries that can be given throughout the year. In the last 6-7 years we have reduced our number of employees by 30 and currently we have approximately 400 full time employees. Our turnover is approximately 6%.

4. Fire – Chief Jeff Peterson

Fire Chief Jeff Peterson addressed the Council regarding the fire department's proposed budget. He said this is the exact same budget he's had for the last four years. He feels the current proposed budget meets the fire department's needs again this year with the exception of one rolling stock item which is the replacement of a fire engine.

Mr. Anderson said the new engine will be purchased in the Capital Equipment Fund and the cost of the engine is \$500,000. The new engine purchase will deplete the Capital Fund to around \$400,000 but we will quickly build this fund up again and the general practice is to transfer funds into the Capital Equipment Fund is where departments purchase their rolling stock.

5. Parks & Recreation – Russ Akina

Parks & Recreation Director Russ Akina addressed the Council regarding his proposed budget which overall is \$5.5 million dollars.

He stated the Recreation Center is 40 years old this year and the building needs a roof replacement on the West side of the facility. Bids will go out for a new roof membrane in the next few weeks.

The Cemetery service roads are an area of concern with deterioration. Two roads will be replaced this summer.

Irrigation conversion at the Cemetery will be completed so crews will no longer have to manually move sprinkler heads through 53 acres.

The Logan Aquatic Center is 15 years old and the pool needs to be replastered. The water slides also need to be regelled.

The Quad Sports Complex is 45 years old and drainage needs to be addressed. The type of use at the complex is changing. There are more women's softball teams and more coed teams. Men only teams are not as prominent.

Councilmember Needham asked about swimming lessons and are they taught at the Aquatic Center.

Mr. Akina responded that swimming lessons are taught at the Aquatic Center for all ages and will begin in June and go until the pool closes in the Fall.

Councilmember Daines asked about the hiring of part time employees and has that increased with the added duties placed on the Parks & Recreation Department with parks maintenance, trails, etc.

Mr. Akina responded that part time summer help is broken out between divisions based on where the needs are such as parks, golf course, cemetery and recreation.

OTHER CONSIDERATIONS:

There were no further considerations from the Council.

ADJOURNED. There being no further business to come before the Council, the meeting of the Logan Municipal Council adjourned at 7:50 p.m.

Teresa Harris, City Recorder