

1 **PROVIDENCE CITY COUNCIL MINUTES**

2 **June 8, 2010**

3 **Providence City Office Building**

4 **15 South Main Providence, UT**

5

6	Call to Order:	Mayor Liechty
7	Roll Call of City Council Members:	Mayor Liechty
8	Attendance:	D Astle, J Russell, D Low, B Bagley, D Calderwood
9	Pledge of Allegiance:	Mayor Liechty
10	Motivational Thought:	B Bagley

11

12 **APPROVAL OF THE MINUTES:**

13 **Motion to approve the minutes from May 25, 2010 with the following changes: J Russell, D Calderwood second**

- 14 Page 1 – line 26 – Can the city contract out?
- 15 Line 36 – be responsible for the notices, employees terminated for 18 months.
- 16 Line 39-40 – Raised 15% for next year if no changes are made.
- 17 Line 42 – with an HAS account not spent remains their \$ rollover year to year.
- 18 Line 51 – something the city would benefit from.
- 19 Page 2 – Line 12 – use an average
- 20 Line 45 – remove the s off of these. Use to exchange for culinary water from Spring Creek Irrigation.
- 21 Line 46 – without this the City runs the risk of water shares.
- 22 Line 8 thru 12 – add names of companies. Waterparkfeatures.com ARC & Blue Sky – Local
- 23 Line 7 – remove no vote.
- 24 Page 3 – Line 3 – if they are not used.
- 25 Line 12 – more valuable in 20 years than they are today.
- 26 Line 14 – no second, motion died.
- 27 Line 17 – it will cost approximately 4,000 to submit an application.
- 28 Page 4 – Line 41 – from 100 North to Center Street on the west side.
- 29 Line 44 – from the mouth of Providence Canyon.

30 **Vote: Yea: D Astle, D Low, B Bagley, D Calderwood, J Russell**
 31 **Nay: None**
 32 **Abstain: None**
 33 **Excused: None**

34

35 **PUBLIC COMMENTS:**

36 Jason Major talked to the Council about putting in an ordinance that controls roosters, grouse and any other birds that make
 37 noise. He feels like this affects his quality of life. Please make an ordinance that deals with this problem.
 38 G Busch suggested the Planning Commission could look at the chicken ordinance at the next meeting.
 39 S Bankhead said the Council could refuse to allow roosters in the City.
 40 C Carlston said he is concerned that anyone who has roosters would still be allowed to keep them. He will check with the
 41 County Attorney on this issue.

42

43 **PUBLIC HEARING:**

44 **Item No. 1. (6:15 p.m.):** The Providence City Council will hold a public hearing to receive public comment on approving
 45 the 2011 Budget for the following funds: General, Capital Project, Water, Sewer and Storm Water.

46 **Motion to open the public hearing: D Astle, J Russell second**

47 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
 48 **Nay: None**
 49 **Abstain: None**
 50 **Excused: None**

51 S Bankhead told the public and the Council that GBS Benefits supplied the employees with a couple of insurance quotes.
 52 Most of the employees chose the Reimbursement Account. It is the more expensive of the insurances. There are a few
 53 employees that chose the HSA Insurance. She explained what the difference in the two insurances is. R Eck is going to talk to
 54 the Council about road maintenance. The insurance and roads need to be decided before the budget can be finished. The

1 City's liability insurance rates have dropped significantly. The City is also going to receive a refund check from our liability
2 insurance in October. She will have a complete budget at the next meeting.

3 D Astle looked at both insurance options. The big advantage of the Health Savings program is the savings to the City. It does
4 have a \$1500 deductible. The other insurance has co-pays. Co-pays do not go towards your deductible. Under the HSA
5 program it would save the City \$21,000 yearly. Employees would be more responsible for their health care. Insurance should
6 be used to cover unforeseen problems. He recommends giving the employees one option. He thinks that the Health Savings
7 option is the best way to go for the City. He recommends giving the employee \$110 raise a month for their Health Savings
8 account. The money in this account is totally tax deductible. He believes this will save the City and the employee money.
9 The other good thing about the Health Savings account is the money you put in rolls over yearly. It is also an interest bearing
10 account. The Health Savings account has a lot of good options.

