

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

PRESENT:

Mayor: Michael W. Daniels

Council Members: Dianna Andersen
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 Roberts, Police Captain
Kathy Kresser, City Recorder
Dave Thomas, Fire Chief
Marty Beaumont, Public Works Director
Ken Young, Community Development Director
Sheri Britsch, Library and Arts Director

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

1) **CALL TO ORDER**

Mayor Daniels called the meeting to order and noted that all Council Members were present.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Ethan Hall.

3) **OPENING REMARKS**

The opening remarks were given by Council Member Stanley.

4) APPROVAL OF MEETING'S AGENDA

Council Member Stanley requested the insertion of a presentation for Director Giles to be named 8A 1/2. Mayor noted that Item 9B had been cancelled.

ACTION: Council Member Jensen moved to approve the agenda with stated changes. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

5) OPEN SESSION

Mayor Daniels opened the open session.

Mark Ryan presented a statement signed by local business owners to stop the plans to build City Hall in the downtown block. He commented that many residents are unaware of the plans to demolish the Old High School, Recreation Center, and Seminary Building. He opined that this was the wrong decision on the City's part. Council Member LeMone asked Mr. Ryan if the citizens who signed the aforementioned petition were aware of the costs associated with saving the buildings. Mr. Ryan explained that he asked the residents if they were aware of the City's plan to demolish the buildings and they expressed a desire to prevent that from happening. He concluded that he wants the full block City Park for the residents of Pleasant Grove.

Mark Bezzant expressed thanks to those involved in the Veteran's service last month and commented on the passing of the bond. He encouraged quality in the project and planning with an eye to the future. He stated that Pleasant Grove deserved as fine of a facility as anywhere else. As President of the local chapter of the Sons of Utah Pioneers, he discussed the importance of investing to preserve history. There was brief discussion regarding the preservation of American Fork High School's history. Mr. Bezzant concluded his remarks by stating that Pleasant Grove is wonderful place to live.

Molly Andrew echoed Mr. Bezzant's comments and stated that it is time to move on with the Public Safety Building facilities. She mentioned that the Public Safety Building Committee met for many months and would have liked Mr. Ryan to express his concerns at their meetings. She asked why the Owner's Representative is being pushed before getting an RFP for an Architect. Mayor Daniels explained that the matter was discussed extensively at a previous meeting and they are currently in the process of gathering examples of RFPs from other cities. He stated that getting an Owner's Representative with experience in the process would benefit the Council as they proceed with the project. Ms. Andrew also asked why there is an emphasis on the dollar amount for the bond when there is not yet a cost for the building. Mayor Daniels mentioned that while there has been some discussion on Facebook there has not been much time spent discussing building costs in public meetings.

Blaine Thatcher asked what efforts are being made to reduce the cost of the Public Safety Building prior to the issuance of bonds. He stated that it seemed premature to issue bonds before knowing the actual building costs. Interest could be greatly affected if the City borrows more than needed.

Mayor Daniels explained that getting an Owner's Representative on board will help the Council with the process to ensure minimal spending.

City Administrator, Scott Darrington, stated that Finance Director, Denise Roy, would discuss a project timeline later in the meeting, as they will be seeking to adopt a resolution indicating their intent to the public of borrowing the money. He mentioned that the process can be stopped any time, but they are scheduled for a rating in January, which will be good for 60 days. They cannot predict interest rates, but early in the year is a good time. The City will not know the cost estimates until later in the process. They are currently going off of the estimate provided by Think Architecture.

In response to a question from Council Member Stanley, Administrator Darrington explained that he did not think the millions of dollars in impact fees will all be spent on architecture or general contractor costs.

Council Member Andersen asked Mr. Thatcher the current interest rate, which he believed to be just over 3%. Mr. Thatcher asked if the Council knew how much would be accrued over the next year, which he believed would be around \$300,000. Mayor Daniels stated that the Council would hear from the Financial Advisor regarding that information and bring on board an experienced Owner's Representative to advise the Council regarding the timing of the bond.

There were no further public comments. Mayor Daniels closed the open session.

