

SMITHFIELD CITY COUNCIL

JANUARY 10, 2018

The Smithfield City Council met in a regularly scheduled meeting at 96 South Main Street, Smithfield, Utah on Wednesday, January 10, 2018. The meeting began at 6:00 P.M. and Mayor Jeffrey H. Barnes was in the chair.

The following council members were in attendance: Deon Hunsaker, Jamie Anderson, Wade Campbell and Curtis Wall.

City Manager Craig Giles, Fire Chief Jay Downs, Police Chief Travis Allen and City Recorder Justin Lewis were also in attendance.

VISITORS: Julia Bradshaw, Dianne Campbell, Andrew Butler, David Lillywhite, Edith Lillywhite, Dave Olsen, Merilee Olsen, Glen Jay Thornley, Marcus Murdock, Eric Kleven, Chad Daniels, Marty Spicer, Janet Campbell, Derek Spence, Cory Maxfield

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM DECEMBER 13, 2017.

A motion to approve the city council meeting minutes from December 13, 2017 was made by Curtis, seconded by Deon and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall
No Vote: None

RESIDENT INPUT

Andrew Butler informed the council he resides at 61 North 1050 East. Andrew asked the council for an update on what had been decided by the council in regards to park strip and detention pond maintenance throughout the city? Andrew was told at one time the city was considering removing the grass and trees from the park strip by his home.

Clay mentioned the detention pond in question is part of the Petersen Subdivision. Currently, the city staff maintains the pond.

Mayor Barnes asked if the pond fills with water? Clay replied it has not been full in the past and can release through a pipe at the end of the pond if necessary. Andrew mentioned he has seen a foot or so of water in the pond and was aware of the ability to allow a controlled release of water from the pond.

Mayor Barnes asked if there are trees in the pond? Andrew responded there are not.

Andrew asked for clarification on what would happen with the landscaping in the pond. Andrew's sister resides in North Logan and the pond by her home is actually part of her parcel and maintained by her.

Andrew asked if the city would be interested in deeding over the pond to the property owners bordering the pond? Curtis asked Andrew if he was one of the property owners and would be willing to take care of the pond? Andrew stated that is correct.

Jamie mentioned he had visited with Andrew about this request and there is a small group of neighbors willing to maintain the pond. Andrew replied that is correct as several children play in the pond area on a regular basis.

Curtis asked Andrew what his intent would be for the landscaping at the pond? Andrew replied himself and his neighbors want to keep and maintain the grass. They do not want the grass removed and xeriscaping installed.

Curtis asked Craig for the staff perspective on this request. Craig replied the request should be reviewed. If an agreement is reached with the property owners there would always need to be access for the city staff.

Andrew informed the council the release pipe is approximately 18 inches in diameter and in the last 18 months or so sediment has collected by the pipe and only about four inches of the pipe is still exposed.

Wade asked if the other interested parties are the Jensen's and Nyman's? Andrew responded that was correct.

Mayor Barnes asked if the request was to keep the grass and have the homeowner's mow it? Andrew replied that is correct. The homeowners would mow and water the pond. Andrew mentioned himself and his neighbors don't want the pond xeriscaped with boulders or rocks.

Curtis asked Andrew if the request was approved if anything would change in regards to the current landscaping? Andrew replied nothing would change. Curtis agreed an agreement should be reviewed with the landowners bordering the pond.

Mayor Barnes informed Andrew the request would be reviewed and a member of the city staff would be in touch with possible options for the homeowner's to consider.

JARED NIELSON, AGENT FOR MV PROPERTIES, HAS REQUESTED CONSIDERATION OF APPROVAL FOR THE FINAL PLAT, PHASE 1, 16 LOTS, FOR THE LANTERN HILLS SUBDIVISION LOCATED AT APPROXIMATELY 400 TO 800 EAST ON CANYON RIM ROAD (APPROXIMATELY 350 NORTH). ZONED R-1-12.

Julia Bradshaw asked the council to consider approval of Phase 1 of the Lantern Hills Subdivision. Julie mentioned the subdivision will consist of three phases.

Mayor Barnes mentioned the request had been reviewed and approved by the planning commission.

Jamie asked if the drainage easement would be landscaped? Clay replied the detention pond is part of Lot 78 and would be maintained by the property owner.

Jamie asked if the detention pond would serve all three phases? Clay replied that it would service the majority of the subdivision but some of the storm water would go into a pond on the north side of the road by the subdivision next to a chlorinator building owned by the city.

Mayor Barnes asked if the proposal included a trail system? Clay responded when the subdivision was approved years ago the council requested a trail system along the southern edge of the subdivision. The trail would not be paved and could be used as a horse trail.

Mayor Barnes asked if the trail property would be deeded to the city? Clay responded that was correct.

Curtis mentioned the trail through this subdivision is included in the trails master plan for the city. Two considerations had been made in the past for the trail. Install a horse trail as proposed or make the sidewalk wider and call it a trail but the city would have to maintain it. The horse trail option was the preferred option at this time.

Mayor Barnes asked if there would be curb, gutter and sidewalk on Canyon Rim Road as part of this project? Curtis stated that is correct.

Deon mentioned he had previously seen the road not being a cul-de-sac but exiting onto the city road in another plan. Clay replied one of the concept plans included a road all the way through. Because of the drainage requirement a non-buildable lot would have been created. The developer elected to remove the road going through to keep from having a non-buildable lot.