11 J Russell agreed with D Astle. He feels like the Health Savings option is the better way to go.

12 R Eck told the Council that the employees were given two options last week. He doesn't understand where this idea is
13 coming from.

14 D Astle said that was correct. He feels like with only 15 employees they shouldn't give the employees 2 choices. He said that
15 this will be up to the Council. He believes that this will keep the employees from misusing the insurance.

16 S Bankhead said last year the insurance rates went up because of use.

17 R Eck said going to the HSA option doesn't work for his family.

18 D Astle said the City will be giving the employees a raise from the savings that the City will receive by going with the HSA
19 option.

20 J Russell said there are several advantages in going to an HSA account. He knows exactly how the employees feel about
21 changing their insurance plan.

22 Kristina Eck talked about the family deductible. She also reminded the Council that 10 employees chose the first option only
23 5 employees chose the second option.

24 Shane Hansen agreed with Kristina Eck. He also believes that the Council should go with the reimbursable option.

25 S Bankhead told the public that the employees were told to choose the option they wanted. She explained that at the time
26 everything that she knew was presented to them.

27 J Russell told the employees that the Council needed all of the numbers before they could make an informed decision. They
28 did not mislead the employees.

29 S Bankhead explained how the deductibles work on both plans. One of the biggest differences in the two plans is the way the
30 deductible works. If you can only pay the out of pocket amount then the reimbursable option works better.

31 D Astle explained how the out of pocket amounts work.

32 K Eck said the HSA plan will not work for them.

33 D Astle explained how the Doctors work with an HSA account.

34 R Eck said the way an HSA was explained to the employees it scared them.

35 D Astle said he has been on an HSA for 3 years. He explained how it works with a Doctor's office. If the City can save
36 \$24,000 they will give the money to the employee for an HSA account. This would be about \$110 a month.

37 S Hansen asked if it was tax deductible.

38 Rob Stapley said both plans will hit the employees hard. There haven't been any raises for 2 years.

39 Danny Wisner said he was told no raise so that made his decision. Some employees will be hit really hard with their
40 medications.

41 J Russell said if you've already met your deductible it will roll over for the new insurance.

42 R Stapley said his deductibles have been met already. If he goes with the HSA he will have to meet another \$1500 in July.

43 R Liechty believes everyone is confused about this issue. He feels like GBS needs to come and explain to everyone how
44 these insurances work. Then a decision can be made that will be best for the City and the employees.

45 **Motion to close the public hearing: B Bagley, D Calderwood**

46 J Russell asked about deadlines for the budget.

47 S Bankhead said if we could do it on June 14th there would still be time to make a decision about the insurance by July 1st.

48 R Liechty suggested June 15th for a meeting on the insurance. At this meeting the insurance will be decided.

49 D Low asked why employees can't choose.

50 R Liechty said the Council will talk about that on June 15th.

51 J Russell said he wants to be sure that staff is fully aware of their options.

52 D Astle said it creates inefficiency. Does the Council run the City or does the employee run the City?

53 D Low feels like the employees should be allowed to choose their insurance option.

54 S Bankhead said she believes the Council needs to decide how much they are willing to pay out for insurance.

55 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
56 **Nay: None**
57 **Abstain: None**
58 **Excused: None**

1 **Motion to re-open the public hearing: J Russell, D Astle second**
2 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
3 **Nay: None**
4 **Abstain: None**
5 **Excused: None**

6 Jared Holland from IWorqs is here to talk about road budgets. They have software that manages road infrastructures. He is
7 here to give the Council insight on their road maintenance. He gave the Council some handouts to look at on the Providence
8 City roads. He talked about the importance of preventative maintenance. He explained the service life of a road. If you chip
9 seal every six years you can keep the road in good condition. He talked about the expense of taking care of the roads.

