

**Pleasant Grove City
City Council Regular Meeting Minutes
December 13, 2016
6:00 p.m.**

PRESENT:

Council Members: Dianna Andersen, Mayor Pro-Tempore
Eric Jensen
Cyd LeMone
Ben Stanley
Lynn Walker

Staff Present: Scott Darrington, City Administrator
David Larson, Assistant to the City Administrator
Denise Roy, Finance Director
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Kathy Kresser, City Recorder

Dave Thomas, Fire Chief
Marty Beaumont, Public Works Director
Ken Young, Community Development Director

Others: Roger Timmerman, UTOPIA
Candice Thacker, Green House Center
Ed Erickson, Hansen, Bradshaw, Malmrose & Erickson
Aaron Hixson, Hansen, Bradshaw, Malmrose & Erickson

Excused: Mayor Mike Daniels
Tina Petersen, City Attorney

The City Council and Staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

1) CALL TO ORDER

Mayor Pro-Tem, Dianna Andersen, called the meeting to order and noted that all Council Members were present. Mayor Mike Daniels was excused.

2) PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Josh Walker.

3) **OPENING REMARKS**

The opening remarks were given by Assistant to the City Administrator, David Larson.

4) **APPROVAL OF MEETING'S AGENDA**

ACTION: Council Member LeMone moved to approve the agenda. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

5) **OPEN SESSION**

Mayor Pro-Tem Andersen opened the Open Session. No one came forward to speak. The Open Session was closed.

6) **CONSENT ITEMS**

- a) **City Council Minutes:
City Council Minutes for the November 22, 2016 Meeting.**
- b) **To Consider for Approval Partial Payment No. 3 to Silver Spur Construction, LLC for the 4000 North Sewer Project.**
- c) **To Consider Approval of Payment Vouchers for (December 8, 2016).**

The consent agenda was briefly reviewed and discussed.

ACTION: Council Member Jensen moved to approve the consent items. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

7) **BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

There were no appointments.

8) **PRESENTATIONS**

A) INTRODUCTION OF THE PLEASANT GROVE/LINDON CHAMBER OF COMMERCE EXECUTIVE DIRECTOR, JOSH WALKER.

Josh Walker introduced himself and provided an overview of his professional background. For the past 4 ½ years, Mr. Walker has managed his own magazine for local chambers and municipalities. He was anxious to see what the new Pleasant Grove/Lindon Chamber of Commerce will accomplish next year. He has served on the Lehi, American Fork, and Pleasant Grove Chamber Boards for the last six years, for a combined 18 years of chamber experience.

Mr. Walker discussed the annual Christmas Luncheon, which is a combined effort with the American Fork Chamber of Commerce. This year's event was recently held at the Stone Gate Reception Center. There were over 90 attendees.

B) EXECUTIVE DIRECTOR, UTOPIA, HIGH SPEED INTERNET IN PLEASANT GROVE.

City Administrator, Scott Darrington, introduced Roger Timmerman, representing UTOPIA. Mr. Timmerman emailed the Mayor and Council six weeks earlier to discuss UTOPIA's services. He was invited by staff to make a presentation to the Council.

Mr. Timmerman stated that the negative news articles regarding UTOPIA were not an accurate reflection of the services they render. UTOPIA was created in 2002 by 11 cities along the Wasatch Front, from Tremonton to Payson. The cities wanted fiber internet services and collaborated to create UTOPIA and bonded for the service. Unfortunately, the service did not go well. In 2009, the cities were faced with a decision of whether to move forward with the projects or shut down operations. Some cities decided to move forward and take out additional bonds, while other cities backed out of the project. The remaining cities created a new agency called the Utah Infrastructure Agency (UIA), which is where all of UTOPIA's growth takes place.

