

1 PAYSON CITY
2 CITY COUNCIL MEETING AND WORK SESSION
3 Payson City Center, 439 W Utah Avenue, Payson UT 84651
4 Wednesday, November 1, 2023
5

6 CONDUCTING William R. Wright, Mayor
7

8 ELECTED OFFICIALS Kirk Beecher, Brett Christensen, Taresa Hiatt, Bob Provstgaard, William R.
9 Wright
10

11 EXCUSED: Linda Carter
12

13 STAFF PRESENT David Tuckett, City Manager
14 Cathy Jensen, Finance Director
15 Kim E. Holindrake, City Recorder
16 Jason Sant, City Attorney
17 Robert Mills, Development Services Director
18 Travis Jockumsen, Public Works Director/City Engineer
19 Scott Spencer, Fire Chief
20 Jill Spencer, City Planner
21 Janeen Dean, Community Events Coordinator
22 Shawn Black, Power Director
23

24 OTHERS Kenny Ellsworth
25

26 William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at
27 6:00 p.m. The meeting was properly noticed.
28

29 A. PRAYER & PLEDGE OF ALLEGIANCE
30

31 Prayer offered by Brett Christensen.
32

33 Pledge of Allegiance led by Bob Provstgaard.
34

35 B. CONSENT AGENDA
36

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

39 **MOTION: Councilmember Beecher – To approve the consent agenda as outlined by the Mayor.**

40 Motion seconded by Councilmember Provstgaard. A roll call vote was taken as follows and the motion
41 carried.
42

43	Yes	-	Kirk Beecher
44	Yes	-	Brett Christensen
45	Yes	-	Taresa Hiatt
46	Yes	-	Bob Provstgaard

47

48 C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

49 1. CTC: Mayor’s Youth Recognition

50
51 Mayor Wright and Shelby Bohling presented Mayor’s Youth Recognition Awards to Gabriella Lund,
52 Mt. Nebo Middle School and Presley Ryan, Payson High School.

53
54 2. Public Forum

55
56 Kenny Ellsworth stated he is still having problems with the contractor that is working on the street and
57 his driveway. He doesn’t understand how houses are being approved when his items are finished. The
58 contractor keeps pressuring him and the neighbor to sign off on it. After the City made the contractor
59 resurface the road three weeks ago, the contractor keeps promising to fix his driveway. The neighbor
60 can’t get to his back yard. This has been going on for two years now.

61
62 3. Staff and Council Reports

63 Staff Reports

64
65
66 COMMUNITY EVENTS – Janeen Dean gave a shoutout to Mayor Wright who attended the Big Band
67 Halloween Dance and for supporting every event. The dance was very successful with 125 attendees
68 and was family oriented and fun. She tries to do something different each year and used a fog machine
69 that brought the Payson Fire Department to the building. It was a perfect Halloween sight. The next
70 event is the Santa Dash on November 24 with the Christmas lights being turned on for the City, and the
71 Payson Market donates donuts and hot chocolate is provided.

72
73 Council Reports

74
75 Councilmember Provstgaard attended the Junior High Football championship at Timpview High
76 School. There were four times the Payson citizens attending, and it was cold. A shoutout to the Payson
77 people for being supportive. Shoutout to staff; he’s amazed at what is done for the citizens.

78
79 Mayor Wright gave a shoutout to the Payson High School football team for being involved in the state
80 playoffs since 1972.

81
82 Councilmember Christensen voiced concerns about all the cars parked along the street because the
83 parking lot isn’t finished.

84
85 D. ACTION ITEMS

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

87
88 Staff Presentation:

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

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

104

105 Council Discussion:

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

110

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

116

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

120

121 Further Discussion:

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

126

127	Yes	-	Kirk Beecher
128	Yes	-	Brett Christensen
129	Yes	-	Taresa Hiatt
130	Yes	-	Bob Provstgaard

131

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

133

134 Staff Presentation:

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

145 of the city code. The State Legislature has modified state code to create a new process for subdivision
146 review and approval, which becomes a check box approval. A city legislative body is to make sure the
147 code has all the check boxes needed in the subdivision process. These amendments just change the
148 approving body.