10 J Russell asked if eventually the roads will need more than chip seal.

11 D Astle said preventive maintenance will go along way.

12 J Holland explained what the minimum chip seal budget should be. You will pay for bad roads later if you don't take care of
13 them now. He talked about when you have to rebuild your roads. The older sections of road that need to be taken care of can
14 be put out for bonding.

15 D Astle said if you bond you need a general obligation bond.

16 J Holland said you need a certain amount of funding or everything goes bad.

17 D Low asked how many roads are still viable that we can maintain with chip seal.

18 J Holland said about 60% can be saved. 40% need to be re-built. The killer for roads is water.

19 D Low asked what a maintenance plan would cost.

20 J Holland said about \$76,500 to \$100,000. This is a good time to consider this. Logan City chip seals every 7 years. This is a
21 good maintenance program.

22 B Bagley asked about the different chip sealing available.

23 J Holland explained the difference and which seal works the best.

24 D Astle asked about HA5 seal.

25 J Holland said he believes it is worth looking at. It can only be done on brand new roads.

26 D Calderwood asked what the statistics are taken from.

27 J Holland said it is taken from wear and tear on a road.

28 D Calderwood believes that the City needs to get someone who is knowledgeable about roads and have them evaluate the
29 City's roads.

30 R Eck said this was done in 2008. He gave the Council a copy of the evaluation at the last meeting.

31 D Astle talked about the difference in the uses of the roads. Do they evaluate each road the same way?

32 R Eck explained how you deal with the different roads.

33 D Astle said the thing that the Council is looking at is do they need to allocate \$100,000 a year for road maintenance and then
34 bond for rebuilding the roads that need to be done.

35 J Holland said you also need to look at curb & gutter, sidewalk. Maybe redoing the sewer, etc.

36 D Astle said it is a matter of allocation.

37 J Holland said he can do a pavement evaluation for the City.

38 D Low asked if the Council has enough courage to raise taxes.

39 Keith Thompson suggested when it is presented to the citizens it should be presented correctly. You can't tell them that
40 you're raising their taxes 40%.

41 D Low said there has been very little tax increase. There has only been 1 in the last 17 years. He feels like the roads need to
42 be taken care of.

43 K Thompson said Skarlet recommended about a 4% tax increase. This would provide about \$10,000 a year.

44 D Low said it is time we do what is best for the City.

45 S Bankhead said there is money in the Class C Road funds from prior years. Center Street has been rebuilt. Quite a bit of
46 money has gone to the MPO road. There is some money we can use. If you only spend \$100,000 you can spend \$100,000 for
47 a Class C Road bond. You need to decide where you want to spend the money.

48 R Eck said we can spend \$100,000 a year just to get caught up. We are falling behind.

49 J Russell feels like we need to have some sort of plan so we know where we need to start.

50 R Eck said he has given that information to the Council already.

51 S Bankhead said there is \$200,000 in the 2011 budget for roads.

52 D Astle said he wants R Eck to tell them what roads he wants to chip seal.

53 R Liechty said there is \$400,000 in the bank that can be used for road maintenance. Why is that money not being used for
54 roads?

55 R Eck said the money was used for the MPO road and paying off a bond.

56 R Liechty asked if the MPO road has been paid.

57 S Bankhead said as far as she knows.

58 R Liechty said this Council can give \$100,000 for chip seal.

1 D Calderwood said it sounds like the Council needs to give R Eck permission to do his job.

2 D Low asked how much money is needed to not lose ground.

3 R Eck said there are a lot of new roads in the last 10 years.

4 R Liechty said in 2011 budget we will receive approximately \$200,000. There is already \$220,000 in the bank. Take
5 \$100,000 and use it to start the chip seal.

6 S Bankhead asked which budget their talking about.

7 R Liechty said the 2011 budget.

8 R Eck asked if they could move the money left from the 2010 budget to the 2011 budget on July 1, 2010.

9 S Bankhead said that is what we asked the Council to do quite often.

10 **Motion to close the public hearing: D Astle, D Calderwood second**

11 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

12 **Nay: None**

13 **Abstain: None**

14 **Excused: None**

15
16 **Item No. 2. (6:30 p.m.):** The Providence City Council will hold a public hearing to receive public comment on adjusting the
17 2010 Budget for the following funds: General, Capital Project, Water, Sewer and Storm Water.