UIA moved forward with additional bonding and built additional connections into the network. The goal of UIA was to prove the project was still viable by growing the system. UIA was very successful in adding customers due to demand, and they were able to generate sufficient revenue to cover all of the bond debt service. There were operational shortfalls so UIA took out another bond, which was also successful. The last bond was taken out late last year and there are no longer any operational shortfalls. UIA is not only covering all of their operational expenses but are now making a healthy profit as well. Since the project is not complete, all of the surplus funds are being reinvested into building the network. They are currently expanding the network at the fastest pace in UTOPIA's history. They provide fiber services to about 1,500 homes every month, which requires a massive amount of construction. Mr. Timmerman stated that most construction is occurring in Salt Lake and Davis Counties.

Mr. Timmerman explained that UIA has received requests from several cities to provide an overview of what would be required to construct a project in their respective areas. In Pleasant Grove's case, he reached out to the City because he believes the project would be successful in the area due to demand and the competitive market in Utah County. Mr. Timmerman noted that UIA's revenues are over \$1.2 million per month. He explained that there are several UIA business customers in Pleasant Grove and several of their customers are schools and churches. They will likely never provide fiber to homes unless there is participation from the City.

Mr. Timmerman encouraged the City to consider economic development needs they might have and how UIA's services can meet those needs. While he brought an electronic presentation to the meeting, due to technical difficulties, he was unable to display his images. As such, he agreed to email the information to the Mayor and Council. Mr. Timmerman stated that if the City identifies a demand for the provision of fiber to Pleasant Grove residences, UIA would be happy to conduct additional analysis to assess project feasibility. This would be more to the benefit of the City and its residents, than to UIA. Mr. Timmerman stated that UIA was happy to partner with additional cities. A partnership with UIA would not tie the City to any past obligations or debt of UTOPIA. He explained how funds generated from subscription fees are distributed to cover expenses in a sustainable way.

Council Member Stanley asked if UIA does smaller scale projects based on neighborhood. Mr. Timmerman answered in the affirmative and noted that they are able to do projects in areas where there is a block of 1,000 to 2,000 homes. Projects smaller than that are more expensive due to the economy of scale; however, costs could be offset through bonding.

Existing infrastructure also is a determining factor when assessing cost. Mr. Timmerman explained that they could build a line in Pleasant Grove along the path of the railroad tracks. The railroad path was a route American Fork built 15 years ago in partnership with UDOT and UIA purchased a portion of that cable. In Lindon, they built off from that cable and are now down every road in that city. In building an area, they would feed the cable from south to north so as to not take down any existing services.

In response to a question from Council Member Jensen, Mr. Timmerman stated that UIA believes they are the preferred provider of this service. He mentioned that they were in negotiations with some cities to construct substations. In these scenarios, they would build at-cost, and as such would not make any money. They would, however, put in a larger cable than what was needed for that city. From that cable they would be able to serve businesses, schools and other locations along those routes. Mr. Timmerman stated that no other agency would be willing to build that type of infrastructure at-cost.

Mayor Pro-Tem Andersen commented that it would be interesting to survey Pleasant Grove citizens to get an idea of their interest level for this type of project. Mr. Timmerman explained that if Pleasant Grove reaches a 35% take rate, there would essentially be no risk to the City. If they reach a take rate even higher than that amount, they would have the option of lowering the price on subscription fees and/or using the revenue to subsidize other projects in the City. While there are some limitations on cross subsidizing for other projects, they could use the funds to enhance other communications systems within the City.

Mayor Pro-Tem Andersen stated as a Council they have received some email correspondence from residents requesting the service. However, they are mindful of debts and expenses, so as a City they would have a lot to weigh before reaching a decision. Staff and the Council briefly deliberated on the type of questions that could be asked in a citizen survey. If an informal survey indicated substantial support, the City would reach out again formally before moving forward on any action. Furthermore, the matter could be added to the 2017 Council Budget Retreat.

B) CANDICE THACKER, GREEN HOUSE CENTER, MENTAL HEALTH COUNSELING PRESENTATION.

Candice Thacker provided an overview of the services provided at the Green House Center. She reported that the Green House Center has been around for 12 years and was founded by a local team of Licensed Clinical Social Workers. Currently, the Green House Center has 22 therapists on staff that specialize in areas ranging from marriage and family therapy to professional mental health counseling. The Green House Center's name was derived from the Directors' vision for providing comprehensive mental health services that not only support families and individuals in crisis, but encourage growth and development for people to enjoy rich, rewarding lives.