Mayor Barnes asked if there would be a doughnut at the end of the cul-de-sac? Clay replied there would not.

A motion to approve Phase 1, 16 lots, of the final plat for the Lantern Hills Subdivision located at approximately 400 to 800 East on Canyon Rim Road (approximately 350 East) was made by Curtis, seconded by Deon and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

SELECTION OF MAYOR PRO TEMPORE.
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Mayor Barnes reminded the council a mayor pro tempore is selected at the start of each year. The mayor pro tempore is in charge of meetings when Mayor Barnes is not available or able to attend.

The council voted and selected Jamie Anderson as Mayor Pro Tempore for calendar year 2018.

DISCUSSION WITH FIRE CHIEF JAY DOWNS ON THE CREATION OF A BATTALION CHIEF POSITION IN THE FIRE DEPARTMENT.

Chief Downs reminded the council over the last year the fire department has grown from five full-time employees to eleven full-time employees. The department also has 23 part-time employees and 30 volunteers.

Recently a captain quit the department as his spouse accepted employment in Idaho. The proposal at this time is to replace the captain position with an operations chief. The funds to pay for the position would come from the vacated captain position as well as CCEMS (Cache County Emergency Medical Services) funds and wildland fire funds.

Currently, when a brush truck and department members go to a wildfire an engine boss from Logan City is required to lead the team. The Smithfield Fire Department does not have an engine boss on staff. In the current fiscal year the Smithfield City Fire Department has paid the Logan City Fire Department approximately \$20,000 for engine boss services. The intent would be to make the new hire an engine boss as well. The approximate effect to the current budget is \$5,000 per year. The position would be paid 70% by CCEMS and 30% by the city as per the CCEMS contract. If approved, this position would be an engine boss and the city would no longer need to pay Logan City; therefore, saving significant funds.

Wade asked for clarification on what would happen to the \$20,000 saved by not having to contract with Logan City? Chief Downs replied the city would save approximately \$15,000 as \$5,000 would need to be paid to the engine boss and the remaining \$15,000 in savings would stay in the department.

Mayor Barnes asked what an engine boss does on a wildfire? Chief Downs replied the engine boss is responsible for all of the paperwork related to the fire, the truck on the assignment and overseeing the staff on the fire.

Mayor Barnes asked if the engine boss stays with the truck? Chief Downs replied all of the staff of the city stay with the truck when deployed.

Curtis asked if interviews would be held to fill the position? Chief Downs responded that is correct.

Curtis asked if people not working for the department could apply? Chief Downs replied anyone can apply.

Jamie replied this position would create a return on investment for the city and department. Mayor Barnes and Curtis concurred.

The consensus of the council was to allow the creation of an engine boss/operations chief for the fire department.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 17-21, AN ORDINANCE AMENDING SMITHFIELD CITY CODE, TITLE 17 “ZONING REGULATIONS”, AMENDING CHAPTER 17.120.010 “USE ALLOWANCE MATRIX” IN ITS ENTIRETY.

Mayor Barnes mentioned this is a long ordinance that updates the Use Allowance Matrix for the city.

Jamie informed the council the process started after the general plan was completed in 2017. There was a need for a mixed use overlay zone to be created along Main Street.

Wade took the assignment during his time on the planning commission to put together the proposed ordinance. The Farmington City, Utah ordinance was the basis of the proposed ordinance. The proposed ordinance being specifically created for the city.

The City Creek center in Salt Lake City is an example of many different uses being located in the same area.

Jamie explained the matrix table shows what is allowed, not allowed and if a conditional use permit is required. The ordinance has been reviewed, tweaked and worked on for three to four months by the planning commission.

Mayor Barnes asked if conditional use permit requests come before the council? Craig replied they go before the planning commission, not the city council, for consideration and possible approval.

Craig informed the council there is a bill going before the legislature that would take conditional use permit approval away from the planning commission and make it an administrative item.

Curtis asked how this proposed change would affect the staff? Craig replied at this time it is an unknown as the intent of the legislature is to get rid of conditional use permits.

A motion to adopt Ordinance 17-21, an Ordinance amending the Smithfield City Municipal Code Title 17 “Zoning Regulations”: amending Chapter 17.120.010 “Use Allowance Matrix” in its entirety was made by Curtis, seconded by Jamie and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

Mayor Barnes thanked everyone who was involved in this ordinance as it had been reviewed line by line and had taken significant effort by everyone involved.

CONTINUED DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 17-20, AN ORDINANCE ESTABLISHING A TIME AND PLACE FOR HOLDING REGULAR COUNCIL MEETINGS DURING CALENDAR YEAR 2018.

Mayor Barnes presented the council with a proposal to have the city council meet twice in January, February, March, May, August, October and November with one city council meeting in the other months. Jamie and Curtis both supported the proposed schedule.

Curtis asked Justin how the proposed schedule would affect the staff? Justin replied the key is to educate those attending the planning commission on when they will come before the council. In most cases, planning commission items will not be seen at the council level until the second Wednesday of each month as opposed to the fourth Wednesday of each month.

Wade asked the council to consider changing the start time of the council meetings from 6:00 P.M. to 7:00 P.M. as it was better for his schedule. Deon replied starting at 6:00 P.M. was hard for his schedule as well and he would prefer a later start time.

