

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, June 2, 2015 at 5:30 p.m. in the Logan City Municipal Council Chamber, 290 North 100 West, Logan, Utah. Chairman Jeannie F. Simmonds conducting.

Councilmembers present at the beginning of the meeting: Chairman Jeannie F. Simmonds, Vice Chairman Herm Olsen, Councilmember Karl B. Ward, and Councilmember Holly H. Daines. Administration present: Mayor H. Craig Petersen, Finance Director Richard Anderson, Risk Manager/Attorney Bryce McEuen and Deputy City Recorder Sylvia Tibbitts.

Excused: City Attorney Kymber Housley, Councilmember S. Eugene Needham, and City Recorder Teresa Harris.

Chairman Simmonds welcomed those present. There were approximately 16 citizens in the audience at the beginning of the meeting. She welcomed Troop 7 scouts who were present.

#### **OPENING CEREMONY:**

Vice Chairman Herm Olsen gave the opening ceremony. He spoke of the island of Palau where one of the most vicious battles of World War II was fought, but it is peaceful and beautiful today. He had the opportunity to work on the island the past two months on a judicial mission to teach the people there how to conduct jury trials. This is the number one diving mecca in the world with sunken ships, planes and coral to explore. For the purpose of this meeting, Herm noted that as beautiful as Palau is today, there is no place like home and it was wonderful to come back to Logan City and Cache Valley. On the shelves of the markets in Palau, he found Gossner's milk and Casper's Fat Boy ice cream bars, and noted we do have a presence in a world market. When people say the United States is a good place to live, it is true and when they say Logan City is a jewel, it is true. He was grateful for his experience and glad to be back with his friends. He offered an opening prayer and led the audience in the pledge of allegiance.

**Meeting Minutes.** Minutes of the Council meeting from May 19, 2015 were reviewed and approved with minor changes.

**ACTION.** Motion by Councilmember Holly Daines to approve the minutes with the noted changes, seconded by Councilmember Karl Ward to **approve the May 19, 2015 minutes and approve tonight's agenda.** Motion carried unanimously.

**Meeting Agenda.** Chairman Simmonds announced there would be one public hearing at tonight's Council meeting.

**Meeting Schedule.** Chairman Simmonds 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, June 16, 2015, chaired by councilmember Herm Olsen.

The Regular Council Meeting scheduled for July 21, 2015 has been cancelled.

### **QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL:**

Citizen Bill Bower asked if there was a back page to the Council Agenda as his copy did not have one. Chairman Simmonds replied there was and read the action item listed thereon to Mr. Bower.

Joe Tenant, Logan Resident addressed the Council. He indicated that that online use tax paid to the state from purchases does not filter back down to the cities. He researched the subject and found the states can collect the sales tax. A Supreme Court decision from the past is making it extremely unfair for the states. If we are paying use taxes, it should also trickle down to the cities. He felt it is important to work with the state and local legislators and make it fair for the cities to make sure the sales tax gets to the cities. Mayor Petersen responded that he would take that issue to the Utah League of Cities and Towns. Councilmember Olsen noted this is a valid point and thanked Mr. Tenant for his comments.

Citizen David Carlston Miller expressed interest in the Light and Power building south of the Library. Mayor Petersen responded that the Light and Power Department will build a new building near the Service Center and the building they are in will be demolished to allow comprehensive development of the block. The Light and Power Department will probably occupy the building until just before it is demolished. Mr. Miller asked if there was any possibility of acquiring the property to which Mayor Petersen responded it would not be possible. Mr. Miller felt the property acquisition or disposition decision was a lot of power for just one person, that being the Mayor. Chairman Simmonds responded that the citizens have chosen this form of government by vote of the populous. Mr. Miller asked how to go about changing the local form of government. Chairman Simmonds replied it would need to be changed by vote through the ballot process.

### **MAYOR/STAFF REPORTS:**

#### **Updates on Projects/Issues – Mayor Petersen 2015 Fireworks Plan – Chief Jeff Peterson, Fire Department**

Mayor Petersen recognized Deputy City Recorder Sylvia Tibbitts and Risk Manager Bryce McEuen who were substituting for City Recorder Teresa Harris and City Attorney Kymber Housley, respectively.

Mayor Petersen introduced his grandson, Tyler Gibson, and welcomed him and his scout troop who were present at the meeting.

