

PAYSON CITY
CITY COUNCIL MEETING AND WORK SESSION
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, November 1, 2023

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Kirk Beecher, Brett Christensen, Taresa Hiatt, Bob Provstgaard, William R. Wright

EXCUSED: Linda Carter

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Kim E. Holindrake, City Recorder
Jason Sant, City Attorney
Robert Mills, Development Services Director
Travis Jockumsen, Public Works Director/City Engineer
Scott Spencer, Fire Chief
Jill Spencer, City Planner
Janeen Dean, Community Events Coordinator
Shawn Black, Power Director
Shelby Bohling, Communities That Care Coordinator

OTHERS Kenny Ellsworth

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 6:00 p.m. The meeting was properly noticed.

A. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Brett Christensen.

Pledge of Allegiance led by Bob Provstgaard.

B. CONSENT AGENDA

1. Approval of the October 18, 2023, City Council Meeting Minutes
2. Resolution - Amendments to the Payson City Fee Schedule

MOTION: Councilmember Beecher – To approve the consent agenda as outlined by the Mayor.
Motion seconded by Councilmember Provstgaard. A roll call vote was taken as follows and the motion carried.

Yes	-	Kirk Beecher
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Bob Provstgaard

C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. CTC: Mayor's Youth Recognition

Mayor Wright and Shelby Bohling presented Mayor's Youth Recognition Awards to Gabriella Lund, Mt. Nebo Middle School and Presley Ryan, Payson High School.

2. Public Forum

Kenny Ellsworth stated he is still having problems with the contractor that is working on the street and his driveway. He doesn't understand how houses are being approved when his items are finished. The contractor keeps pressuring him and the neighbor to sign off on it. After the City made the contractor resurface the road three weeks ago, the contractor keeps promising to fix his driveway. The neighbor can't get to his back yard. This has been going on for two years now.

3. Staff and Council Reports

Staff Reports

COMMUNITY EVENTS – Janeen Dean gave a shoutout to Mayor Wright who attended the Big Band Halloween Dance and for supporting every event. The dance was very successful with 125 attendees and was family oriented and fun. She tries to do something different each year and used a fog machine that brought the Payson Fire Department to the building. It was a perfect Halloween sight. The next event is the Santa Dash on November 24 with the Christmas lights being turned on for the City, and the Payson Market donates donuts and hot chocolate is provided.

Council Reports

Councilmember Provstgaard attended the Junior High Football championship at Timpview High School. There were four times the Payson citizens attending, and it was cold. A shoutout to the Payson people for being supportive. Shoutout to staff; he's amazed at what is done for the citizens.

Mayor Wright gave a shoutout to the Payson High School football team for being involved in the state playoffs since 1972.

Councilmember Christensen voiced concerns about all the cars parked along the street because the parking lot isn't finished.

D. ACTION ITEMS

1. Resolution - Program Guidelines for Commercial Façade Improvement Program (6:15 p.m.)

Staff Presentation:

Jill Spencer stated the Commercial Façade Improvement Program for downtown has been a goal for the Council to support the historical and cultural identity of the downtown Payson businesses. The City received a \$200,000 Community Development Block Grant (CDBG) from Mountainland Association of Governments (MAG), which is federal funding and available until December 2024. The grant will help with facades, additional or improved public access, and removal of right-of-way encroachment. This is the first façade improvement program in Utah County using CDBG funds. She reviewed the eligibility boundary, which is a larger, broader area of downtown, and a target area for those properties

that will be impacted by the upcoming Main Street Revitalization Project. Guideline highlights include support HUD program rules (jobs for low to moderate income persons and federal funding); grants (up to \$50,000 for eligible improvements; 80/20 match required, demonstrate benefit for low to moderate income persons, reimbursement-based grant); commercial buildings at least 50 years old; and bid proposals, documentation, and agreements. The City is trying to find ways to protect community identity, improve economic vitality, protect buildings with historical significance, job creation and retention, model program for other cities, and federal funding. Staff understands this document will need to change, but it's a good start.

Council Discussion:

Mayor Wright stated other cities such as Provo City have used these funds, so the City has something to pattern for smaller cities. The City doesn't want to see any businesses go out of business during construction, which is why the back sides of the businesses are targeted for façade improvement. It will be a great project.

Jill Spencer clarified recipients do need to meet the low to moderate income level. MAG and Provo City have provided documents for businesses to complete in order to make sure a business qualifies. Staff held a BBQ with the downtown owners who asked many questions. Staff met with one property owner since then to discuss in detail their options and begin the process. Many want to know more about the program.

MOTION: Councilmember Christensen – To approve the (resolution) guidelines for the Commercial Façade Improvement Program as outlined. Motion seconded by Councilmember Provstgaard. A roll call vote was taken as follows and the motion carried.

Further Discussion:

The Council discussed the boundaries and possible changes, which can be determined by the City and expanded next year if funds are available. Now that the program has been introduced to the businesses, staff will go door to door to hand out information. The Council doesn't want to leave any funds on the table. It needs to happen quick since the fund expire December 2024.