Curtis mentioned in the past some of the council meetings had lasted until 11:00 P.M. and a later start time could lead to later meetings. Mayor Barnes mentioned he would prefer to have shorter meetings as meetings lasting four hours make it hard for everyone involved to be productive.

Curtis asked Craig if the staff goes home before council meetings or stays when the meeting starts at 6:00 P.M.? Craig replied the staff stays and works until the start of the meeting.

Curtis proposed a start time of 6:30 P.M. rather than 7:00 P.M. so the staff would not have to wait so long for the meeting to start. Wade replied 6:30 P.M. would work for his schedule.

Curtis mentioned the county starts their meetings at 5:00 P.M. but his schedule is flexible and 6:30 P.M. would work. Jamie replied 6:30 P.M. would work for his schedule as well.

Curtis mentioned if the council tries 6:30 P.M. and it doesn't work the ordinance can be changed to a start time of 6:00 P.M. or 7:00 P.M. if needed.

Mayor Barnes proposed the following dates for council meetings in 2018:

January 10th & 24th
February 14th & 28th
March 14th & 28th
April 11th
May 9th & 23rd
June 13th
July 11th
August 8th & 22nd
September 26th
October 10th & 24th
November 14th & 28th

December 12th

Deon requested the second meeting in March and May be geared more towards reviewing and going through the new budget.

Jamie mentioned if the council decides to start at 6:30 the RDA meeting time will need to be changed from 7:00 P.M. to 7:30 P.M.

A motion to adopt Ordinance 17-20, an Ordinance establishing a time and place for holding regular meetings during calendar year 2018 with the city council meetings starting at 6:30 P.M. and the RDA board meeting starting at 7:30 P.M. was made by Jamie, seconded by Curtis and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 17-22, AN ORDINANCE IMPLEMENTING A STORM WATER IMPACT FEE AND AMENDING THE FEE SCHEDULE FOR IMPACT FEES FOR WATER, PARKS AND STORM WATER.

Mayor Barnes asked Craig to review the proposed ordinance on increasing the impact fee for culinary water and parks and implementing a storm water impact fee.

Craig stated the general plan had been completed in 2017. Upon completion master plans were then completed for transportation, storm water and culinary water. Once the master plans were completed impact fee analysis and rate analysis studies were completed by Public Sector Economics.

The impact fee studies list a proposed fee for the next five years. In year five, a new study would be completed for the following five years.

The new impact fee analysis for culinary water shows two zones where the current fee structure is based on five zones. The northeast corner of town would be a zone and the rest of town would be a separate zone.

The impact fee for water is based off of a ¾" water meter being installed. The AWA (American Water Works) formula is then used to determine the fee for 1" and larger meters.

The parks impact fee is proposed to increase from \$1,000 to \$1,085.

A new storm water fee is proposed to be implemented at a cost of \$1,287 per ¼ acre.

If the ordinance is approved, per state code, the fees will not go into effect until April 11th.

Jamie asked Craig if he knew why the state required a 90 day waiting period? Craig replied he did not.

Jamie asked if there is an appeal process for impact fees? Craig replied there is not.

Clay mentioned one possible reason for the 90 day waiting period is so current projects which are being reviewed would be approved at the current pricing structure.

Jamie informed the council the public hearing occurred at the planning commission level on this ordinance. The ordinance was reviewed and passed by the commission with no concerns or changes.

Mayor Barnes asked if impact fees apply to any project or just new construction? Craig replied all new structures hooking onto the system pay impact fees but existing structures do not.

Mayor Barnes asked the proposed cost of water impact fees if approved? Craig replied the northeast zone for a ¾" water meter would be \$3,308 and for everywhere else would be \$3,144.

Mayor Barnes asked if most homes are on ¾" meters? Craig replied that is correct.

Mayor Barnes asked if the proposed increase for the parks impact fee is \$85? Craig replied that is correct.

Mayor Barnes asked if the proposed impact fee for storm water is new? Craig replied that is correct.

Mayor Barnes asked what the current water impact fee is? Craig replied approximately \$1,500 to \$2,100 depending on the zone.

Mayor Barnes asked if the fee in the northeast zone is higher because of the improvement projects needed in that area? Craig replied that is correct. A new source, water tank and infrastructure is needed in that area.

Deon asked why larger lots will pay more than smaller lots for the storm water impact fee? Craig replied proposed impact fee is based on ¼ acre lots. So the cost of a one acre lot would be the ¼ acre fee times four.

Deon mentioned storm water has an impact from sidewalks, driveways and roofs. Larger lots will be able to hold more storm water onsite. The fee for larger lots is substantially more than smaller lots. The fee should be based more on the service area of the driveway and home not the lot size. Mayor Barnes responded he has seen many homes with large roofs, driveways, playground equipment and sheds that effect storm water as well. Mayor Barnes thanked Deon for his comments and concern as it is appropriate.

Wade mentioned he recalled all of the storm water collecting on the side of the road before curb and gutter was installed. At his mom's home the storm water would drain off the road into a pasture where it absorbed into the ground.

Clay responded larger lots will have more curb and gutter and historically have a larger driveway with more asphalt. The storm drain system is still required for the entire frontage of a larger lot as well.