6) **CONSENT ITEMS**

- a) **City Council Minutes:
City Council Minutes for the November 9, 2016 Meeting.
City Council Minutes for the November 15, 2016 Meeting.**
- b) **To consider for approval of Change Order No. 1 and Final Payment Request to Newman Construction for the Garden Drive Culinary and Street Improvement Project.**

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**

- A) **TO CONSIDER FOR APPROVAL THE APPOINTMENT OF LINDA JO CLEGG AS HISTORIC PRESERVATION COMMITTEE MEMBER.**

Council Member Andersen commented that Ms. Clegg is a wonderful citizen who has devoted a lot of time and effort to serving the community. She is a teacher and is anxious to get busy serving. Council Member Andersen recommended that she be appointed to the position indicated above.

ACTION: Council Member Andersen moved to approve the appointment of Linda Jo Clegg as Historic Preservation Committee Member. Council Member Stanley seconded the motion. The motion passed with the unanimous consent of the Council.

8) PRESENTATIONS

A) FINANCE ACADEMY GRADUATES. *Presenter: Administrator Darrington.*

Administrator Darrington stated that during a Budget and Planning Retreat held earlier in the year, it was requested that residents be given a course on basic City budgeting. He and Director Roy wrote the program with the first two sessions taking place March and the third taking place in November. In the first session, they discussed the City's different funds, such as Enterprise, General Fund, and Special Revenues. They discussed revenues of the City including sales and property taxes. The expenses showed how money is spent. The second session discussed the budget process including the priorities for the year and the timeline from the Retreat held in early January to adoption of the budget in late June. The third session included a budgeting exercise for the residents as if they were on the City Council. He mentioned that that exercise led to a discussion on how a City Council has to ascertain needs and prioritize where the money goes.

Any residents who signed up for the Finance Academy and attended two of the three sessions are qualified as a graduate. He presented certificates to the following residents: Lori Williams, Blaine Thatcher, Steve Sweetwood, Ben Stanley, Karl Kuni, Mario Gonzalez, Cindy Bean, Jennifer Baptista. Administrator Darrington mentioned that they would hold another academy next Summer.

PRESENTATION FOR DIRECTOR GILES.

Council Member Stanley stated that he represented Pleasant Grove City at an awards banquet last week. He received, on behalf of the City, a certificate of appreciation that he wanted to forward to Director Giles. The award was given on behalf of the Utah County Department of Health, recognizing the City's Parks and Recreation Department for their efforts in encouraging healthy youth, as well as prohibiting e-cigarettes in City parks. He expressed appreciation for the great work of the Parks and Recreation Department.

B) INTERVIEW APPLICANTS FOR THE PUBLIC SAFETY BUILDINGS OWNER'S REPRESENTATIVE.

Mayor Daniels introduced the four applicants and invited them to present their qualifications to the Council. He noted that the Council would discuss each applicant during a closed session. If the Council reaches a decision during the closed session, their decision will be announced publicly.

Frank Mills, a lifelong resident of Pleasant Grove, noted that he spent the majority of his career working for the City. He has spent a lot of time on Public Works projects and has experience working in areas of acquisition, architecture design, financing, and construction. He recognized there will be decisions that need to be made that are unpopular; however, as a City employee he

would work for the citizens of Pleasant Grove. He was involved in a widening project on 500 North in the early 1970s and from that experience he recognized how many people were required to complete a project of that size. The City needs someone willing to work with the contractor and the City, as well as the citizens. He reported that he worked on the construction of the current Public Safety Building from start to finish. Mr. Mills also participated in a study that highlighted ways to cut spending. He appreciated the Council's consideration of him as a candidate and recognized the qualifications of his fellow applicants.

In response to a question from Mayor Daniels, Mr. Mills stated that he worked for the City for 34 years. Mr. Mills described his role in building the Library and Public Safety Building. Prior to constructing the Library, staff and the elected officials first met with the Utah State Library Board for an evaluation of the building. The Board, along with a local firm, determined the location. They included a lot of windows and meeting places with room to expand. Combining the library with space for the senior citizens and community theatre group allowed them to save money and obtain extra funds.

Council Member Andersen expressed appreciation for his many years of service. It was noted that there were a lot of people who donated their lives to the City. She asked what excites him the most about the project. He mentioned that he has not been completely on board with the project, but he is a retired volunteer fireman and is looking forward to working for them and with the Public Safety Department. Regardless of the location, this is an opportunity to create a crown jewel that the community can be proud of.