Mayor Petersen reported on the entrance posts at the cemetery that are now down. The intersection at 600 East and 1000 North is now paved and it is anticipated to be opened Monday, June 8, 2015. The front rockwork is completed at the Logan gateway sign with lettering to follow soon. The landscaping is underway at the “Y” intersection on South Main. 200 South and 500 East will be closed for two weeks for storm drain repairs. Chip seal has begun on 1400 North from 600 – 1000 West. Traffic will be limited to one lane for two days.

Mayor Petersen reported that Councilmember Holly Daines visited the Trapper Park. He invited other members of the Council to visit the park and the trail extension. Mayor Petersen announced that Lowe’s is providing an opportunity for cities to receive grant monies and the city applied last week for a \$25,000 grant for a pavilion at Trapper Park.

Mayor Petersen provided the Council members with a report on the history of RAPZ tax awards. He expressed appreciation to the Cache County Council and the RAPZ committee.

Mayor Petersen reported he is in the process of assembling a meeting with downtown business owners. This meeting will be put together to interact with them and get their ideas/concerns with regard to the downtown. He invited the Council to that meeting and noted it will be a public meeting.

Mayor Petersen reported the Gardener’s Market was packed last Saturday. He was thrilled that the market has been located downtown. Councilmember Olsen asked how the change came about for the location of the Market from Willow Park to downtown. Mayor Petersen reported that Mary Lane, the director of the Gardener’s Market, was looking for a busier place for the market for drive by and foot traffic. She met with him and they explored options. Eventually the county offered the present location for the Market. Restroom facilities are much better as the courthouse is open and facilities are first rate. The parking works out better too. Councilmember Ward noted he is anxious to get input from the business merchants in downtown as to how the market is working for them.

Fire Chief Jeff Petersen reported that as the fire season begins, typically there are areas in the City that should have fireworks banned and other areas that should not. He is working on a plan in an attempt to get that right. This new policy will be more flexible. Councilmember Ward asked if it would be difficult for enforcement people to monitor and enforce. Mayor Petersen responded that it would, however, he has visited with Police Chief Gary Jensen, who expressed that the police are willing to take on that challenge.

**Discussion: Supporting HB 362 (2015) authorizing 0.25% Local Option General Sales Tax dedicated to transportation and encouraging the Cache County Council to submit the proposal to voters in November 2015 – Mayor Petersen.**

At the May 19, 2015 Council meeting, Mayor Petersen distributed a proposed resolution to the City Council which if the City Council approves will go to the Cache County Council to put an optional sales tax for transportation on this year’s ballot. The Utah

League of Cities and Towns (ULCT), which lobbied for the local option sales tax during this year's legislative session, sent a proposed resolution to the City's. Earlier this year, Logan and other Utah cities passed a resolution urging the Legislature to approve measures to benefit local transportation funding. The sales tax was among those measures that were approved in the final hour of the session in March. The tax would bring in an approximate \$3.5 million dollars per year, according to analysis by the ULCT, and the allowed uses for the money are broader than other transportation funds funneled through the State. Though approved by the Legislature, the sales tax needs to be approved locally. Mayor Petersen asked the Council to review the proposed resolution. Logan City would receive approximately \$1.2 million dollars per year, the CVTD would receive the same amount of \$1.2 million dollars and the County would receive \$600,000.

Mayor Petersen gave a brief explanation of the sales tax proposal. Cache County Councilmember Val Potter reported the county is pleased the ULCT has done something to get funding for transportation through the gas tax increase. He felt it was lopsided that the cities, counties and transit would share the tax in the proposed portions. The county is concerned that they have a lot of road in the county to maintain and are faced with managing a budget for that. The .25% allocation is insufficient for their needs. With the current allocation, CVTD would receive a 20-30% increase in their budget. The county has had to make some cuts in past years to manage its budget. The CVTD question is a real concern to the county and he encouraged city officials to discuss those concerns with the county and CVTD before any decision is made on the part of the city.

Councilmember Potter reported CVTD has an option to increase revenue by charging a fare, can talk to USU and the school districts to tap into other revenue sources, and also combine with other transportation industries in the valley. He thinks a sales tax decision is premature at this time as other tax increase issues are forthcoming. He would like to avoid the tax increase at this time.

Cache County Councilmember Greg Merrill reported that the county has 605 miles of roads and needs money for the maintenance of those roads. The county as done everything to cut expenses including cutting the road department staff by one-third and consolidating the road department with other departments. Tax increases last year were significant with the school bond. His concern was if this sales tax issue goes on the ballot this fall, voter turnout will be small and a very small percentage of citizens will make the decision on this sales tax distribution. Additionally, next year the county will probably propose a sales tax increase for a water conservancy district. He felt the way this proposal is structured, with the influence of the Wasatch Front and the significant organizations in mass transit, it was able to be passed. However, the way this proposal is written, the balance of the tax distribution is unfair.

