Minutes of the Price City Council Meeting
City Hall: Price, Utah
June 22, 2011 at 5:30 p.m.

Present:
Mayor Piccolo
Councilmembers: Jeff Nielson, Rick Davis, Richard Tatton, Kathy Hanna-Smith

Nick Sampinos, City Attorney
John Daniels, Human Resource Director
Pat Larsen, Finance Director
Aleck Shilaos, Police Chief
Gary Sonntag, Public Works Director
Laurie Tryon- City Recorder
Bret Cammans-Customer Service Director

Others Present: Kevin Scannell, Erroll Holt, Kendra Seeley, Barbara Piccolo, Amanda Holley, Kim Piccolo and Josie Luke
Excused Absence: Community Director- Nick Tatton

Mayor Piccolo called the meeting to order at 5:30 p.m. and led the Pledge of Allegiance. Roll was called with the above Councilmembers and staff in attendance.

1. PUBLIC COMMENT- Erroll Holt
Erroll Holt of Zions Bank presented the Mayor and City Council with a $10,000 check for the Centennial Celebration. The Mayor and Council thanked Mr. Holt for bringing the donation on behalf of Zions Bank and asked him to share their appreciation with Scott Anderson and everyone at the bank for their generous contribution.

Barbara Piccolo and Kendra Seeley from the Centennial Committee presented a flyer from their upcoming event, "Rock the Park". Mrs. Piccolo stated that there would be music, food and activities for all ages and asked if the Mayor and Council would serve as chaperones for the event. Each member agreed to assist if they could.

Rick Shaw of the Sun Advocate newspaper brought a Price City Centennial supplement example to show the Mayor and Council. He stated that the supplement is a limited edition to celebrate the centennial and is available for $2.00 each. He stated that it was a lot of hard work on behalf of his staff to capture the headlines over the last 100 years in one edition. The Mayor and Council thanked Mr. Shaw and the staff at the Sun Advocate for all of their hard work and dedication to the project.

2. COUNCILMEMBERS REPORT- The Councilmembers presented an update on the activities and functions in which they have participated.

3. EMMA PARK WATER WELLS.
Gary Sonntag stated that at well site EP-1, the drilling operation has reached the target zone. He stated that Engineers had reviewed the flow rate information, water quality lab tests results, water sample bottles, available geophysical logs and formation samples. Mr. Sonntag stated that based upon this information and after consultation, the City has determined that there is considerable risk that site EP-1 is not conducive to a successful production well and a production well is no longer planned for EP-1. He stated that the drilling company will proceed with abandoning the exploratory bore hole at EP-1 and begin moving to site EP-2 to begin an exploratory borehole. Mr. Sonntag stated that in the beginning, it was thought that there would be two well sites developed but, in pursuing this type of drilling, there is a certain risk that one well or both won't produce. He stated that well #2 has been started and is at 1110' feet with some signs of water. He stated that he would keep the Mayor and Council updated as information develops.

4. PUBLIC HEARING-To receive input regarding consideration and possible approval of a 3-lot subdivision, 200 North Fairgrounds Road, Commercial 1 Zoning District.

MOTION. Councilmember Tatton moved to open the public hearing at 6:00 p.m. Motion seconded by Councilmember Davis and carried. Councilmember Davis stated that the approval in the Planning and Zoning meeting included the condition that the parcel was approved but not development and any projects planned for the property needed to return to the City for approval. Gary Sonntag stated that the parcels have frontage on Fairgrounds Road and Westwood Blvd. and that the lots are on the border

of city limits. No public comment was received. **MOTION**. Councilmember Tatton moved to close the public hearing at 6:02 p.m. Motion seconded by Councilmember Hanna-Smith and carried.

5. PUBLIC HEARING-To receive input on the Budget Revision for Fiscal Year 2010-2011.
MOTION. Councilmember Hanna-Smith moved to open the public hearing at 6:03 p.m. Motion seconded by Councilmember Tatton and carried. Pat Larsen reviewed the budget revision summary. She stated that it was necessary to increase the general fund by $275,835.00 and to begin a new debt service fund with $100,000. She continued to state that the Capital Improvement Fund, water and electric fund and pool had all increased. Josie Luke from a local radio station asked if there was revenue available to create a balanced budget. Pat Larsen stated that the budget was balanced. **MOTION**. Councilmember Tatton moved to close the public hearing at 6:05 p.m. Motion seconded by Councilmember Davis and carried.