In 2014, there were 6,900 cases of child abuse in the State of Utah. Of those, 27% were sexual abuse and 13% were neglect. Utah has some of the highest sexual abuse rates in the nation, whereas they have some of the lowest rates of neglect. Utah is the fourth highest in the nation for drug overdose, and first for suicide deaths in youth from 14 to 18 years of age. Utah is part of what has been labeled the “suicide belt” that consists of Idaho, Utah and Colorado. As such, there is a dire need for the services the Green House Center provides.

The Green House Center serves every population, and is specialized in every area. Ms. Thacker explained that trauma includes anything from divorce and separations, to car accidents, rape, sexual abuse, and war. They also specialize in attachment disorders. Ms. Thacker reported that a significant portion of their clients are currently living in the foster care system. She stated that as Licensed Clinical Social Worker she has a caseload of 30 clients, half of which are either currently in the foster care system or have been adopted from the foster care system. The Green House Center seeks to provide resources to their clients that will enable them to have a second chance at life.

Mayor Pro-Tem Andersen shared a personal experience in which the Greens helped a member of her family deal with PTSD from a traumatic event. Council Member Stanley encouraged Ms. Thacker to reach out to the City’s Victim Advocate at the Police Department.

9) **PUBLIC HEARING ITEMS**

There were no public hearing items.

10) **ACTION ITEMS READY FOR A VOTE**

- A) **TO CONSIDER FOR APPROVAL A TWO-LOT FINAL SUBDIVISION PLAT CALLED WALKER RIDGE ESTATES SUBDIVISION PLAT C, LOCATED AT APPROXIMATELY 1285 EAST 300 NORTH IN THE R1-10 AND R1-12 (SINGLE-FAMILY RESIDENTIAL) ZONES. *Presenter: Director Beaumont.***

Public Works Director, Marty Beaumont, presented the staff report as well as an aerial map of the subject property. He explained that the applicant is requesting approval of a two-lot preliminary subdivision named Walker Ridge Plat C on property located at approximately 1286 East 300 North in the R1-10 and R1-12 zones. Lots 5, 6, and 15 from Walker Ridge Plat A will be vacated in order to create the new proposed two-lot Walker Ridge Subdivision Plat C. It is intended for the proposed new plat to have a pressure irrigation water tank and a pump station. This will be located on the lot to the West of the subdivision which would allow the lot in the East to remain a buildable lot.

The construction of the storage water tank is a conditional use in all single-family residential zones; therefore, plans and application for the conditional use permit were also submitted and approved by the Planning Commission on December 8, 2016. An application for the plat and the conditional use permit was received on November 22, 2016.

The proposed subdivision is to be located on approximately 1.04 acres. The preliminary plat consists of two subdivided lots, one designated for a new single-family dwelling and the second one was designated for the location of the City's new pressure irrigation storage water tank and pump station. Both of the proposed lots meet the minimum area requirement of 10,000 square feet for the residential lot and 12,000 square feet for the lot hosting the water tank. Therefore, the proposed layout of the subdivision meets the minimum requirements set forth in the Pleasant Grove City Code.

The applicant obtained a Conditional Use permit for the installation of a new water tank for the use of residents in Pleasant Grove. Pleasant Grove City Code recognizes use #4834 (*Water storage as part of a utility system; Including water storage and pipes*) as a conditional use in all single-family residential zones. The City would also install a new structure to function as a pump station. The building containing the pump station is incidental to the main use and is, therefore, considered an accessory structure to the principal building which is the water tank.

In response to a question from Council Member LeMone, Director Beaumont noted there is a chain link fence shown around the top of the site. However, they haven't determined all of the final landscaping at this point. They know that the tank will be in a residential neighborhood, and as such they anticipate making the site look nicer than other water tank sites. Council Member LeMone asked what determines whether a tank is open or closed. Director Beaumont explained that culinary water tanks have to be closed and secondary water tanks depend on the City's preferences. It would cost approximately \$258,000 to put a concrete covering on top of the tank. He mentioned that the Manila water tank had a bigger roof and he wasn't sure how much more expensive it would be to cover the entire tank with landscaping. At this point, they are anticipating the tank will be 22 feet deep. It will be approximately 20 feet from the back of the property line, so they will have to deal with elevation throughout the entire property.