Yes	-	Kirk Beecher
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Bob Provstgaard

2. Ordinance – Amendments to Title 12, Subdivision Regulations (6:33 p.m.)

Staff Presentation:

Robert Mills reviewed the proposed amendments to Title 12 that stems from SB174 regarding subdivision approvals with regards to single family, two-family, and townhome projects including preliminary plans and final plats. The Bill specifically designates the approving body as the land use authority and not the planning commission or city council. In Payson, the land use authority will be the Development Services Director and the Public Works Director or their designees. A subdivision is an administrative action and not a legislative action. Other city councils and planning commissions have put undue burden on the subdivision process by requiring things they shouldn't have done, and that got back to the Legislature, which then passed SB174. All applications in Payson are reviewed by the Development Review Committee, and then the land use authority will be the Development Services

Director and Public Works Director, which will make sure a subdivision complies with the regulations of the city code. The State Legislature has modified state code to create a new process for subdivision review and approval, which becomes a check box approval. A city legislative body is to make sure the code has all the check boxes needed in the subdivision process. These amendments just change the approving body.

Council Discussion:

Councilmember Provstgaard stated the citizens hold the council responsible as to why a subdivision is being built. If the Council or Planning Commission see a subdivision to be detrimental, then smaller density, etc. is addressed to make the subdivision more palatable. These amendments take that authority away from an elected group that answers to the citizens.

Robert Mills clarified the difference is the decisions should be made at the zone change request. Once a property is zoned, there are certain development rights that go along with that zone. The legislative body has the decision when a zone change is proposed as to uses, building height, setbacks, parking, etc. These are legislative actions. The residents of the community expect the Council to examine all those things. The answer is either the zoning is appropriate or it's not. If the zoning is appropriate, staff checks the boxes in that zone to give approval.

Councilmember Provstgaard noted that future councils need to make sure that the input from the residents comes into play with zoning is assigned.

Robert Mills stated the council's legislative power lies with tweaking the zones to make certain that the requirements are what is wanted in a zone. If the zoning is correct, the application should follow a smooth process and also gives assurance to those who want to develop. The changes stem from developers coming to a community with certain assurances and then being told the community doesn't like their product. There should be a really good reason to change the zoning of a property. The Council can question what type of project is connected to a zone change.

Councilmember Beecher noted as an engineer who has submitted subdivisions, this has always been a problem. The influences and personal feelings of people don't apply to the check boxes.

Councilmember Christensen questioned if the city code has enough zones to accommodate what goes into a development.

Robert Mills stated customarily residential zones are R-1-8 and R-1-9. The smallest lot size is Payson is 6,500 square feet. This gives the City the chance to review zones and tighten them up in the code before an application is submitted, which the Planning Commission is beginning to review zones. The City needs to be careful at the zoning stage and annexation stage.

Councilmember Christensen wants to make sure property is zoned correctly at the annexation stage. The holding zone with annexations allows spot zoning in the future.

Robert Mills noted this is when the Council addresses the general plan and specific plan for the intention of the land. There is a lot of safety in following the plan. Title 13 in defining the land use authority will be addressed in the future before February 1.

Jason Sant clarified the state statute specifically doesn't allow a councilmember to serve on the land use authority. It's difficult to have citizens at large serve on the land use authority because of the code specifications and requirements. Also, beginning February 1, 2024, the City has 20 business days from initial submittal, if accepted, for the land use authority to review an application. The applicant then has 10 or 15 days to return redlines and comments. Once it gets to the fourth review, it's done. Part of the bill was removed that automatically approved an application if it wasn't approved with the time frame. It will take some work to adjust to these new requirements and to make sure an application is complete before accepted. The Legislature is taking this out of the council's hands. One major developer in the state is pushing for administrative zoning. The Utah League of Cities and Towns is against it, but developers are trying to push it through.

Councilmember Provstgaard is concerned that this puts a target on staff to interpret the code and then citizens have heartburn because it was read wrong. He would rather see elected officials take the heat. The City is slowly losing authority.

Robert Mills noted the Legislature would like to create a state zone standard for every type of development that applies universally.

MOTION: Councilmember Beecher – To approve the (ordinance) amendments to Title 12, Subdivision Regulations finding that the State has ordered us to do so. Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes - Kirk Beecher
 Yes - Brett Christensen
 Yes - Taresa Hiatt
 Yes - Bob Provstgaard

3. Resolution – Utah Lake Preservation Grant Agreement (6:57 p.m.)

Staff Presentation:

Dave Tuckett stated the City received a Utah Lake Preservation Grant for \$4.65 million with an additional \$2 million to construct treatment capacity for the Payson Fruit Growers. Payson Fruit Growers applied for grant with the support of the City. Staff looked at what the Payson Fruit Growers would send to the sewer plant, which is much more expensive than \$2 million. Staff feels it best that the Payson Fruit Growers built their own pretreatment plant in their facility so the water coming to the city's facility is a lot less BOD. The Payson Fruit Growers is working on their pretreatment plant at a cost of about \$4 million. The plan is to keep the \$2 million from the grant for the city's facility, and funnel \$2 million to the Payson Fruit Growers plant through fund balance. Overall, it's a wash. This agreement is with the State of Utah for \$6.65 million. Just over \$6 million doesn't have to be paid back, and any funds the City doesn't have to pay back is great.