6. RESOLUTION 2011-09-A Resolution amending Resolution 2010-13 and adopting the Revised Budget for Fiscal Year 2010-2011.
MOTION. Councilmember Tatton moved to approve Resolution 2011-09. Motion seconded by Councilmember Hanna-Smith and carried.

PLANNING AND ZONING COMMISSION- Councilmember Davis reported that the Planning and Zoning Commission gave the following recommendations on the applications for a Home Occupied Permit and Conditional Use Permits:

7. Home Occupied Permit:

a. CASTLE VALLEY BRASS STUDIO- Danielle Dinkleman-665 N. Homestead Blvd.-Final with conditions set by the Planning and Zoning Commission. **MOTION**. Councilmember Davis moved to approve the recommendations from the Planning and Zoning Commission. Motion seconded by Councilmember Tatton and carried.

8. Conditional Use Permits:

a. LAND SUBDIVISION- 3-lot subdivision-200 N. Fairgrounds Rd.-Lyn Hansen-Final with conditions. **MOTION**. Councilmember Davis moved to approve the 3-lot subdivision parcel (only) with the condition that there is no development on the property without the owners returning to the City for approval. Motion seconded by Councilmember Hanna-Smith and carried.

b. CASTLE COUNTRY SALT AND WATER- Warehousing and distribution-1412 E. Airport Road **MOTION**. Councilmember Davis moved to approve the Planning and Zoning Commission recommendation to table the item until the next meeting. Motion seconded by Councilmember Nielson and carried.

CONSENT AGENDA-**MOTION**. Councilmember Hanna-Smith moved to approve the Consent Agenda items 9 through 23. Item 24 was removed for discussion. Motion seconded by Councilmember Tatton and carried.

9. MINUTES

a. May 25, 2011- City Council Meeting

10. PERFORMANCE CONTRACT- Authorization to approve a contract with "Performance Groups" for International Days 2011

11. RESOLUTION 2011-10 A Resolution adopting the Fiscal Year 2011-2012 Budget.

12. BUDGET TRANSFERS-Authorization to transfer funds per Fiscal Year 2010-2011 Budget.

13. RESOLUTION 2011-11-Job Description - Adopt a Resolution to approve revised job descriptions for Police Officer I, Police Officer II, Police Sergeant, Police Captain, and Police Chief

14. FEE WAIVER- Authorization to waive a building permit fee for the 20'x14' shed to be constructed in the rear of the LDS Bishop's Storehouse property located at 270 E. 100 S.

15. B. HANSEN CONSTRUCTION—800 North 100 East Concrete Road Work Project #4C-2011: Final Payment. All construction work is finished. Original Contract: $13,085.00. Change Order #1: $2,893.30. Final Contract Amount: $15,978.30. Final Payment: $15,978.30 (Budgeted: CIB).

16. HANSEN ALLEN & LUCE ENGINEERS INC.—Airport Road Sewer Study #14C-2008. Final Payment. All design work has been completed for changed scope. Original design work was altered two times due to land owner concerns. Current design is for sewer from Industrial Park to flow west under Airport Road via directionally drilled and cased pipe. Original Contract: $42,400.00 Change Order #1 (-6,978.59); Payments: Partial #1 $5,600.33, #2 $5,309.36, #3, $6,228.75, #4 $1,582.00, #5 $571.00, #6 $515.00, #7 $1,995.00, #8 $11,586.87, Final #9 $2,033.10. Total $33,388.31. Budgeted: CIB

17. M & M ASPHALT SERVICES INC.—Price Cemetery Slurry Seal #7C-2011. Final Payment. Original Contract: $22,750.00. Change Order #1 $1,151.50. Final contract Amount: $23,901.50. Final Payment: $1,151.50. (Budgeted: City/Parks)

18. VEHICLE AND EQUIPMENT BID RESULTS-SUV, Fire Department #6E-2011. The two used vehicles bid did not meet specifications. Reject bids received and allow fire department to search out suitable used vehicle and purchase it; Budgeted: City. TRUCK BEDS, Water Department #7E-2011. the two lowest truck bed bids met specifications for a ¾ ton truck, $5,808.18 and 1 ton truck, $10,981.06. Award to Semi Services. Budgeted: City. CHIPPER, Parks Department #8E-2011. The low bid did not meet specifications. Award to Vermeer $34,937; Budgeted: City.

19. LTD AGREEMENT-FIREFIGHTERS Consideration and approval of agreement between the Price Fire Department and PEHP's Long Term Disability (LTD) Program for firefighter LTD insurance. Authorize Mayor to execute all related documents to bind coverage.

20. RESOLUTION 2011-12- Certified Tax Rate - Approve 2011 certified tax rate of 0.002131 for an estimated total revenue of $697,930.