149
150 Council Discussion:

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

155
156 Robert Mills clarified the difference is the decisions should be made at the zone change request. Once
157 a property is zoned, there are certain development rights that go along with that zone. The legislative
158 body has the decision when a zone change is proposed as to uses, building height, setbacks, parking,
159 etc. These are legislative actions. The residents of the community expect the Council to examine all
160 those things. The answer is either the zoning is appropriate or it's not. If the zoning is appropriate, staff
161 checks the boxes in that zone to give approval.

162
163 Councilmember Provstgaard noted that future councils need to make sure that the input from the
164 residents comes into play with zoning is assigned.

165
166 Robert Mills stated the council's legislative power lies with tweaking the zones to make certain that the
167 requirements are what is wanted in a zone. If the zoning is correct, the application should follow a
168 smooth process and also gives assurance to those who want to develop. The changes stem from
169 developers coming to a community with certain assurances and then being told the community doesn't
170 like their product. There should be a really good reason to change the zoning of a property. The
171 Council can question what type of project is connected to a zone change.

172
173 Councilmember Beecher noted as an engineer who has submitted subdivisions, this has always been a
174 problem. The influences and personal feelings of people don't apply to the check boxes.

175
176 Councilmember Christensen questioned if the city code has enough zones to accommodate what goes
177 into a development.

178
179 Robert Mills stated customarily residential zones are R-1-8 and R-1-9. The smallest lot size is Payson
180 is 6,500 square feet. This gives the City the chance to review zones and tighten them up in the code
181 before an application is submitted, which the Planning Commission is beginning to review zones. The
182 City needs to be careful at the zoning stage and annexation stage.

183
184 Councilmember Christensen wants to make sure property is zoned correctly at the annexation stage.
185 The holding zone with annexations allows spot zoning in the future.

186
187 Robert Mills noted this is when the Council addresses the general plan and specific plan for the
188 intention of the land. There is a lot of safety in following the plan. Title 13 in defining the land use
189 authority will be addressed in the future before February 1.

190
191 Jason Sant clarified the state statute specifically doesn't allow a councilmember to serve on the land
192 use authority. It's difficult to have citizens at large serve on the land use authority because of the code

193 specifications and requirements. Also, beginning February 1, 2024, the City has 20 business days from
 194 initial submittal, if accepted, for the land use authority to review an application. The applicant then has
 195 10 or 15 days to return redlines and comments. Once it gets to the fourth review, it's done. Part of the
 196 bill was removed that automatically approved an application if it wasn't approved with the time frame.
 197 It will take some work to adjust to these new requirements and to make sure an application is complete
 198 before accepted. The Legislature is taking this out of the council's hands. One major developer in the
 199 state is pushing for administrative zoning. The Utah League of Cities and Towns is against it, but
 200 developers are trying to push it through.

201
 202 Councilmember Provstgaard is concerned that this puts a target on staff to interpret the code and then
 203 citizens have heartburn because it was read wrong. He would rather see elected officials take the heat.
 204 The City is slowly losing authority.

205
 206 Robert Mills noted the Legislature would like to create a state zone standard for every type of
 207 development that applies universally.

208
 209 **MOTION: Councilmember Beecher – To approve the (ordinance) amendments to Title 12,**
 210 **Subdivision Regulations finding that the State has ordered us to do so.** Motion seconded by
 211 Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

212
 213 Yes - Kirk Beecher
 214 Yes - Brett Christensen
 215 Yes - Taresa Hiatt
 216 Yes - Bob Provstgaard

217
 218 3. Resolution – Utah Lake Preservation Grant Agreement (6:57 p.m.)

