

Heber City Corporation  
City Council Meeting  
02/03/2011  
7:00 p.m.

REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in Regular Meeting on February 3, 2011, in the City Council Chambers in Heber City, Utah.

Present: Council Members Eric Straddeck  
Nile Horner  
Robert Patterson  
Alan McDonald  
Benny Mergist (8:22 p.m.)

Excused: Mayor David R. Phillips

Also Present: City Manager Mark K. Anderson  
City Recorder Paulette Thurber  
City Engineer Bart Mumford  
City Planner Allen Fawcett  
Chief of Police Ed Rhoades

Others Present: Fred Schloss, Luke Peterson, Jennifer Sweat, Janene Hodges, Martin VanRoosendaal, Gregorio Perez, Willa Motley and Craig Lacey.

Pledge of Allegiance: Councilman Robert Patterson

Prayer: Councilman Nile Horner

Mayor Pro Tempore Straddeck excused Mayor Phillips and indicated Councilman Mergist would arrive late due to work issues.

MINUTES: 01/06/2011 Work Meeting – 01/06/2011 Regular Meeting  
01/20/2011 Work Meeting

Councilman McDonald moved to approve the above listed minutes. Councilman Patterson made the second. No discussion.

Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson, and Alan McDonald. Councilman Mergist had not yet arrived.

## OPEN PERIOD FOR PUBLIC COMMENT

Fred Schloss – City resident – 2 items

- 1) Only 1 flag for the crossing on Main Street and 300 South. When trying to cross Main Street, he got across the first lane but the car in the second lane almost got him. He finally got to the middle section of the road and then ventured out onto the last two lanes. He said four cars gave him no respect--they would have sooner run over him than not and he was sure they were speeding. He asked what could be done to make Main Street safer. He suggested the speed limit was too fast on Main Street.
- 2) He attended the meeting sponsored by The Division of Wildlife and they talked about the deer and elk. He talked to some of the enforcement people at that meeting and said they would not even talk with him about deer within the City and only wanted to talk about elk. He said they told him there was nothing they could do about the deer. He said he had eight deer across the street from his front door. Schloss expressed concern for the children and suggested those animals would be there all summer--they will not go away. He questioned if someone could tranquilize them and move them to higher ground. He indicated they had stripped his rose bushes down to nothing. He said he bought burlap and wrapped the trees which had helped but that the deer were like ants in the neighborhood.

## CONSENT AGENDA

- 1) **Los 2 Lagos Restaurant – Request for Local Consent – Beer, Wine and Alcohol Establishment – Located at 735 West 100 South (Old Stew Pot location) (Tab 1):**
- 2) **Reinstatement – City Council Car Allowance :**

Councilman McDonald moved to approve the items on the Consent Agenda. Councilman Patterson made the second.

Councilman Horner asked Kohler about the restaurant license and if he had done all the checks that were necessary. Kohler said yes.

Mayor Pro Tempore Straddeck addressed the City Council Car Allowance issue and said the Council had passed the budget and by so doing had indicated to the citizens that item had been taken out and would not be an expense to them. He thought the Council should keep it out for this budget cycle.

Voting AYE on the motion to approve the items on the Consent Agenda: Nile Horner, Robert Patterson, and Alan McDonald. Voting NAY: Eric Straddeck. Councilman Mergist had not yet arrived.

## APPOINTMENTS

### **Luke Peterson – Presentation of Wasatch Tourism & Development 2011 Strategic Plan (Tab 2):**

Peterson indicated that on February 23 there would be a mini Economic Development Seminar at which time he would present his annual plan for this year. He said he would appreciate any input from that. At this point, Peterson reviewed his PowerPoint slides. (See Attached)

Peterson said he was making some changes in office personnel as Monta Giles had taken another position within the County. Consequently, he was going to change that position to Office Manager/Marketing Specialist. He said he also wanted to create an Events Coordinator position.

Peterson said one of his goals was to have off-season events. He said he was working with Economic Development Committee and putting Suresites on the Chamber's website. Peterson said he was working with UVU and would hopefully get a full time business service agent who could be of assistance to existing businesses. He said he would be making some changes to the In Out Back Forum. He indicated he had talked with Mayor Phillips about a Universal Event Calendar. Peterson talked about an Ag-Business Program and said he had a small grant—he wanted to give the agricultural businesses some help.

Peterson discussed the Chamber's web site and said he would be making changes to it. Discussion about the graph from the Power Point slides which showed people heard about the Heber Valley via friends and family and not the internet. Consequently, they planned to invest heavily into the website.