Councilmember Olsen agreed that roads need attention, both within the city and county and felt the balance of the distribution was not right. Rather than oppose the proposal, he wondered if it would make sense to postpone the issue long enough to request either the Legislature reallocate the percentage, or they allow counties flexibility to weigh in on the percentage and reduce the transit monies to a lower level. He would be comfortable with that effort and approach. If the solution lies with the Legislature who establish the percentages, we need to ask them to allow the county to make the allocation decisions.

Cache County Council Chairman Kathy Robison said there is a threshold for the roads that qualify for repair through this tax. Under that current law, the county has only 19 miles of those roads that qualify for that repair. She felt the county needs to work with the legislature over the next year to work on lowering that threshold for the minor arterial roads and find a better balance with the present tax allocation percentages since we have only a partial transit district.

Councilmember Ward agreed that there needs a reallocation of the tax and putting the decision on the ballot this year is not a good idea.

County Councilmember Val Potter encouraged the city to become actively involved along with the other cities to change this. The county alone cannot change this, and it will take the cooperation and promotion of the cities with the county.

Councilmember Ward recommended this is not something the council wants to consider at this time until there is something more in line with what needs to be equitable. Councilmember Daines agreed. Chairman Simmonds reminded the county and city that this was a transportation opportunity, not just a road tax and to keep that in mind as we move forward.

Councilmember Olsen was reluctant to take a position that might be construed as chastisement for the Transit District. They do a good job and are an important component of our whole community needs. He also spoke of the context of air quality the Transit District helps with. However, he agreed that timing may not be right, and he would like to see the distributions tweaked and then moved forward in the future. Our entire community also needs to recognize the benefits that the Transit District does provide and it is both a blessing and a benefit.

Mayor Petersen offered to convey these concerns to the Utah League of Cities and Towns should the Council decide not to move forward with a vote at this time.

Finance Director Richard Anderson felt the Legislature should have allowed each governmental entity to make their case for their own portion of the tax distribution.

### **COUNCIL BUSINESS:**

**Cancelled: Regular Council Meeting July 21, 2015 – Chairman Simmonds**

### **ACTION ITEMS:**

There were no Action Items on tonight's Council meeting agenda.

### **WORKSHOP ITEMS:**

**Consideration of a proposed resolution to adjust Rate Schedule #8 (USU) to a Partial Requirements Schedule more suitable for a customer with internal generation – Resolution 15-28 – Mark Montgomery, Light & Power Director**

The proposed resolution will be an action item and public hearing at the June 16, 2015 council meeting.

Mark Montgomery reported there are two electric rate components, namely: 1) consumption; and 2) facilities rate (otherwise known as peak demand rate). Currently USU is billed under a simple peak demand rate on 15 minute slices. They have a cogeneration plant behind the meter. This does two things. First, it shaves their peak usage and moves everything down on the facilities rate, saving them around \$63,000 per month with the cogeneration plant. The problem with this rate is the city still needs to have power in place to supply that higher peak and USU never pays for that. Second, if their system kicks off, it leaves the city scrambling to find enough power to cover USU's needs.

The plan is to have USU set their Supplement Power Rate for which they will pay an ongoing monthly rate. There will also be a monthly Backup Facility Rate of \$3.97/kW. This will be the facilities charge. There will also be an Excess Demand Rate of \$27.86/kW per day. If their cogeneration plant goes down, we will charge them an additional Daily Backup Power Rate of \$0.38/kW per day.

If USU schedules maintenance of their cogeneration plant and lets the city know reasonably in advance, they will pay only \$0.19/kW during the time of maintenance.

Councilmember Daines asked about excess demand rate and how that was determined. Mr. Montgomery explained this was a negotiated rate with USU. There may need to be another cost analysis in about two years before any rates are adjusted. Mayor Petersen noted the city has worked extensively with USU to find a reasonable rate, however, ultimately the council has the legal authority to determine rates if necessary.

Mayor Petersen noted this rate structure is the same as the University of Utah pays to Rocky Mountain Power.

Mr. Montgomery added the energy usage rate is approximately \$0.0306/kW for USU.

The plan is to begin the new rates on July 1, 2015. This will be an action item on the June 16, 2015 Municipal Council Agenda.