Deon mentioned he reviewed the cost of current impact fees on existing home values with two appraisers, an assessor at the county and a construction loan officer. Higher impact fees will effect existing homes. The value of a new home will be higher if the impact fees are higher as all costs are added to determine the value of the home. An appraisal on an existing home will have a higher value the higher the impact fees are. The higher the value the more property tax a person will pay. Mayor Barnes replied home values are only evaluated and updated by the county every five to ten years. Jamie replied during his time on the planning commission people always had a concern about home values decreasing. There was never an issue if home values were increasing. The assessed value of a home is not determined by the city but by the county. In Jamie's opinion an increase in impact fees would have minimal impact to existing homes.

Mayor Barnes asked the last time impact fees were adjusted? Craig replied it has been a long time and well over five years.

Mayor Barnes asked what projects the storm water impact fee will help to pay for? Craig replied the storm water master plan shows projects for the next thirty years. The estimated cost of the projects is \$30,000,000. Any storm water project which is needed for growth such as a pond, upsizing of existing piping as well as the creation of a regional pond system to the west of town can be paid for with impact fees. Impact fees must be spent or encumbered within six years of being collected.

Jamie mentioned money is needed to pay for projects. If impact fees are not collected then the monthly utility fee the residents pay will have to be increased substantially more as the projects still have to be completed and paid for.

Mayor Barnes asked what happens to the impact fee funds collected if not encumbered or spent within six years? Craig replied they must be paid back to whomever paid the fee.

Mayor Barnes asked how the fees are tracked? Craig replied each impact fee is tracked based on the amount collected, date received, location of the project and the payer of the fee. State compliance is significant in accounting for and tracking of impact fees.

Curtis mentioned impact fees are designed to help upgrade the system as the city grows.

Curtis mentioned he understood Deon's concern but did not feel it would affect existing home values as brand new homes being built in town will have a different value than older existing homes in other parts of the city. If there is an impact it will be minimal.

Curtis commented builders and developers help to pay for new projects due to growth. The funds collected go directly to these projects. The funds need to be encumbered or spent within six years to encourage the city to get the projects done and not delay.

Jamie asked if the city currently had any impact fees on hand? Craig replied water impact fees are encumbered and spent through 2026. Storm water impact fees have not been collected in the past.

Curtis stated impact fees have not been raised for over eight years and there are projects which need to be completed so the fees are needed.

Mayor Barnes asked when impact fees are collected? Craig replied the fees are collected by the city before a building permit is issued on new construction. The fees are collected at the start of a project.

Deon asked for a brief summary of the proposed impact fees. Craig replied the parks impact fee would increase from \$1,000 to \$1,085. Currently, the water impact fee is \$1,500 to 2,100 depending on the zone. The proposed water impact fee would be over \$3,000. Currently, no storm water impact fee is collected so this would be a new fee.

Deon mentioned the canal companies are going to start to charge the city and others for the cost of the storm water being dumped into the irrigation canals.

Mayor Barnes asked Craig if he was aware of a new or increased charge from the local irrigation companies? Craig replied he had not heard of new proposed fees from the irrigation companies in this regard.

Deon remarked he did not support the fee structure for storm water but would support a storm water impact fee being implemented.

A motion to adopt Ordinance 17-22, an Ordinance amending Chapter 3.20, Municipal Impact Fees by modifying the Water, Wastewater, Storm Water and Parks and Trails Impact Fees was made by Curtis, seconded by Jamie and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

Mayor Barnes mentioned it is hard to increase the cost of any fee or service. Nobody wants to pay more but funds are needed to run the city. The decision was hard but necessary.

<p>DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 17-19, A RESOLUTION AMENDING THE MONTHLY UTILITY CHARGE FOR CULINARY WATER SERVICE.</p>
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Mayor Barnes asked Craig to introduce the resolution. Craig explained after the completion of the general plan and individual master plans a rate study was completed for water and storm water.

The current monthly utility charge for water is a \$9.00 base fee and then water is charged at a rate of \$0.60 per 1,000 gallons used or \$0.70 per 1,000 gallons used based on the actual number

of gallons used for the month. The rate study came back with a proposed base fee of \$20.00 with changes to the tiered rate system of an increase in the cost per 1,000 gallons used as well as the addition of a third tier.

Mayor Barnes asked for clarification on the \$1.00 per month base fee increase in July of each year for the next four years. Craig replied some communities do a \$1.00 per year base fee increase to help offset large increases at a later time such as the one currently being considered. The council needs to determine the amount to charge for the base rate and if they want to consider a yearly increase to the base rate. Mayor Barnes mentioned the proposed resolution is to increase the monthly base rate by \$11.00 per month.

Jamie asked, if approved, when would the resolution go into effect? Craig replied on the upcoming/next billing cycle.

Jamie replied the public hearing had been held and there were concerns for those on fixed incomes. The amount of the proposed base rate increase is large. The ideal situation is small increases. The \$1.00 per year base rate increase makes sense. The rates need to be reviewed often to make sure the departments have the funds needed for infrastructure projects.

Curtis mentioned the rate had not been increased for over eight years; therefore; a large increase can be expected.

Curtis asked Wade for his thoughts on the resolution as he knew Wade had been reviewing various reports and different scenarios. Wade replied users of the system need to pay the cost. Wade asked for more options and choices to be presented. An increase needs to be implemented. Reviewing what other cities charge the highest tiered rate level is approximately \$1.57 per 1,000 gallons used. The highest tier on the resolution is \$1.25 which is still \$0.32 lower than what other cities are charging.