18 S Bankhead said \$40,000 was allocated for the splash pad. This can be done during the final adjustment

19 **Motion to continue the public hearing to the next meeting: J Russell, B Bagley second**

20 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

21 **Nay: None**

22 **Abstain: None**

23 **Excused: None**

24
25 **BUSINESS ITEMS:**

26 **Item No. 1. Resolution 10-020:** The Providence City Council will consider for adoption a resolution approving an
27 agreement with iGov for web site services.

28 S Bankhead told the Council that Stacie Gomm has done a wonderful job on the City website. Storm Water is pushing the
29 cities to have a website that information can be put up at a moment's notice. The City would like to consider this option for at
30 least this budget year. This website is very easy to upkeep. The gentleman that designed this website did it for government
31 entities. The City can afford this website. It gives us 24 hour customer service. With this website you will still be able to pay
32 your utility bills online. It also integrates with PayPal. Right now this is a good affordable option for the City.

33 **Motion to approve: D Astle, D Low second**

34 B Bagley asked how soon this can be done.

35 S Bankhead said about 3 weeks.

36 D Low said this website is created for municipalities. He feels like this is a great thing.

37 R Eck asked if there will be different pages.

38 S Bankhead said that will be an ongoing project.

39 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

40 **Nay: None**

41 **Abstain: None**

42 **Excused: None**

43
44 **Item No. 2. Resolution 10-021:** The Providence City Council will consider for adoption a resolution authorizing the
45 acceptance of the Utah Local Government Trust's three-year liability insurance policy for the period of 07/01/10 to 07/01/13
46 and the Benefit Selection Form.

47 **Motion to approve: D Astle, J Russell second**

48 S Bankhead explained to the Council that the rates for the dental insurance we now have is increasing. PEHP Dental
49 Insurance plan is what the City would like to go with.

50 She also explained about the liability insurance through the Trust.

51 **Motion to accept the trust as the provider for liability insurance for one year and to go with PEHP Dental Insurance.**

52 **J Russell, D Calderwood second**

53 D Astle asked if the trust would go for a one year extension.

54 S Bankhead said she is sure it will.

55 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

56 **Nay: None**

57 **Abstain: None**

58 **Excused: None**

1 **Item No. 3. Ordinance 005-2010:** The Providence City Council will consider for adoption an ordinance amending
2 Providence City Code Title 10 Zoning, Chapter 6 Use Regulations by listing the conditions for incidental use, removing some
3 uses from the use chart and adding new uses to the use chart which may be permitted, conditional or incidental; uses being
4 added include but are not limited to nondepository financial institutions, personal services, recreation/entertainment and
5 theater. These changes may affect all zoning districts within the City.

6 **Motion to approve: J Russell, D Low second**

7 Kevin Hawkins with Amsource Properties owns the Maceys Shopping Center. They have a huge investment in the City. He
8 talked to the Council about the history of this project. He explained that Providence City needed the tax base. Amsource
9 relied on the zoning that was in place at the time this project started. Amsource feels like the zoning was changed without
10 their knowledge. This is a significant investment. Amsource needs to protect this investment. He had a meeting with
11 S Bankhead and R Liechty. DRC and Planning Commission rejected the changes that Amsource requested. When the zoning
12 changes were made significant uses were removed. He asked the Council to decide tonight one way or the other and
13 Amsource will respond accordingly. He talked about retail development and how the demand works. He feels like you need a
14 mix of uses to become a community shopping center. You need to create a destination, one stop shopping. They could live
15 with 15% of non-sales tax businesses. They would like to find a reasonable solution. He feels like their property rights have
16 been violated.

17 R Liechty asked if they wanted 2 pads plus 15%.

18 K Hawkins said that is correct. They have a Credit Union and they want a bank plus 15%.

19 Glen Busch, Chair-man of the Planning Commission told the Council the four reasons that they want this ordinance passed.