Director Beaumont stated that currently they are not planning to cover the tank and they have \$2.5 million in the budget. If the City wants to cover the tank, the project expenses would be need to be discussed and approved by the Council.

Mayor Pro-Tem Andersen asked Director Beaumont to elaborate on why this tank is important. Director Beaumont explained that the City has had a difficult time working with one of their water sources from the Alpine aqueduct. The water is delivered through the Central Water Conservancy District. While there is a small amount of storage on the Monson tank from the Alpine Aqueduct Trail, the proposed tank would provide the City the ability to manage their outflows. Currently, the City relies on a large tank near the water treatment plant in Orem and they have allowed Pleasant Grove to operate off that tank. If the City managed its own tank it would enhance efficiency. A pump house will also be built to enhance flows into certain zones, which are not as easily accessible.

In response to a question from Mayor Pro-Tem Andersen, Director Beaumont stated that while the pump house will make noise they do not plan on constructing it on the outside of the house. It will be completely sealed and insulated. Mayor Pro-Tem Andersen asked if the City had any other tanks that were similarly landscaped. Director Beaumont mentioned that the Monson tank was not landscaped at the same level as what they are proposing for the subdivision in question. The

secondary water tank on the Monson site can hold 3,000,000 gallons, whereas the proposed tank will hold 2,000,000 gallons.

Council Member Stanley asked if they could do an enclosed tank as a park with grass across the top. Director Beaumont stated that was the nature of the Manila tank. When providing estimates, staff submitted numbers for getting it covered in a basic manner.

Maintenance issues were discussed at the Planning Commission Meeting. There would need to be a large enough access for the property to be accessed by a bobcat with a crane. Staff is trying to work out a different design on the bottom of the tank so as to simplify the tank's cleaning process. Director Beaumont stated that once the City builds the tank, they will have to provide ongoing maintenance as well, which could possibly add 10% to 15% more cost to the overall project.

City Attorney, Tina Petersen, reminded the Council that tonight's agenda was approval of the plat. Review and approval of the tank would come later.

Mayor Pro-Tem Andersen asked if there was sufficient square footage in the zone where the subject property is located, to which Director Beaumont answered affirmatively.

Community Development Director, Ken Young, mentioned that it was not a requirement for the site plan to come forward to the City Council. Because the conditional use was already approved, the item would not normally come back to the Council for their review. However, if the Council was making that request, staff could bring the site plan forward. The Council indicated that they did not have any issues with the proposal. The only matters they would be interested in discussing were whether the tank was closed or open, as well as the associated maintenance costs. Administrator Darrington suggested that the item be added to the January 3, 2017 City Council Agenda.

ACTION: Council Member Stanley moved to approve a two-lot final subdivision plat called Walker Ridge Estates Subdivision Plat C, located at approximately 1285 East 300 North in the R1-10 and R1-12 (Single-Family Residential) Zones. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

B) TO CONSIDER FOR ADOPTION A RESOLUTION (2016-052) ADOPTING THE AUDIT REPORT AND THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR); AND PROVIDING FOR AN EFFECTIVE DATE. *Presenter: Director Roy.*

Finance Director, Denise Roy, introduced the City's Auditors, Ed Erickson and Aaron Hixson, of Hansen, Bradshaw, Malmrose & Erickson (HBME) in Bountiful, Utah. The City selected the firm in June after putting out an RFP. Ten different firms responded to the RFP, and HBME was one of the top firms. Director Roy and Administrator Darrington both felt it would benefit the City to hire a new auditor. She turned the time over to Mr. Erickson and Mr. Hixson and noted that they were required to adopt the findings of the report by Resolution.

Mr. Erickson identified himself as the firm's partner on the audit and Mr. Hixson is the manager. He noted that Mr. Hixson will soon become a partner at the firm. HBME audits several cities throughout the Wasatch Front and they were grateful for the opportunity to perform the audit for Pleasant Grove City.