Wade suggested adding more tiers to the schedule and reducing the proposed base rate. Currently homes are using from 6,000 gallons per month to 400,000 gallons per month. The more someone uses the more they should pay. Those on fixed incomes need to be helped where possible. Possibly including 8,000 gallons in the monthly base rate would help those on fixed incomes and those that use very little water.

Curtis asked for suggestions on how to do that since the majority of the city can say they are on a fixed income? Wade replied a multi-pronged approach sounded reasonable by increasing the base rate some and increasing the tiered use rate even more. Those putting 400,000 gallons on their lawn need to pay the price for the water.

Wade mentioned those who have irrigation water available need to use it so culinary water can be conserved. With the proposed increase to the monthly storm water rate as well as the water rate this will have the biggest impact on the elderly and those families with children that have significant costs right now. Different stages of life cost different amounts of money.

Curtis mentioned he reviewed a monthly water usage report which is about 74 pages long and showed the use for one month of every connection in the city. Curtis calculated the average water use of three random pages and stated the average home on those three pages consumed 14,000 to 15,000 gallons per month.

Curtis redid his sprinkling system to make it more efficient and cut his culinary water use in half. There is a need to conserve and the proposed ordinance is good for the average home in the city.

Curtis asked Justin what his monthly water base rate is in Richmond? Justin replied \$57.00 per month. Curtis commented even if the proposed ordinance is passed the monthly base rate is still \$37.00 per month cheaper than Richmond. The last increase was implemented over eight years ago and it is time to get the rate where it needs to be.

Mayor Barnes mentioned almost every other city in the valley has higher monthly fees than Smithfield. Some are much higher. The decision does not need to be made tonight and the proposed ordinances can be modified/changed as needed. The proposed ordinance is based off of the analysis by a specialist. There is significant need for infrastructure projects in the city.

Craig mentioned there are fixed costs in the city such as the pipe in the ground, cleaning, maintenance and repair all of which cost the same no matter the amount of water consumed. There are fixed costs which must be covered.

Curtis asked how many homes in the city have irrigation water as there is not any at his home? Clay responded around 50% of the city has access to the irrigation system or is already connected.

Curtis asked the approximate cost of having a share in the irrigation company? Wade replied he paid \$37 for the current year and his mom paid just under \$100 for the year. The amount of gallons used from the irrigation system is not metered.

Curtis mentioned none of this discussion is based on irrigation water or irrigation water consumption. Residents need to take advantage of this option when possible.

Mayor Barnes asked if 50% of the city is on the system? Clay replied 50% of the city has access to the system but less than that are actually on the system.

Glen Jay Thornley mentioned the yearly cost of a full share of water in the irrigation system is approximately \$38 per year plus a billing fee of approximately \$11. The Smithfield Irrigation company system is paid for. Not everyone in the city has a share in the system or access to the system. Shares must be purchased before the system can be accessed. New users to the system also have to pay an initial fee towards the original cost of the system.

Jamie mentioned the more people who utilize the irrigation system the less revenue is collected by the city. In turn, the rate must be adjusted higher to collect the amount of revenue required.

Jamie asked how the proposed number was determined? Craig replied with 24 months of actual usage data.

Jamie asked if any irrigation water use was used in the study? Craig replied it is not as that is a private system owned by a private company.

Mayor Barnes mentioned with the current rate structure and low base rate the city needs to encourage conservation but at the same time it hurts the revenue of the city.

Jamie asked what is the plan if the proposed ordinance is not voted on and delayed? Mayor Barnes replied it is up to the council if they want to make changes to the proposed ordinance. The base rate could be changed, the tiered rate could be changed or a combination of both could be done.

Jamie asked if any changes are made to the ordinance which item does the council want to focus on? Mayor Barnes replied the base rate needs to be determined before the tiered rate can be set. Wade replied the base rate needs to be increased but it needs to be reviewed carefully to make sure the correct number is used. Craig replied all studies show the base rate should cover 75% of the operating budget of the department.

Deon mentioned with the opening of the new landfill the monthly garbage utility fee will most likely increase. With Logan City installing a new sewer treatment facility the monthly sewer rate has already increased. Low income families and senior citizens are going to have a hard time paying for all of these increases. The city needs funds for projects but the residents will have a hard time paying for so many increases. Jamie replied the main need for the additional funds is for infrastructure projects and the city should not bond and pay interest on those projects. Curtis mentioned he is glad to get good clean water when he turns on the tap at a minimal cost and is willing to pay for it.

Glen Jay Thornley complimented Wade for caring about the residents and thinking about other options. Adding in depreciation expense now and doubling the monthly fee in one action is tough. Craig replied depreciation expense is only one factor in the new proposed rate.

Glen Jay suggested to the council to take a different approach and educate the public before voting on the proposed ordinances. The fastest way for a council member and mayor to become unpopular is to not educate the public.

Glen Jay suggested not doubling the monthly rate and going with a smaller tiered rate fee.

Wade mentioned the public needs to be better educated before the council votes on the ordinance. Curtis replied this item has been discussed for the third straight council meeting and nobody attends the meetings. Wade mentioned nobody follows along until something is specifically pointed out to them and the city needs to better notify people.

David Lillywhite suggested putting the information in an upcoming newsletter. Wade replied the next newsletter does not come out for two months and the vote cannot be delayed that long.