**Consideration of a proposed resolution approving Elected Official's Wages FY 2015-2016 – Resolution 15-25 – Richard Anderson, Finance Director**

The proposed resolution will be an action item and public hearing at the June 16, 2015 council meeting.

Mr. Anderson reported the proposal is to keep elected officials' wages the same as they have been for the past several years. This is something that may need to be periodically reviewed. He suggested coming up with a strategy to determine a time frame to do so. It should be done so the wage change would take effect for the forthcoming council members and mayor.

**Consideration of a proposed resolution approving Member Contributions to the Utah Retirement Systems Contributory Retirement Plan FY 2015-2016 – Resolution 15-26 – Richard Anderson**

The proposed resolution will be an action item and public hearing at the June 16, 2015 council meeting.

Mr. Anderson reported this is a pick-up resolution. There are a few employees on the Contributory Retirement System. It has been the practice of the city to pick up the city portion of the contribution on behalf of those employees. Since that time, the city has moved primarily toward a non-contributory system. By picking up this portion of the contribution on behalf of those few employees, it will keep them in parity with the non-contributory employees.

Councilmember Daines asked if this pick-up would resolve as employees retire in the future. Mr. Anderson replied it would and noted other municipalities do this. This resolution is simply to comply with requirements of Utah State law.

**OTHER CONSIDERATIONS:**

Councilmember Daines reported it has come to her attention that a family in the Wilson Neighborhood is keeping several farm animals on its property. The way our code is written it does not have leverage for regulating this. There needs to be a code revision which would cover things like smell from the animals. She asked staff to add this as an agenda item in two weeks for a report as to whether the ordinances need to be revised. Councilmember Ward suggested a possible solution could be done through zoning.

Councilmember Daines also spoke of interest in having a council member assigned to each neighborhood. She said the neighborhood councils would like this and would like to see a discussion on assigning council members to the neighborhoods. Chairman Simmonds asked that it be put on the first council agenda in July. She added there needs to be a discussion about rotating the assignments so each council member receives the opportunity to know each neighborhood better.

No other considerations were brought forward to the Council.

**ADJOURN to meeting of the Logan Redevelopment Agency.**

Chairman Jeannie F. Simmonds welcomed everyone to the Logan Redevelopment Agency meeting.

**ACTION ITEM:**

**PUBLIC HEARING - Consideration of a proposed resolution approving Agency Assistance to Neighborhood Nonprofit Housing Corporation for its Northern Utah Neighborhood Improvement Program – Resolution 15-24 RDA**

At the May 19, 2015 Council meeting, Kim Datwyler, Executive Director of the Neighborhood Nonprofit Housing Corporation addressed the Council. She stated the Neighborhood Nonprofit Housing Corporation is nearing completion on their first year of the Northern Utah Neighborhood Improvement Program. They have been awarded funding from the Olene Walker Housing Loan Fund for a single-family home rehabilitation loan program which they intend to leverage with grant funding from the Redevelopment Agency, in addition to potential matching funding it is applying for from the Federal Home Loan Bank of Seattle. The funds will be used exclusively on single-family homes in Logan City that are occupied by households with a gross household income equal to or less than 80% of the area median gross income for households of similar size. The program provides grants to eligible households for exterior home improvement projects that improve both the appearance of the home and the neighborhood, as well as the life of the home, and include improvements to electrical service, roofs, exterior walls, windows and doors, as well as landscaping projects and concrete work.

Ms. Datwyler respectfully requests \$50,000 in RDA funding to be used for the rehabilitation of at least ten more homes. She expressed her appreciation for this opportunity to again partnership with Logan City.

Kirk Jensen reported on the request. They are looking to integrate the funds from Logan City potentially with a grant from the Federal Home Loan Bank in Seattle and also secure funding from the Olene Walker Housing Fund to give a lending opportunity to applicants for improvements that would expand the program. This has been done in the past, although without the Olene Walker funding.

There was a brief discussion as to whether there was a condition for matching funds as part of the \$50,000 award. It was determined that was not discussed in the Economic Development Committee Meeting. Instead, it was merely a grant with no conditions.

Chairman Simmonds opened the meeting to a public hearing. There were no public comments.

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

**ACTION.** Motion by Councilmember Ward seconded by Councilmember Olsen to **approve Resolution 15-24 RDA** as presented. Motion carried unanimously.

**ADJOURNED.** There being no further business to come before the council, the meeting of the Logan Municipal Council adjourned at 6:55 p.m.

Sylvia Tibbitts, Deputy City Recorder