21. TERRY R. BROTHERSON EXCAVATING, INC.—Division of Drinking Water Project (DDW) #1C-2010. Final Payment. Original Contract: $938,450.79. Change Order #1: $16,661.53, Change Order #2: $28,393.41, Change Order #3: $128,222.59, Change Order #4: $61,952.05, Change Order #5: $88,977.61, Change Order #6: $221,732.21, Change Order #7: $98,097.90, Change Order #8: $2,800.00, Change Order #9: $(-141,769.20), Change Order #10: $133,670.52, Change Order #11: $5,426.05, Change Order #12 $11,572.14. Final Contract Amount: $1,594,187.60. Payments: Partial #1: $119,711.83, #2: $251,829.80, #3: $112,411.76, #4: $178,747.27, #5: $201,368.92, #6: $61,072.60, #7: $210,724.76, #8: $95,197.33, #9: $107,695.31, #10: $90,324.11, #11: $104,730.42, #12: $38,404.85, Final #13: $21,968.63 Total Payments: $1,594,187.59 (Budgeted: City/DDW).

22. NELCO CONTRACTORS INC., Emergency water valve repair, 700 East Main Street. #13C-2011. Final, amount due: $23,348.77; Budgeted: City.

23. PARKS AND CEMETERY DEPARTMENT. Contract Services, Ratify Council approval to proceed with urgent work to accomplish multiple projects to repair, replace and improve grounds and facilities.

24. LTD BENEFIT PROTECTION CONTRACT -TIER 2 MEMBERS OF URS Authorize Mayor to execute document declining coverage of Tier 2 members under the current Price City Benefit Protection Contract. Reference memorandum dated June 13, 2011 and Election Letter.

    Councilmember Davis asked John Daniels to explain the difference between Tier 1 and Tier 2 and how the change would affect the employees both current and future. John Daniels stated that long term disability is the same for employees under both tiers. He stated that Tier 1 can continue to approve retirement service credits after an employee is disabled in an accident at no cost to City even if they are not working for the City. He continued to state that Tier 2 long term disability would also apply service credits to the employee with the City paying the full contribution rates. Mr. Daniels stated that this is the result of the legislative reform of the Utah Retirement System. Councilmember Davis asked if the City chose Tier 1 would there be a time that the City could re-evaluate the decision. Mr. Daniels stated that a decision needed to be made by June 30, 2011 so that the benefit protection coverage could begin on July 1, 2011. He stated that the City can change that election at any time but cannot change in midstream just to get an employee covered. Mr. Daniels further stated that there are two things being discussed, one that the City has Long Term Disability benefits for all full time regular employees that is paid by the City which is a separate issue but related relative to retirement.

He stated that the provision is once an employee is on LTD but then ceases to be an employee they still get the service credits as if they were an employee. He stated that the City expects additional changes as time goes along. The Mayor stated that it would be easier to handle those changes in the future with this decision tonight. He stated that an example of what is going on right now is that if one of our full time regular employees is 25 years old and gets hurt outside of work on a motorcycle and cannot work, the City still pays that employees benefits regardless if they work until they are age 62. Mr. Daniels stated that this opportunity changes that and legislature said the retirement system would not be able to even provide retirement in the future as it could be underfunded so this formula would help change that future and help fund the future retirement system. He stated that this change is just for those employees that leave due to a disability from an accident etc. so someone could have not worked for 20 years at the City and still be paid from the City. Mr. Daniels stated that the decision the City makes tonight can be changed under a Tier 2 coverage and Tier 2 doesn't affect any current employees only those future employees.

MOTION. Councilmember Davis moved to deny the recommendations from staff and stay with Tier 2.
Discussion: Mayor Piccolo asked if Councilmember Davis understood that he was denying the request of staff. Nick Sampinos asked that John Daniels state the two choices.
John Daniels stated that the two choices are:
1. For future employees hired after July 1, 2011 under the Tier 2 retirement, the City elect to cover Tier 2 employees under the benefit protection contract at full cost to the City or
2. Elect to deny covering future employees under the Tier 2 benefit protection contract.

Mayor Piccolo stated that the City is providing an avenue not to add an additional cost by denying the traditional method of covering under Tier 1 and monitor it then to see where it goes. Councilmember Davis after hearing the two choices and understanding that the City can change its decision made a change to the motion. **MOTION**. Councilmember Davis moved to accept choice #1 from staff to deny covering future employees under the Tier 2 benefit protection contract. Motion seconded by Councilmember Nielson and carried.