Jamie asked the council how they want to proceed as voting on the issue cannot be delayed for several months. The amount of the increase for the base rate and tiered rate needs to be determined before the public can be better educated. Wade replied he wants to see more options and different modeling before a determination can be made. Craig asked Wade for clarification on what additional items he wants to review. Wade responded he does not want to see only one option. Wade wants to see different base rates with different tiered rates and as many as five tiered rates rather than the three that are proposed.

Jamie asked Wade if he wants options for just a change in the base rate or the tiered rate? Wade replied he wanted to see several different options with both variables changing.

Wade suggested reducing the monthly base rate from the \$20.00 which is proposed and making the highest tiered level at \$1.57 rather than \$1.25 as proposed. A user based fee is more appropriate.

Jamie asked Craig to supply a rate schedule with a base fee of \$12 and \$16 as well.

Wade asked to see the modeling for the following:

0 – 8,000 gallons	\$0.75 per 1,000 gallons used
8,000 – 16,000 gallons	\$0.85 per 1,000 gallons used
16,000 – 20,000 gallons	\$0.95 per 1,000 gallons used
20,000 – 25,000 gallons	\$1.25 per 1,000 gallons used
25,000 gallons plus	\$1.55 per 1,000 gallons used

Mayor Barnes asked how many gallons the average home uses per month? Craig replied the industry standard is 8,000 to 10,000 gallons per month.

Jamie asked if different options will be reviewed at the next council meeting and one option selected? Mayor Barnes replied that is correct. The base fee must first be determined before tiered rates can be established. The information in the general plan, individual master plans and rate study is sound. Curtis replied the information has been supplied and the council needs to make a determination of how they want to proceed.

Craig informed the council he would put together several different options with different base fees and tiered rates for them to review.

Jamie asked if the proposed infrastructure projects are prioritized? Craig stated that is correct.

Jamie expressed concern for not having any funds on hand as he had read about and seen major infrastructure breaks in other communities recently.

Craig informed the council the staff replaces existing infrastructure when possible. Approximately \$1,000,000 is needed for piping replacement projects.

Mayor Barnes mentioned the city is responsible for water and storm water. The rates have not changed or updated for many years. Logan City recently increased the monthly sewer rate. Garbage fees might be increasing. The school district has raised property tax every year for the past several years. Smithfield City has not adjusted any utility fees for many years. The council cannot base their decisions on what other entities have done or are doing. The council must implement the fee to cover the services the city supplies. Increases have not been implemented for over eight years.

Jamie asked how the residents can be educated about the proposed increase? Wade replied it is much easier said than done based on the low attendance at the last few council meetings. Curtis stated the council has been trying to educate the residents for a couple of years starting with the general plan update and only a few people showed up. If the council does not implement an increase service will be reduced as projects are not completed. The easiest way for a council to become unpopular is to not have water to people's homes when they turn on the tap.

Curtis mentioned the council needs to give Craig some ideas of what they want to see in some new rate structure modeling. For example, a \$20 base rate, an \$18 base rate or others.

Jamie suggested after the increase is approved the council needs to review the rate structure yearly to make sure it is enough or too much. Curtis suggested increasing the base rate \$1.00 per year to help keep up with costs. Jamie replied the rate needs to be reviewed yearly even if the rate is increased \$1.00 per month.

Curtis mentioned even with the large increase in the base rate the funds needed for projects will not be collected for six years.

Jamie asked if there is a time limit on the funds collected for infrastructure projects? Craig replied there is not as the water fund is an enterprise fund. An enterprise fund can lose or make money just like a business. The debt in the water fund is quite high at this time. The fund is currently paying approximately \$40,000 in interest per year. If funds are gathered before projects are completed and cash can be paid for the project then no interest will be paid.

Wade asked to continue this discussion at a future council meeting when different modeling options could be reviewed and discussed.

Curtis asked if this discussion would continue at the next council meeting in January or at the February 14th council meeting? Mayor Barnes replied the new modeling charts will be reviewed at the January 24th council meeting.

Curtis asked the council how they intend to educate the public on this proposal? Wade replied it is hard to get people to attend and pay attention. No matter how much the increase is; people will not be happy.

Curtis asked how monthly water shutoffs will be affected by an increase to the monthly rate? Craig replied the vast majority of those on the monthly shutoff list are on the list each month.

Some cannot pay because they don't have the funds but the majority don't make it a priority to keep their account current.

Curtis asked if some of the shutoff notices are paid by a third party such as the LDS Church? Craig replied that is correct.

Curtis mentioned most likely the number of accounts on the shutoff list will increase if the monthly rate is increased. Craig concurred.

Mayor Barnes mentioned the presentation on the proposed rate increase could be advertised in the upcoming newsletter. Curtis suggested sending out an email through the Parlant system since over 50% of the accounts were registered with an active email address. Justin mentioned the staff could advertise with the upcoming utility invoice, through Parlant and on Facebook as well as at the city office and library.

Mayor Barnes suggested the only item on the agenda for that council meeting be this presentation. Craig stated the council needs to determine the proposed rate before holding the meeting so specific information could be presented.

Mayor Barnes mentioned one option would be to go to a \$15 base fee now and to \$20 in a year. Curtis replied \$15 might not meet the needs of the city and a model needs to be run to determine if it will. Craig mentioned \$6,000,000 is needed in five years for the most urgent infrastructure projects.

Jamie suggested including some information with the upcoming utility bill mailing regarding the meeting and presentation. Curtis asked Justin to advertise the meeting with the utility mailing as well as on Facebook and through Parlant.