Mr. Hixson explained that a CAFR is more robust than a standard financial statement. It includes statistical information that is not required at a basic level. He stated that the independent opinion was a clean or unmodified opinion. Mr. Hixson stated that the City's Finance Department should be commended. HBME felt they had great internal controls, attention to detail, and that the City's expenditures and revenues are managed appropriately.

The second portion of the report is called the Management's Discussion and Analysis, or MD&A. Mr. Hixson explained that governments are required to separate their financial information into governmental funds and business-type funds. Business funds include utility funds where the City has customers who are charged for a service rendered to them. Governmental activities include police, fire, and other similar services. The City's equity grew \$26 million and \$21 million of that was for governmental funds.

Mr. Hixson presented a summary of the City's income statement or the revenues and expenditures of the City. He explained that the City's revenues increased by approximately \$6.8 million. Of that amount \$5.8 million was for governmental funds. Most of the increases in revenues were attributed to contributed capital. A lot of land was donated as well as other infrastructure from developers that was given to the City. A graphical representation of the revenues and expenditures by category was reviewed. For instance, 25% of the City-wide revenue comes from taxes, whereas 21% of the City's expenditures relate to public safety. The chart was helpful for other users of the financial statements to know where the revenues are coming from and where the expenditures are being made.

Other highlights of the City that occurred during the year included \$9 million of water revenue bonds that were issued. Of that amount, \$7.8 million was used to refinance existing debt to take advantage of better rates.

Mr. Hixson discussed the prior period adjustments that were made. One related to a contract the City had with a developer. In 2006, the City had an agreement with a developer wherein the City's Redevelopment Agency took a debt for \$18 million to purchase land and conveyed the land over to the developer with the intent of a hotel and convention center being developed there. For various reasons that development was delayed. As part of the agreement with the developer, if there was a delay in the performance of the contract, the developer would then pay to the City the debt service of the bonds; both principle and interest. Each of the payments had been received in a timely manner from the developer, and everything was appropriately recorded in the City's financial statements. However, on a government-wide basis, instead of receiving the revenue and putting the funds in the bank, a note was established for the entire amount. At that time, on the government-wide side only there should have been a note receivable for about \$18 million. As of the end of June 30, 2016, that note receivable was approximately \$16.8 million, which was recorded. Mr. Hixson explained that on the fund financial statements, the City will record the revenue as per usual, and on the government-wide basis that revenue will then reduce that

receivable. There are other stipulations in the contract which will take place in the coming years that bring down the value of that note receivable.

Mr. Hixson explained that there was another \$425,000 of capital leases. Many times, when the City purchases vehicles or other equipment used for public utilities, it is done through a Lease Agreement. When confirmations were sent to the leasing companies, as well as a reconciliation performed by Director Roy, it was discovered that \$425,000 was inadvertently left off. Therefore, they increased the debt and the asset on the books to reflect the actual lease obligation as of June 30, 2016.

Mr. Hixson stated that there was an adjustment made to the City's business-type funds. There is an accounting requirement that when a city has an issuance cost for a debt, the City capitalizes those funds and amortizes them over the life of the bond. If a bond is refinanced, they should write off the amount in the year the City refinances. There was approximately \$177,000 which HMBE wrote off. Mr. Hixson stressed that operationally everything was being recorded appropriately. The aforementioned items related to the unique accounting requirements of government entities.

Mr. Hixson reviewed the Report on Internal Control over Financial Reporting and on Compliance of other matters. Governments are unique in that they seek to have auditors review their internal control environment and subsequently provide a report on their findings. This type of report is not generated in any other industry. Mr. Hixson stated that HMBE did not find anything amiss with the City's internal controls. They found that the City's internal controls are designed and operate effectively.

Last, Mr. Hixson reviewed the Report in Accordance with the Utah State Compliance Audit Guide. He explained that the State wants an independent review of certain criteria when auditing municipalities. General State compliance requirements were tested for the year ended June 30, 2016 in the areas of cash management, budgetary compliance, fund balance, justice courts, impact fees, Utah retirement systems, enterprise fund transfers, reimbursements, loans and services, restricted taxes and related revenues, treasurer's bond, and the open and public meetings act. Mr. Hixson stated that HMBE did not find anything of non-compliance in any of those areas.