25. PRWID-Councilmember Tatton reported on the results of the last PRWID Board meeting.

26. WATER RESOURCES- Update by Gary Sonntag
    - Scofield Reservoir has 69,471 acre feet of water that far exceeds the normal amount which is causing the water to spill out.
    - White River has peaked out and is low so its not reaching the Price River

27. EMERGENCY PLANNING-Update by Councilmember Davis
    - Continually working with Carbon County to acquire emergency equipment

28. COMMUNITY PROG.-CULTURE CONNECTION-Update by Councilmember Hanna-Smith
    - First Culture Connection program in the Peace Gardens had to be moved inside due to inclement weather
    - Next Culture Connection evening is June 23, 2011 with a BBQ event
    - Community Progress is checking into having a program like "Adopt a street" to adopt planting sites in the City
    - Volunteers to trim the rose bush site on 100 North were requested

29. POWER COMMITTEE-
Mayor Piccolo stated that Price City and Rocky Mountain Power have been working together to negotiate a resolution of a mistake in the calculation of power use. He stated that instead of charging the City 5% they charged the City 5/10 of one percent and now the City owes money. He stated that as of today's agreement, the City would have 18 months to pay back approximately $160,000 without interest. Mayor Piccolo stated that it was power used by City customers and it could be charged to customers in order to raise the revenue to pay the money owed. Pat Larsen suggested making two large payments, one in each budget cycle of 2011-12 and 2012-13. She stated that she needs to review the rates and see how we can take care of the payments. Councilmember Hanna-Smith would like to review the options at an upcoming workshop. The Council requested that staff review the rate history, revenue costs and recovery plans and provide the information the City Council at the next scheduled workshop.

MOTION. Councilmember Hanna-Smith moved that repayment be made in accordance with negotiations made with Rocky Mountain Power and that staff provide the City Council with an analysis report with final decision to be made at a future City Council meeting. Motion seconded by Councilmember Tatton and carried.

30. INTERNATIONAL DAYS-Update by Councilmember Hanna-Smith
Councilmember Hanna-Smith stated that a "Burn Out" event was presented as an option for an event for International Days. She stated that she provided a summary to the committee and the event is being reviewed. She stated that the City Attorney and Chief of Police both had concerns regarding the safety and liability issues that expose the City so the item was not placed on the International Days poster. Mayor Piccolo stated that he would like to receive information on the event to review before any final decisions are made. John Daniels stated that most insurance policies do not cover motorized events and this may be subject to coverage exclusion. Councilmember Hanna-Smith will ask the person to bring more information for the City to review.

Councilmember Hanna-Smith reviewed the Hot Air Balloon event. The City Attorney asked to see the insurance coverage for the planned event and had a few questions regarding the contract. Kendra Seeley from the Centennial Committee stated that the balloons are tethered to the ground. Councilmember Hanna-Smith stated that the total cost for the two mornings of rides was $2395.00 which the International Days and Centennial Committee groups would pay. John Daniels stated that there is an exclusion in the City insurance policy regarding airborne devices and that the Utah League of Cities an Towns believes that we will not have liability insurance coverage for the event. Councilmember Hanna-Smith stated that the owner has his own insurance and that each person has to sign a waiver before they ride in the balloon. Mayor Piccolo stated that if the City Attorney accepts the final contract and insurance coverage then he can sign the agreement.

31. UNFINISHED BUSINESS
   a. Recycling
   b. Centennial Celebration

NEW BUSINESS:
Gary Sonntag stated that he serves on the Price River Enhancement Committee and the group would like to create a pamphlet to promote clean water care using the City logo graphic on the pamphlet. The Mayor and Council agreed that it would be acceptable as the logo is not copyrighted and it's the hope of the City as well to promote clean water care.

Gary Sonntag stated that construction on the Price River Trail bids were opened by UDOT but the bids exceeded 10% of engineer's estimate. He stated that he is waiting for a final report on the decision to move forward or re-bid the project.

Gary Sonntag stated that the Parks Department would be preparing the Washington Park for International Days by repairing grass, painting areas around the pavilion and restrooms so areas would be taped off with caution tape for the next few weeks.

Mayor Piccolo requested approval to provide Zion's Bank with a plaque of Price City's Articles of Incorporation in appreciation of their donation to Price City in the sum of $10,000.00.

The regular City Council meeting adjourned at 7:25 p.m. by Mayor Piccolo pursuant to the motion by Councilmember Hanna-Smith.

APPROVED ATTEST

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Joe Piccolo, Mayor Laurie Tryon, City Recorder