Justin asked if the presentation would be held at the February 14th council meeting so the council could determine the proposed rate at the January 24th council meeting? The council felt that was appropriate.

A motion to table Resolution 17-19, a Resolution amending the monthly utility rate fee for culinary water service was made by Wade, seconded by Curtis and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 17-20, A RESOLUTION AMENDING THE MONTHLY UTILITY CHARGE FOR STORM WATER.
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Mayor Barnes mentioned the current proposal is to raise the monthly storm water utility rate from \$4.50 per month to \$20.00 per month. Including an additional \$1.00 per month increase in July of each year for the following four years was also included for consideration.

Jamie commented the discussion and presentation on the proposed rate change should be included with the culinary water rate discussion at the February 14th council meeting. Mayor Barnes concurred.

Craig asked the council if there were other options they wanted to consider? Wade replied the proposal is user based so there are not any other options to consider.

A motion to table Resolution 17-20, a Resolution amending the monthly storm water utility rate, was made by Jamie, seconded by Wade and the vote was unanimous.

Yes Vote: Hunsaker, Anderson, Campbell, Wall

No Vote: None

Craig asked for clarification on the process moving forward. Jamie replied the council will determine the specific rate increase they are proposing at the January 24th city council meeting and then present the information to the residents at the February 14th council meeting.

Mayor Barnes stated raising rates is always hard to do and is a difficult decision but must be considered by the council.

DISCUSSION ON CURRENT PROPERTY TAX RATE.

Mayor Barnes stated the city must notify the county for advertising purposes if the intent is to consider raising the property tax rate. The budget is tight. Big projects have come along at a significant cost such as having to purchase new backhoes. The backhoe leasing program from the past had been discontinued by the supplier. Employees are leaving because of low wages. Wages need to be comparable to other local cities especially for the police department. In order to be comparable on an hourly wage basis an additional \$100,000 is needed in the police department budget for wages only. Property taxes have not been raised since 2011. Several local cities have recently implemented increases and the school district has done so yearly for the last few years. Craig mentioned the county had done a recent increase as well.

Mayor Barnes mentioned everyone needs additional revenue but the residents will be disappointed with any increase as they are being taxed from all sides.

Mayor Barnes mentioned he had asked for this item to be placed on the agenda as he felt it is appropriate for the council to discuss if a property tax increase is needed.

Jamie asked for an explanation of the process of how property taxes are raised or when it would be discussed. Craig replied the county is notified in January so the county can help with advertising. The proposed increase is included in the new budget but the difference between the current rate and the proposed rate is not allocated. In July, the county will send out parcel specific mailings to the residents of the city. In August, a public hearing is held. If the increase is approved the funds are then collected in the current property tax cycle which is in November.

Curtis asked how much the increase would be? Craig replied that is up to the council. At this time the county just has to be notified of the intent to raise property tax. A number has not been discussed or presented at this time. Mayor Barnes replied the council would have the discussion and if the rate stays the same that is okay as well but the process must be followed.

Jamie asked if the council decides to do nothing if the process just stops? Craig replied that is correct.

Deon asked the council if anyone was aware of any recent legislation that had passed where new growth would not affect the current property tax rate? Craig replied the legislature did not approve that bill last year. A new bill is being considered in the upcoming legislative session but what is included in the bill is not known at this time.

Deon mentioned he had done an analysis on property tax for his newsletter write up in 2017. The same amount of property tax is collected by the city yearly but the amount per home has been decreasing yearly as new homes are built in the city. The amount of revenue collected stays the same but the rate decreases when new homes are built.

Wade replied the valuation by the county on his home had not changed but the amount he paid to the city had decreased the last several years. In 2013, the property tax paid to the city on Wade's home was \$114 and in 2017 it was \$96. Mayor Barnes mentioned very few people understand they are paying less to the city as their overall property tax has been increasing over the last few years.

Craig informed the council the staff is working on a capital facilities plan. The plan is for the next ten to twenty years for all city buildings, parks and other large projects.

The consensus of the council was to notify the county of the intent to review and possibly raise the property tax rate.

CITY MANAGER REPORT

Craig informed the council he attended a sewer rate committee meeting in Logan. Right now the project is out to bid. The design is 90% complete. The design will be 100% complete by April 1st. After the design is complete there is a 30 day review process. The intent is to start building the new facility this summer. The project will take 40 months to complete. October 2021 is the projected completion date and startup date.

As the legislature meets there will be several bills considered which will affect the city. The council will be informed when their assistance is needed to reach out to legislators in behalf of the city on specific bills. Last year there were 300 bills proposed in regards to cities and 83 were passed. Mayor Barnes mentioned the Utah League of Cities and Towns does a great job keeping the city council, mayor and staff of each city informed on what is going on.

COUNCIL MEMBER REPORTS

Curtis mentioned the planning commission meeting scheduled for Wednesday, January 17th has been cancelled due to a lack of business. The Cache Valley Transit District is operating like normal. The Smithfield Chamber of Commerce raised \$28,000 from their annual Night of Giving event.

Curtis asked Eric Kleven, Smithfield Chamber of Commerce President, how many children were helped? Eric replied 131 children were helped this year.

Curtis mentioned depending on the age of the child either \$50 or \$100 was spent on the child. Eric mentioned this was the most number of children ever helped by proceeds from the event.