Council Member Stanley expressed his gratitude for his offer to the City, and appreciated Mr. Mills' remarks about working on behalf of the citizens. He asked what the proper level of citizen involvement would be and explained that public participation will be critical to the success of the project. Mr. Mills confirmed with Mayor Daniels that he does not expect compensation. He noted that he is at a time in his life where he can do something for the community because they have done a lot for him.

Guy Fugal stated he could assist the project in a number of ways. His knowledge comes from being a general contractor and a ditch digger and he has personally built several buildings. Mr. Fugal expressed gratitude to Mr. Mills for his service. Mr. Fugal stated that he has construction experience from his 19 years of service with the Alpine School District, the Board of Education, and the Buildings and Grounds Committee. During his service, there have been 30 new schools and remodeling projects, a bus facility, and several projects with different architects and contractors. He mentioned that prices will go up in masonry and steel work. Architects can cost a lot of money and value engineering can be done beforehand. Mr. Fugal was uncertain of the time frame but it seemed to him that it would not be built for another year. He saw no reason that work on the fire station could not begin within a few months if it is built in place of the Old Recreation Center. He suggested that a contractor be on board by February to get the site ready.

Council Member Jensen asked about the process of working with architects and contractors and how it would work with members of the City Council and staff. Mr. Fugal asked how much of the design work has already been done. Mayor Daniels stated that according to Think Architecture,

5% of the work was completed, most of which has consisted of assessing the needs of the departments and estimating the necessary square footage for floor plans. They used system analysis of past projects to estimate the proposed costs. Mr. Fugal stated this was a good start for the City. He commented that it is a joint effort between the City, the builder's representative, the Police and Fire Departments, and the Council to make sure it will work for their needs and eliminate dead space. Council Member Jensen asked how he would work with outside political distractions or individual suggestions. Mr. Fugal stated that it is important to be open and listen to everyone but then move forward expeditiously. He stated that construction does not work by committee; however, they can apply citizens input where applicable.

Council Member Andersen expressed appreciation to Mr. Fugal for his dedication to the City. She asked what he would be most proud of at the end of the project. Mr. Fugal commented that the project should be something the community can be proud of and be a facility that will serve the citizens for years to come. Mayor Daniels mentioned that Mr. Fugal was also a volunteer fireman and a former member of the Planning Commission.

Council Member Stanley expressed his appreciation for Mr. Fugal's offer to serve. He asked if there were any conflicts of interest with his company and the City. Mr. Fugal mentioned that he hasn't had contractual agreements with the City for many years. He currently works for utility companies and has worked on City roads as part of those projects but has not taken any compensation from the City. Mayor Daniels noted that Mr. Fugal also would not expect a fee for his work. Mr. Fugal worked on Discovery Park, and his company installed 60 phone poles without compensation. Mr. Fugal mentioned that if the project was bid in the winter, they could save 3% to 5%, whereas the prices would be higher in the fall.

David Holdaway, a lifelong resident of Pleasant Grove, was keenly interested in the community's progress and preservation of heritage. He served 2 ½ years on the City Council and 12 years as Mayor. He also served two years on the Blue Ribbon Commission, which recommended construction and cost-saving measures on the first two bond proposals. He has degrees in Engineering Science and Electrical Engineering, and an MBA. He was a member of UFOMA, which shares ideas about operating and building State buildings. He noted his experience in Building Code Compliance and Safety and Security. He was responsible for new buildings and remodels of school facilities for 20 years as the Director of Facilities for Alpine School District. During that time, 23 elementary schools, five junior high schools, and four new high schools were built. He oversaw around 200 remodeling projects during that time. He worked on the remodel of the City Hall and agreements with the Swimming Pool and Recreation Center. Mr. Holdaway reported that he managed all areas of construction and was responsible for finding architects, construction managers, and contractors. He indicated that as an Owner's Representative, his responsibility would be to the Mayor and City Council. The person who fulfills the position would have to have an open mind and everyone's input should be considered. He noted that Sky Ridge High School cost \$195 per square foot so he expected this building to cost \$195 to \$225 per square foot. He mentioned that a lot of the money used to construct the Library was donated. He pledged his support to seek donations so they can know how much money to commit to the project. Once the \$9.5 million is gone, there will be no other source of funds.