20 D Astle asked about the Flying J fuel pad. Is that counted towards the 15%?

21 K Hawkins said the fuel pad is Maceys. Amsource gets no revenue from that. They aren't asking for 2 additional pads. They
22 just need one for Chase Bank plus 15%. The City will not fill this development with only retail businesses. He doesn't feel
23 like the City is protecting the retail businesses by not allowing non-sales tax producing businesses.

24 D Astle asked about the small pads in the preliminary plat. Does that work for retail businesses?

25 K Hawkins said that is exactly what retail businesses look for.

26 B Bagley said a few years ago Carl Pitt talked about signage for the Maceys development. He told them that he had a
27 shopping list of businesses that wanted to go into this development. This was with the old zoning and nothing has gone in
28 there. He has been told that Amsource is shooting themselves in the foot because of the covenants that Maceys has.

29 K Hawkins said he has Gold's Gym and Chase Bank waiting for the decision of the Council.

30 J Russell asked why more hasn't been done to finish this development. When Maceys was built he thought that Amsource
31 would have finished this development by now.

32 D Low said we can't be mad because Amsource didn't do anything with their property.

33 K Hawkins said he just would like 15% of the 100% that he used to have.

34 D Low asked if 15% would hurt the City financially. Will it add to the community livability?

35 D Astle asked how Amsource would feel about using 15% of the overall development.

36 D Calderwood said he thought Maceys didn't want a health fitness center in the development.

37 K Hawkins said if it is moved far enough away it will work. The place right next to Maceys is for pre-sales only.

38 B Bagley asked what kind of retail businesses they would look for.

39 K Hawkins said mainly restaurants, tire stores, etc.

40 K Hawkins showed the Council the plat map and explained to them what it will look like.

41 D Astle asked about financial institutions. There are 6 of them in the same area.

42 Chase Bank said that 20% of Providence citizens bank with them.

43 K Hawkins handed out a plat map and explained to the Council what 15% would look like. He wants 15% of the total
44 building area. This will be self regulating.

45 D Astle said about 253,000 square feet total. That is about 38,000 square feet of non-sales tax producing businesses.

46 K Hawkins said there is a lot of inventory in Cache Valley. He feels like the Council took his property rights away from
47 Amsource.

48 C Carlston said legally the City did everything they were required to do.

49 D Low said nothing is being done with the development. He feels like 15% is a reasonable request.

50 **Motion to continue the meeting past 10:00 p.m.: J Russell, D Astle second**

51 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

52 **Nay: None**

53 **Abstain: None**

54 **Excused: None**

55 R Liechty asked if the Council allows this will the zone change across the highway.

56 S Bankhead said if the Council chooses to go with the 6 conditional uses for non-sales tax producing businesses they need to
57 look at the use chart and decide where they want to put "C".