Overall, Mr. Hixson explained that Pleasant Grove City had a successful year. He commended staff for their management of finances and internal affairs.

Council Member Stanley stated that he attended a meeting at the Parks and Recreation Department earlier this evening. At the meeting, they discussed new recommendations and Council Member Stanley inquired as to whether those recommendations were a result of the findings in the CAFR. Director Roy explained that in speaking with the City's Treasurer, Karen Bezzant, they assessed certain areas by way of a pre-audit where they felt the Parks and Recreation Department could improve. One change that will be implemented is they will be going through the Sportsman software, which will help better disperse refunds. Furthermore, Administrative Staff reviewed how the Parks and Recreation Department deals with cash.

Council Member Stanley commented that a finding was made that some types of annual celebrations are actually City operations. He wondered if any of those areas were looked at during

the CAFR process. He noted that the City sees a lot of cash transactions at the Strawberry Days festival and asked if this area would be included in a future audit if it wasn't included in the most current report. Mr. Hixson stated that their concern as auditors was to ensure that the financial statements present the operations of the City from a material standpoint. They would not necessarily focus on low dollar items unless there was a reason to do so such as suspected fraudulent activity. Decentralized cash collections are areas they would focus on, if warranted. Auditors ensure that whenever cash is collected that there is a proper segregation of duties and that the City has a lock box and two employees present when using it, as well as other controls.

Administrator Darrington explained that the Strawberry Days Association has never been audited because it is a separate entity. The records of the Strawberry Days Association are not held at the City and as such, the auditors were not instructed to review them. The issue of whether the Strawberry Days festival will become a City-sponsored function had not yet been determined. Attorney Petersen clarified that the findings Council Member Stanley referred to were from the Records Committee regarding a specific GRAMA request for records. The Records Committee does not crossover into authority over the financial areas of the City.

Council Member Stanley asked if the PAFR was available. Director Roy answered in the negative and explained that it would be prepared after the CAFR becomes a final document. She explained that the PAFR was a summary of the CAFR and it would be prepared sometime within the next few weeks.

ACTION: Council Member Jensen moved to adopt a Resolution (2016-052) adopting the Audit Report and the Comprehensive Annual Financial Report (CAFR); and providing for an effective date. Council Member Stanley seconded the motion. A voice vote was taken with Council Members Andersen, Jensen, LeMone, Stanley and Walker voting "Aye". The motion carried unanimously.

11) ITEMS FOR DISCUSSION

A) **DISCUSSION ON DEVELOPMENT, REZONE AND ROAD VACATION FOR 220 SOUTH. *Presenters: Director Young and Director Beaumont.***

Director Beaumont stated that last week during the Development Review Committee (DRC) Meeting, Eric Dixon discussed plans for a project he is looking at on Pleasant Grove Boulevard at the intersection of 220 South. Director Beaumont's recommendation to Mr. Dixon was to get the Council's feeling on removing the road from the Transportation Master Plan prior to doing the site plan. As such, staff wanted to have a better understanding on the Council's direction regarding the site in question.

Director Beaumont presented an aerial map and site plan of the subject property. He identified Ray Proctor's home and the Garden Grove Development that is currently in progress. He also identified where 100 South was dedicated on the back of the Cambria subdivision. While there was a portion of 100 South that was dedicated previously to the City, they are missing the middle portion of the road.

Mr. Dixon presented a concept plan for the site during the DRC Meeting. One item they discussed was the importance of a trail system and making a connection through the area. There is a plan to put a trail from Pleasant Grove Boulevard that would connect to 1300 West through the subject property. Director Beaumont identified which land areas are owned by the developer, as well as those owned by the City.