Peterson said he would focus on off-season visitors as the businesses in Heber suffered in the winter. The goal was to get more people to stop and make purchases in the fall, winter, and spring months. He said the Chamber would be creating a Go Heber Valley Card which would incorporate incentives and they would be creating a film commission, as well.

Councilman McDonald asked what the main draw to the Heber Valley was. Peterson said people had indicated they like the small, rural, beautiful open and not congested area and the number two thing was the recreation options—fishing, golf, etc.

Councilman McDonald asked what business people came to Heber for and what produced the most revenue. Peterson said the hotels produced more revenue than restaurants. The one thing people were dissatisfied with was the lack of choices in restaurants. Peterson indicated restaurants had a hard time keeping open during the winter months.

Councilman McDonald asked if the railroad was a big draw. Peterson said yes it was a big draw. However, very few people came just for the railroad but they came for railroad and golf, for instance. He said the railroad also caught a lot of interest from people passing through.

Councilman McDonald asked what businesses were asking for help with. Peterson said the number one issue was marketing. He said, too, businesses wanted a business services agent through UVU.

Councilman McDonald asked Peterson what he thought would help the businesses most. Peterson felt the universal calendar would be very helpful to businesses. Peterson said the survey did not specifically ask what the City could do for them but that could be something placed on a future survey.

Councilman McDonald asked about giving loans out to businesses. Peterson said they did have a loan program developed in conjunction with MAG and that Wasatch County was involved with that, as well.

He indicated Chris White had gotten a loan through that. He said they had loaned out all the available money and were now waiting for pay back. He said they did have an EDA grant program and was hoping for funds from that in the next 6 months.

Councilman Horner asked, if Heber were to raise taxes, how hard would that be on the local businesses. Peterson said because he was not a business owner he could not really say but he thought most businesses, through this economy, had gotten into their reserve and were just hanging on. Councilman Horner asked if he had any business classes that people could take. Peterson said he was meeting with UVU next week about some classes. He said they would be inexpensive courses, but finding the right people to teach them was the issue.

Mayor Pro Tempore Straddeck suggested Peterson look into some of Paul Kennard's old notes. He thought there were some specific classes developed, when Kennard was here, that were geared to helping businesses when the WalMart store opened its doors.

Councilman Horner said he had talked with Sandy City about this issue when they had big box come in. Because of that conversation, he thought every business on Main Street would be affected with WalMart coming in. Anderson said WalMart sometimes would kick in funds to help other businesses. Peterson said he thought WalMart had a program and would look into it. Councilman Horner expressed appreciation to Peterson if he would look into that to help the small business owners in town.

**Heber Valley Historic Railroad Authority – Craig Lacey – Consideration of Resolution 2011-04 – a Resolution to Adopt a Promissory Note and Security Agreement between Heber Valley Historic Railroad Authority and Heber City Corporation (Tab 3):** Craig Lacey indicated he was before the Council to discuss a promissory note. In accordance with a request from Mark Anderson, Lacey had put together a financial information sheet this afternoon. He said they had been dealing with the effects of the down economy the last couple years. He reviewed those documents. Lacey indicated they had shut down some winter operations because they could not cover expenses. However, they had gotten a grant to refurbish a steam engine. He said they only had 2 people working now and that eight or nine people had been laid off.

Councilman McDonald asked about the assets. Lacey said they were a State owned agency and he had met with people in Salt Lake earlier in the day. He said the historic problem was they had never been capitalized. He said they had been limping along for 18 years. He said they were approaching the State on long-term viability. He pointed out some of the legislative members did not think they would ever survive when they first put this together. However, they had built the business up but now there weren't funds to keep their equipment, etc., going.

Lacey said in 2008 they had to redo the electrical in the shop and had to invest heavily to redo that. He said what that had forced them to do, because they used operating income, was capitalize that in the credit line. He said that happened right during the credit crunch. Lacey said they were out of cash right now.

Councilman McDonald said he felt the railroad was an asset to the community. He asked if there were any grants that helped with financing. Lacey said they had not had a lot of help—just some minor grants. He said they did have one for the depot building, but that grant had to be matched. Lacey said they were working on putting together a 501C(3) to reach out to private enterprise—they were working hard to get additional revenue.

Councilman Horner asked if they paid a lease or anything for track right-of-way. Lacey said \$1 a year but they had to maintain the tracks which was about \$70,000 a year.

Lacey said there was not a lot of ridership from Heber/local but that about 65% was from within the State. He said because cars had been taken out of service, the ridership was less and consequently revenue was down.