219
 220 Staff Presentation:
 221 Dave Tuckett stated the City received a Utah Lake Preservation Grant for \$4.65 million with an
 222 additional \$2 million to construct treatment capacity for the Payson Fruit Growers. Payson Fruit
 223 Growers applied for grant with the support of the City. Staff looked at what the Payson Fruit Growers
 224 would send to the sewer plant, which is much more expensive than \$2 million. Staff feels it best that
 225 the Payson Fruit Growers built their own pretreatment plant in their facility so the water coming to the
 226 city's facility is a lot less BOD. The Payson Fruit Growers is working on their pretreatment plant at a
 227 cost of about \$4 million. The plan is to keep the \$2 million from the grant for the city's facility, and
 228 funnel \$2 million to the Payson Fruit Growers plant through fund balance. Overall, it's a wash. This
 229 agreement is with the State of Utah for \$6.65 million. Just over \$6 million doesn't have to be paid
 230 back, and any funds the City doesn't have to pay back is great.

231

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%

232
 233 Council Discussion:
 234 Councilmember Hiatt questioned if other businesses can apply for the same grant.
 235

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

241
242 Travis Jockumsen noted currently Tempkin, Cornaby's, Sabinsa are on the city's pretreatment
243 program.

244
245 **MOTION: Councilmember Provstgaard – To approve the (resolution) Utah Lake Preservation**
246 **Grant Agreement and follow everything it asks the City to do.** Motion seconded by

247 Councilmember Beecher. A roll call vote was taken as follows and the motion carried.

248
249 Yes - Kirk Beecher
250 Yes - Brett Christensen
251 Yes - Taresa Hiatt
252 Yes - Bob Provstgaard
253

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

255 1. Discussion regarding additional power generators

256
257 Staff Presentation:

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

267
268 Dave Tuckett noted the spike last November 2022 through January 2023 is where the fund balance was
269 eaten up.

270
271 Shawn Black continued the fiscal year 2024 price on the market is \$92.85 per megawatt. It was much
272 lower in 2019 (\$58.43) and 2020 (\$38.19). The city's current resources include CRSP, Hunter, long-
273 term market contracts, PV wind, and Nebo, which carries a baseload capacity of 20.627. This is high
274 considering it's down to 10 and 15 during most of the year so the City loses money during off months.
275 The Payson Power Plant carries a 7-megawatt capacity, which gives the City a total of 27.627-
276 megawatt capacity. In February, Wheeler Machinery announced to many local utilities that they had
277 open manufacturing slots for (20) 3520H gensets, which would be ready for delivery in the summer of
278 2023. This situation resulted because of a lost bid to a large Idaho utility. The Utah utilities started to
279 snap up the open slots hoping to reduce leads times and gain capacity to shield against market pricing.
280 Payson has advantage because of existing building/land, emission permit, gas supply pipeline, and
281 some major electrical equipment (switchgear and transformers).

282

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

287
288 He reviewed the current situation at the Payson Power Plant. The ages of generators 3 and 4 are 1968
289 and 1962. Generators 1 and 2 are 1987. These are pretty old. He reviewed the property through a drone
290 video. He is proposing replacing generators 3 and 4. The building will be expanded about 90 feet to the
291 to the west to install four new generators for a total of eight generators. The substation will be moved
292 as well. This will bring the plant capacity to 19.4 megawatts. The new generators are much more
293 efficient and diesel fuel isn't used. He reviewed market pricing to purchase power, and the cost savings
294 to upgrade the power plant.

295
296 He reviewed power sources in the United States. With the production of solar, the price is dropping
297 (California's Duck Curve) and will eventually go to negative pricing.

298
299 Dave Tuckett stated this project would require bonding, but it looks like it would help the City to take
300 matters back into its own hands. Owning resources will save money in the long run.

301
302 F. ADJOURNMENT

303
304 **MOTION: Councilmember Beecher – To adjourn.** Motion seconded by Councilmember
305 Christensen. Those voting yes: Kirk Beecher, Brett Christensen, Taresa Hiatt, Bob Provstgaard. The
306 motion carried.

307
308 The meeting was adjourned at 7:37 p.m.

309

310

311

312 _____
Kim E. Holindrake, City Recorder