In previous discussions regarding the vacation of 220 South, staff and the Council determined that while there was some value to the road, the transportation impact would be minor. Director Beaumont stated that ideally roads should operate at a service level of A or B. The capacities of 100 North, Pleasant Grove Boulevard and 1300 West are anticipated to get a service level D. Director Beaumont presented the following chart, detailing the impact on roads if the subject road was vacated:

Roadway	Functional Class	LOS D Capacity (vpd)	TMP Build-out Capacity (vpd)	Modified Build-out Volume (vpd)
100 North	Three-lane Arterial	14,000	9,700	N/A
Pleasant Grove Boulevard	Five-lane Arterial	32,900	15,400	17,100
1300 West	Three-lane Collector	12,400	3,400	7,000

Director Beaumont stated that while there would not be a significant impact on the roads, there would be a loss of connectivity through the area. Administrator Darrington summarized Director Beaumont’s remarks. Director Young added that the site plan does not include retail development. He asked the Council to consider whether the value of connectivity or lack thereof, was a good trade for getting an office building and additional multi-family housing.

In response to a question from Council Member Stanley, Director Beaumont explained that level of service was determined by delays and volumes. What they were trying to determine was whether someone driving down any particular road will be backed up at an intersection for a certain period of time. Service levels were not graded on a direct A through E scale. Director Beaumont stated that the City was not close to getting a service level D even by removing the road.

Council Member Stanley commented that there wasn’t much value in getting rid of the road because the City wants more retail and the proposed site plan does not have a retail component. He asked if there was something special about the proposed office building that the City was excited about, which might convince the City to vacate the road in order to accommodate it. Mayor Pro-Tem Andersen asked if the region was even developable for retail with the road. She questioned whether the City was dividing up the subject property to the extent that it was actually rendering the land undesirable for retail development.

Director Young stated that they surmised from the previous discussion that the City might get some retail out of the property. If they bisected the property they would be allowing more acreage to be used together as one development that could have a significant retail component. If, however, the developer was only suggesting office then it was a matter of determining what would be the value of vacating the road.

Administrator Darrington stated that in meeting with the developer, staff communicated that much of the Council's discussion would be driven by whether they could provide retail. While the developer went with some of the matters discussed with staff, in the end he did not deliver any retail. As staff reviewed the proposal, they were not sure they were maximizing the revenue they could get from the property in question. The Council unanimously agreed with staff's assessment.

12) REVIEW AND DISCUSSION OF THE JANUARY 3, 2017 CITY COUNCIL MEETING AGENDA

Staff indicated that while there would be items on the aforementioned agenda, as of tonight, staff was unaware what would be discussed.

13) NEIGHBORHOOD AND STAFF BUSINESS

Staff provided various updates. Chief Thomas and Chief Smith announced the upcoming Holiday with the Heroes event. Library and Arts Director, Sheri Britsch, thanked Officer Lystrup for attending the Library's recent staff meeting to answer questions regarding safety in the Library. Administrator Darrington stated that Director Roy did a fantastic job with the audit, and noted that it was a huge process to bring new auditors up to speed. Director Roy put in a lot of extra hours to complete the project.

14) MAYOR AND COUNCIL BUSINESS

Council Member LeMone distributed a Christmas gift to staff and the Council. She noted that the gift came from her personally and no City funds were expended. It was noted that no Executive Session would take place after tonight's meeting.

Administrator Darrington stated that he and Mayor Daniels discussed administrative hours for City employees during the Christmas holiday. Mayor Daniels recommended closing City Hall on December 23rd. The Council agreed to move forward with this recommendation. Director Britsch reported that the Library will be closed on Christmas Eve and will reopen on Monday, December 26th. Administrator Darrington noted that public safety personnel will also be available through the holiday.

Administrator Darrington provided updates on the brown bag luncheon with City employees that took place earlier in the day.

15) SIGNING OF PLATS

No plats were signed.

16) **REVIEW CALENDAR**

No additional calendar items were reviewed.

17) **ADJOURN**

ACTION: Council Member Jensen moved to adjourn. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

The meeting adjourned at 7:50 p.m.

The minutes of the December 13, 2016 City Council meeting were approved by the City Council on January 3, 2017.

Kathy T. Kresser, City Recorder, MMC

(Exhibits are in the City Council Minutes binders in the Recorder's office.)