Councilman Horner said last time they made the request it was more of a bridge loan waiting for the restructuring. He wondered about this year and how soon he would expect funding from the State. Lacey said their first big event for the year was Day Out with Thomas. He thought that would help them get back in shape. Lacey said another reason for shutting down in the winter was to allow him to pursue the private enterprise because he had never had the time to do that in the past.

Councilman Horner asked about collateral. Lacey said it was the shop and contents which was worth 2.4 million dollars. He stated there was a loan against it already for \$500,000 which was the rolling stock—locomotives and cars. Lacey said again he was trying to save the train. He reviewed the organization of the independent agency.

Councilman Horner asked why Lacey did not go to the State for a loan. Lacey said they were not allowed to encumber the State of Utah. Councilman Horner asked if there was any other agency like this in the state. Workers Compensation and Dairy Commission was his answer.

Mayor Pro Tempore Straddeck asked the loan terms? Lacey said he would anticipate payback in October. Discussion about the financial statements provided to the Council earlier in the discussion.

Lacey said on May 1<sup>st</sup> they would be bringing their track crew back so they could get the tracks ready for Day Out with Thomas. Lacey discussed the steps they had taken to make their business more efficient.

Councilman Horner wanted to know what they would spend this money on. Lacey said to pay bills, utilities, repairs that needed to be made in order to operate in the summer. Lacey felt confident about being able to pay this back.

Councilman McDonald said the City was in a budget crunch, as well and suggested the City was not a lending institution. Councilman Horner wondered if the citizens would want to support the train.

Councilman Mergist arrived at 8:22 p.m.

Councilman Horner wanted to put this out to a public vote. Councilman Patterson said the Council didn't put other donations out to the public vote. Mayor Pro Tempore Straddeck said he was not ready to cast a vote one way or the other. He wanted to review the numbers he had gotten tonight and also wanted some additional information.

Luke Peterson said he had a meeting today with the Governor's office about tourism and he had been working with Kraig Powell. He suggested this money gave a bridge to execute a strategic plan to get the railroad to a fiscally sound place—they were working with Powell to get on solid ground. He explained this loan would be so they didn't have to shut the whole thing down tomorrow.

Anderson encouraged the Council to look at this as an investment. If the railroad ceased to function, the City lost that revenue long term. He suggested there was more at stake tonight than \$50,000. He felt if the Council could give them time to get a viable plan together, it would pay in the long run. He said, too, they had a good history with the City. Lacey said that Powell, in today's meeting, said the railroad was an icon in this community and reminded everyone how the community fought to get the train back in 1992. It was suggested there were communities that were trying to build a tourist draw out of nothing and for Heber to try and replace the train would be impossible. Discussion about the wages that were paid to mostly people in the valley and the residual from the 72,000 passengers that rode the train this year. Lacey said they were buying time and if this didn't happen, it could be over tonight. Councilman Horner said he did not think \$50,000 would save the train and agreed with Councilman McDonald that the place to get the loan from was the TRT monies.

Mayor Pro Tempore Straddeck said he wanted to talk to County Councilman Capson and also get a commitment from the community.

Councilman McDonald moved to continue to next meeting and get additional information. Councilman Horner made the second. Lacey said his situation was that they had overdrawn their credit line and were pretty close to being dead in the water. He said he would do what he could but that this was a tough situation. Mayor Pro Tempore Straddeck said there were efforts they could make, be proactive, and see what the Council could do over the next week. He asked if Lacey could stretch this out for a week. Councilman McDonald said the City wanted to help but did not want to bear the entire burden.

Voting AYE on the motion to continue: Eric Straddeck, Nile Horner, Alan McDonald and Benny Mergist.  
Voting NAY: Robert Patterson.

Mayor Pro Tempore Straddeck said the Council would do what they could over the weekend. Anderson indicated the railroad had net assets of 1.6 million dollars after the debt and there was collateral there to protect the City.

**Review of Capital Facilities Master Plan – Amendments to Chapter 15.16 of the Heber City Municipal Code (Continued Council discussion/study from the Public Hearing held on December 16, 2010) (Tab 4):** Mumford reviewed that the Council had had a couple meetings already in relation to this topic—1) public hearing and 2) one other regular meeting. He said this was an opportunity to have the Council ask questions and the objective was to make the Council comfortable with the Plan.