1 R Liechty said if the Council decides to give Amsource 15% they can do that tonight and then Amsource will send them a list
2 of what they want.
3 S Bankhead said the Council needs to turn to page 4 of 5 and add a "C" for Bank/Financial if they decide to do this.
4 J Russell doesn't feel comfortable with making a decision right now. He feels like this will haunt the City if they make a
5 decision off the fly.
6 D Calderwood asked what 15% entails. Does this include the banks?
7 D Astle said it will be about 38,000 square feet of the entire development plus 2 banks.
8 S Bankhead said if you do this you will allow non-producing sales tax businesses. This will be part of the 15%.
9 B Bagley asked if they would want a letter from Amsource telling them what will be included in the 15%.
10 S Bankhead said you can ask them to provide a letter, but in the use chart you would create something that includes the
11 conditions of non-sales tax businesses. This would become part of the Code.
12 K Hawkins said he really needs an answer tonight. Yes or No. Please make a decision.
13 D Astle said if we allow 15% this needs to be spelled out.
14 K Hawkins said give him 15% and separate entrances and he will come back as many times as necessary to bang out the rest
15 of the uses. Is the Council OK with the 15%?
16 **Motion to continue to the next meeting with the idea of hammering out the verbiage resolution to allow 15% non sales**
17 **tax producing use including the 2 bank pads. D Astle. B Bagley second**
18 S Bankhead said this ordinance is about a lot more than just Chase Bank.
19 J Russell said this discussion has been focused on the 15%. Now we need to discuss the use chart. Is everyone OK with the
20 changes to the use chart?
21 D Calderwood said he is not OK with the changes. He feels that they need to be looked at more closely.
22 R Liechty suggested looking at the incidental uses.
23 The Council went over the changes that the Planning Commission made.
24 S Bankhead suggested approving the changes made by the Planning Commission.
25 K Hawkins asked if they would say the Council is OK with 15% of the building area being subject to non-sales tax
26 businesses and the rest is worked out with staff. He would like to make a step forward.
27 D Astle feels like this is a very important decision. It needs to be brought back to the Council with 15% spelled out and
28 specifying the footprint.
29 K Hawkins asked if he should work with the staff on this and bring it back on the 22nd.
30 C Carlston said get him something that the Council can vote on.
31 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
32 **Nay: None**
33 **Abstain: None**
34 **Excused: None**
35
36 **Item No. 4. Ordinance No. 006-2010:** The Providence City Council will consider for adoption an ordinance amending
37 Providence City Code Title 3 Business License Regulations, Chapter 4 Conditional Businesses, Section 5 Home Businesses
38 by removing H. Mechanical, Electrical Apparatus.
39 **Motion to approve: J Russell, D Low second**
40 B Bagley said he feels good about it. The nuisance ordinance will make this enforceable.
41 D Astle said the City needs to be very explicit on the nuisances. Also need to look at accessory buildings.
42 D Calderwood said Planning Commission is looking at that.
43 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
44 **Nay: None**
45 **Abstain: None**
46 **Excused: None**
47
48 **Item No. 5. Resolution No. 10-022:** The Providence City Council will consider for adoption a resolution approving a
49 contract for the installation of a splash pad at Alma H. Leonhardt Park.
50 **Motion to approve: D Low, B Bagley second**
51 S Bankhead passed out a copy of the contract.
52 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**
53 **Nay: None**
54 **Abstain: None**
55 **Excused: None**
56
57

1 **Item No. 6. Discussion:** The Providence City Council will discuss requirements to purchase a cemetery space at the resident
2 price; and they will discuss cemetery space prices in general.

3 **Motion to continue to the next meeting: D Low, D Astle second**

4 R Liechty explained to the Council what this discussion will be about.

5 **Vote: Yea: D Astle, B Bagley, D Calderwood, D Low, J Russell**

6 **Nay: None**

7 **Abstain: None**

8 **Excused: None**

9
10 **STAFF REPORTS:**

11 R Eck got a text message from Jason Major asking where he is on this ordinance.

12 The Council discussed the Rooster issue.

13 D Low would like to talk to the Sheriff's Department about different issues in the City.

14 R Liechty asked that S Bankhead set up a meeting with the Sheriff next week.

15 S Bankhead thanked everyone that was involved with the City Celebration. It was a great day.

16
17 **COUNCIL REPORTS:**

18 D Calderwood told the Council that he and B Bagley would be working on an ordinance for Hunting/Trapping.

19 B Bagley showed the Council the framed Declaration of Independence. He would like to get the Constitution and the
20 Preamble framed also.

21 D Astle gave the Mayor a couple of names for the vacancies in the Historic Preservation Commission. He reminded the
22 Council of a land use meeting next week.

23 D Low thanked the staff for the help with the City Celebration. He thought it was a great party.

24 R Liechty reminded the Council to use their Lagoon passes. He updated the Council on the MPO road.

25
26 **Motion to adjourn: D Low, D Astle second**

27 **Vote: Yea: B Bagley, D Low, D Astle, D Calderwood, J Russell**

28 **Nay: None**

29 **Abstain: None**

30 **Excused: None**

31
32 Meeting adjourned at 11:03 p.m.

33 Minutes taken and prepared by Terri Lewis

34
35
36 _____
37 Ronald Liechty, Mayor

Skarlet Bankhead, City Recorder