Funding Source	Cost Sharing	Percent of Project
ARPA (Utah Lake Preservation Fund Grant Program)	\$ 6,065,355	8.8%
Utah State Revolving Loan Fund	\$14,500,000	21.1%
Local Contribution (Loan, Rate, Local ARPA Funds)	\$48,115,645	70.1%
Total	\$68,681,000	100%

Council Discussion:

Councilmember Hiatt questioned if other businesses can apply for the same grant.

Dave Tuckett stated if the grant comes up again, other businesses could apply. The city's current pretreatment ordinance requires businesses to install pretreatment in before connecting to the city sewer. With the new sewer plant upgrade, there is only so much BOD capacity to spread out to all the businesses. If one business puts in more BOD, it would violate the state requirements, and that business would have to put in a pretreatment plant.

Travis Jockumsen noted currently Tempkin, Cornaby's, Sabinsa are on the city's pretreatment program.

MOTION: Councilmember Provstgaard – To approve the (resolution) Utah Lake Preservation Grant Agreement and follow everything it asks the City to do. Motion seconded by Councilmember Beecher. A roll call vote was taken as follows and the motion carried.

Yes	-	Kirk Beecher
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Bob Provstgaard

E. WORK SESSION (7:05 p.m.)

1. Discussion regarding additional power generators

Staff Presentation:

Shawn Black reviewed megawatt loads during May and July with 10 megawatts as a low and 16 megawatts as a high during the day. During the summer, the low is 14 megawatts with the high at 35 megawatts. This is a difference of 20 megawatts between the summer and off months. The different types of power include baseload (coal, nuclear, natural gas, geothermal, hydro) and runs 24/7 constantly at 10 megawatts. Intermediate (gas, solar, batteries) is used during business hours with cheaper capital costs but costs more. Peaking (simple cycle turbines, natural gas, batteries, generation plants such as Payson) has the highest capital cost. When power is purchased, it comes in rectangles and is difficult to shape. The monthly average market prices over the last five years includes several spikes at over \$200 a megawatt in January 2023.

Dave Tuckett noted the spike last November 2022 through January 2023 is where the fund balance was eaten up.

Shawn Black continued the fiscal year 2024 price on the market is \$92.85 per megawatt. It was much lower in 2019 (\$58.43) and 2020 (\$38.19). The city's current resources include CRSP, Hunter, long-term market contracts, PV wind, and Nebo, which carries a baseload capacity of 20.627. This is high considering it's down to 10 and 15 during most of the year so the City loses money during off months. The Payson Power Plant carries a 7-megawatt capacity, which gives the City a total of 27.627-megawatt capacity. In February, Wheeler Machinery announced to many local utilities that they had open manufacturing slots for (20) 3520H gensets, which would be ready for delivery in the summer of 2023. This situation resulted because of a lost bid to a large Idaho utility. The Utah utilities started to snap up the open slots hoping to reduce leads times and gain capacity to shield against market pricing. Payson has advantage because of existing building/land, emission permit, gas supply pipeline, and some major electrical equipment (switchgear and transformers).

Tonight, he is proposing the removal of some of the long-term contracts, purchasing solar from northern Utah, and purchasing six new generators at the Power Plant. This will bring the resource total to 36.902 megawatts for day capacity and 13.627 megawatts for night capacity. This also allows the City to sell some power and generate additional funds.

He reviewed the current situation at the Payson Power Plant. The ages of generators 3 and 4 are 1968 and 1962. Generators 1 and 2 are 1987. These are pretty old. He reviewed the property through a drone video. He is proposing replacing generators 3 and 4. The building will be expanded about 90 feet to the west to install four new generators for a total of eight generators. The substation will be moved as well. This will bring the plant capacity to 19.4 megawatts. The new generators are much more efficient and diesel fuel isn't used. He reviewed market pricing to purchase power, and the cost savings to upgrade the power plant.

He reviewed power sources in the United States. With the production of solar, the price is dropping (California's Duck Curve) and will eventually go to negative pricing.

Dave Tuckett stated this project would require bonding, but it looks like it would help the City to take matters back into its own hands. Owning resources will save money in the long run.

F. ADJOURNMENT

MOTION: Councilmember Beecher – To adjourn. Motion seconded by Councilmember Christensen. Those voting yes: Kirk Beecher, Brett Christensen, Taresa Hiatt, Bob Provstgaard. The motion carried.

The meeting was adjourned at 7:37 p.m.

/s/ Kim E. Holindrake
Kim E. Holindrake, City Recorder