Mumford reviewed the summary he had sent out to the Council yesterday via e-mail. He said one sheet outlined the key changes from the 2003 Master Plan and the second was changes since the December 2010 Public Hearing. The first significant change from the December 2010 Public Hearing was the change in the amount of impact fees. He said there was not as much money in that fund as they initially assumed when they produced the document for the Public Hearing. (a lower amount because of funds used on the Center Street Project). That then caused an increase in the impact fees being proposed now. The second significant thing that happened was the population projection from the governor's office was wrong. Consequently, there now were less people to spread the costs around to. Councilman Horner suggested there was also less impact. Mumford indicated he and Motley had taken that into consideration when they looked at the new numbers. He said most projects moved out further on the time frame but still were within the 20-year plan. It was indicated the net effect of the discrepancy in impact fees was 1.7 million dollars. The result was the impacts fees were not going up but were not going down as much as originally thought. Motley said the most frustrating thing was the error from the governor's office about population which had the most significant impact as far as the changes they had to make.

Anderson suggested if the population projections went down, the City ought to re-evaluate the list of things that needed to be completed. Motley said when they did the modeling and projected the lines that were needed based on where the growth would occur, the City still had to build the same size of line for the ultimate future. She did not think there were projects that could be eliminated because the 20-year vision had to be considered—just because the population did not meet the original projections did not mean the projects didn't need to be built. She suggested if the Council wanted a project eliminated, they needed to determine what it was and tell the Engineering Department what they wanted cut.

Mumford said the Council could change zoning and moratoriums that would prohibit growth. Councilman Patterson reminded everyone this was just projection. Mumford reviewed that this was a process his Department went through every five years. Councilman Patterson felt the population would start growing again very soon. Mumford indicated the State and MAG were both projecting growth in this valley in the future.

Councilman McDonald asked about parks and trails and if the fee was a user fee or impact fee. Mumford said it was just an impact fee. He asked about sidewalk and what happened when sidewalks deteriorated. Mumford said impact fee monies could not be used for replacement of sidewalk but rather just for expansion. Councilman McDonald expressed concerns with maintenance. Mumford said in the old Master Plan there was a section in there for sidewalk in the center part of town. However, that was eventually pulled out of the Plan. He said the Master Plan fed into the Capital Facilities Plan which was approved by the Council each year during the budget process. So if the Council wanted to do something towards sidewalk maintenance, something had to be put into the 5-year Capital Facilities Plan based on General Fund monies. Councilman McDonald said he wanted to make sure there were funds going into the budget for maintenance of sidewalks. Mumford talked about prior years funding of new sidewalk. Mumford said the way the Code was written was that the homeowner was responsible for repair and maintenance of sidewalk. The City helped in tearing out and removing old sidewalk if the homeowner put in the new.

Councilman Horner asked about pressurized irrigation. Mumford said the Master Plan proposed a new impact fee for pressurized irrigation to get pressurized irrigation to the central part of Heber. Councilman

Horner wanted to know who that would be charged to. Motley said it would be just like water and sewer and all new development would pay the impact. Councilman Horner did not like that concept because new lot owners also had to pay the CUP impact so he felt that was a double payment. Discussion about pressurized irrigation in central Heber and who needed to pay for that impact. Motley explained that the way PI was being proposed to be funded was through culinary water impact fees because it could be shown that if a PI system was installed in central Heber, the culinary water use was lessened and a new source and a new tank would not be necessary. She explained it would not pay the entire cost, but most of it. Continued discussion.

Mayor Pro Tempore Straddeck said impact fees were not the bad guys--they were the good guys. He said the City had to get off culinary for outside watering--that was the responsible thing to do. He said "We as a City need to get everyone on secondary irrigation." Councilman Mergist said the reality was if there was no impact fee, it would be taxes. Anderson felt the culinary impact was the logical way to go to offset what would be spent on a new source and a tank.

The Council requested a 2-hour work meeting to study chapters 4, 8, and 9 prior to the next regular meeting. Mumford asked that the Council submit questions beforehand to speed up the process and / or meet with Mumford before the meeting. The meeting was scheduled for February 17, 2011, 4:30 p.m.

**Discuss Council Priorities (Tab 5):** This item was continued as the Council preferred that Mayor Phillips be present for the discussion. Councilman McDonald suggested everyone do a top ten list.

At 10:07 p.m. Councilman Patterson moved to go into Closed Session. Councilman Mergist made the second. Voting AYE: Eric Straddeck, Nile Horner, Robert Patterson, Alan McDonald and Benny Mergist. Those going into Closed Session: Councilmembers Straddeck, Horner, Patterson, McDonald and Mergist; City Manager Mark Anderson; City Recorder Paulette Thurber; and City Planners Allen Fawcett and Tony Kohler (for part of the discussion).

At 10:40 the Council returned to Open Session and adjourned the 02/03/2011 Regular Meeting of the Heber City Council.

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Paulette Thurber, City Recorder