Curtis informed the council Stacey Dority has resigned from the chamber and Nicole Zollinger has taken her place.

Jamie asked why the planning commission meeting was cancelled as he thought there were some city ordinances which needed to be reviewed? Curtis replied short term rentals are still being reviewed. Another proposed ordinance is being reviewed by legal counsel before it comes to the planning commission for consideration. Char provided the commissioners with a training video to watch before the next planning commission meeting.

Deon asked if anyone was attending Elected Officials Day at the legislature? Mayor Barnes replied he was attending. The event is on Wednesday, January 24th.

Deon asked if any of the youth council members were attending? Mayor Barnes replied he was aware of six to eight who would be attending.

Deon mentioned the fees owed to the canal company will be increasing because of the amount of storm water draining into the canals. The amount of the increase has yet to be determined. The canal company is having problems with some of the property owners along the canal as there is a disagreement on easements and right of ways along the canal. There was an algae problem this year with the canal and it was expensive to repair.

Deon asked Craig if the city had cleaned out the portion of the canal the city is responsible for? Craig replied the city contracts with the canal company for maintenance services such as this.

Jamie did not have any additional items to discuss.

Wade did not have any additional items to discuss.

Curtis reminded the council the Utah League of Cities and Towns spring conference will be in April. Justin replied the spring conference is April 25th through the 27th this year.

MAYOR'S REPORT

Mayor Barnes informed the council he did not want to finalize council member assignments until the new council member was appointed.

Mayor Barnes asked the council to consider which of the following areas they would like to serve with: Parks, Trails and Recreation, Health Days, Library, Youth Council, Planning Commission, Chamber of Commerce, Irrigation board, Lion's Club liaison, Cemetery, Tree Committee, Senior Citizen program, Historical Society, Cache Valley Transit District, Fire Department and Police Department. Assignments would be made at the February 14th council meeting.

Curtis asked which council member was assigned to which month for newsletter submittals in 2018? Mayor Barnes replied he would take care of March with the submittal to the staff no later than February 20th. Jamie replied he would take January 2019. Deon stated he would take May and be in charge of the Health Days write-up. Curtis requested July. Wade accepted the November assignment and the new council member will be over the September newsletter.

Mayor Barnes informed the council on Wednesday, January 17th at 6:30 P.M. at the North Logan City Office Building, Roger Tew of the Utah League of Cities and Towns would give a presentation on property tax.

Mayor Barnes mentioned the Health Days pageant selection program will be on Saturday, January 20th starting at 6:00 P.M. Jamie mentioned the program will be held in the Senior Center.

Mayor Barnes asked the council to attend events in the city where there are volunteers acting in behalf of the city. Supporting local volunteers is good when possible.

Mayor Barnes asked how many new parking stalls will be created as part of the Forrester Acres expansion project? Craig replied around 58.

Mayor Barnes mentioned as part of this project a new parking lot will be created, pickle ball courts added and a new sports field built.

Mayor Barnes asked Craig for the projected timeline of the project? Craig replied the grant should fund in approximately June 2018 and the intent is to start the project in the summer or fall of 2019.

Mayor Barnes asked how much of project is paid for by the grant? Craig replied the preliminary cost of the project is \$840,000 and the city received a grant of approximately \$400,000.

****Curtis made a motion to adjourn at 8:15 P.M.****

SMITHFIELD CITY CORPORATION

Jeffrey H. Barnes, Mayor

ATTEST:

Justin B. Lewis, City Recorder

**SMITHFIELD CITY CORPORATION
96 South Main
Smithfield, UT 84335**

AGENDA

Public Notice is given that the Smithfield City Council will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah, on **Wednesday, January 10, 2018**. The meeting will begin at 6:00 P.M.

Welcome and Opening Ceremonies by Mayor Barnes

1. Approval of the city council meeting minutes from December 13, 2017
2. Resident Input
3. Jared Nielson, agent for MV Properties, has requested consideration of approval for the Final Plat, Phase 1, 16 Lots, for the Lantern Hill Subdivision located at approximately 400 to 800 East on Canyon Rim Road (approximately 350 North). Zoned R-1-12.
4. Selection of Mayor Pro Tempore.

5. Discussion with Fire Chief Jay Downs on the creation of a battalion chief position in the fire department.
6. Discussion and possible vote on Ordinance 17-21, an Ordinance amending Smithfield City Code, Title 17 “Zoning Regulations”, Amending Chapter 17.120.010 “Use Allowance Matrix” in its entirety.
7. Discussion and possible vote on Ordinance 17-22, an Ordinance implementing a Storm Water Impact Fee and amending the fee schedule for Impact Fees for Water, Parks and Storm Water.
8. Continued discussion and possible vote on Ordinance 17-20, an Ordinance establishing a time and place for holding regular council meetings during calendar year 2018.
9. Discussion and possible vote on Resolution 17-19, a Resolution amending the monthly utility charge for culinary water service.
10. Discussion and possible vote on Resolution 17-20, a Resolution amending the monthly utility charge for storm water.
11. Discussion on current property tax rate.
12. City Manager Report
13. Council Member Reports
14. Mayor’s Report

Adjournment

*****Items on the agenda may be considered earlier than shown on the agenda.*****

In accordance with the Americans with Disabilities Act, individuals needing special accommodation for this meeting should contact the City Recorder at (435) 792-7990, at least three (3) days before the date of the meeting.