Council Member Stanley expressed his appreciation for Mr. Holdaway's attendance. He asked how he would handle public input or requested changes. Mr. Holdaway indicated that it would be necessary to step back from emotion. He has ideas as well, but one needs to listen and not become emotionally charged. One needs to learn how to say no to things that will not work.

Council Member Andersen expressed appreciation for Mr. Holdaway's service as Mayor. She asked what would make him excited looking back at the end of the project. Mr. Holdaway stated that his and Mr. Fugal's ancestors settled in Pleasant Grove in 1869. He remembered how it looked years ago and wants to preserve the area's heritage. He wants to build facilities that will look like they belong on Main Street. He wants people to be enthused about working in the buildings and being in Pleasant Grove and to get the best they can for the money.

In response to a question raised, Mr. Holdaway commented that as Mr. Fugal mentioned, 90% of the buildings were built with construction managers/general contractors. He explained the advantage is that they work together to build the design with the architect. Also, when it is bid, it is not a lump sum but a fee for the management work. Subcontractors will help complete various other portions of the project. The City will be able to tweak the project to ensure they are getting the best value and ensure that there is flexibility.

Paul Wember commented that unlike the other applicants, he is not retired. He is part of an Owner's Representative firm. They have done this type of work for 13 years with 70 successful projects that have been on budget. He introduced his team. Barry was identified as a local resident and professor at UVU. He is a BYU graduate and has the necessary local knowledge of the project. As an Owner's Representative, they have worked actively on similar projects in the public sector. They operate in a transparent way, working closely with the chiefs and other members using the facility to give them the ability to give back to the community in the way they are trained. Christa Cardenas is a vital member of their team in organization. She manages the documentation and assists everyone by providing full access to budgets, designs, to-do lists, etc.

Tom Farrens reported that he would be the Project Manager of the project. He is a licensed Architect and practiced for 12 years before joining Mr. Wember two years ago, and will serve as the main point of contact. He lives in Evanston, Wyoming, but travels where the project is and is there to serve.

Council Member Jensen commented on the firm's previous work on public safety facilities and asked how they stay on budget and work with fire and police chiefs. Mr. Wember explained that they have had positive interactions with chiefs on previous projects. His role was to work closely with staff and the elected officials so they understand what the end product will be. He referred to their firm acting as facilitators rather than directors. Mr. Wember stated that both projects came in on budget. They are a bit higher than Pleasant Grove but are on budget and on schedule.

Council Member Stanley thanked them for their attendance. He asked how they discovered the opportunity and developed their fee structure. Mr. Wember explained that their firm found out about this opportunity through the Utah County Association.

Council Member Andersen asked what they will be most proud of at the end of the project. Mr. Farrens stated that as an Architect, he has worked with numerous communities and school districts. He recognized that this is the City's first big project in a long time. Mr. Wember commented on their success rate and why he started the company. He stated that it is amazing to be involved in projects that give back to the community.

Mayor Daniels asked Mr. Farrens who would be onsite. Mr. Farrens explained that he will be onsite as the main point of contact. He will also be involved from the day one. He further described the qualifications of his team. Mayor Daniels asked why the Council would consider them over a local resident with experience. Mr. Wember indicated that his team has local presence. The history of other applicants is impressive but sometimes they can be too close to home. An outside advisor can be more unbiased, which he felt was advantageous.

In response to a question from Council Member Jensen, Mr. Wember explained that value engineering can be a negative. They structure their projects knowing the budget and items that need to be delivered. They approach them with proper contingency and can set up alternates. They plan for unforeseen conditions on the site and set up a strategy that will prioritize everything that is desired for the project. They know what changes can be made within the schedule.

Mayor Daniels expressed gratitude to all of the applicants.

Frank Mills stated that the Council has been mandated to spend the best money they can of the bond money and stated that the other local candidates are far better to take care of the project. If the Council does not select the best person to do the job, they are accountable to the citizens. For that reason, he withdrew his name but appreciated the opportunity. Mayor Daniels noted that Mr. Mills had withdrawn himself for consideration.

9) **PUBLIC HEARING ITEMS**

A) PUBLIC HEARING TO CONSIDER FOR ADOPTION AN ORDINANCE (2016-28) AMENDING THE PERMITTED AND CONDITIONAL USES, IN ALL RESIDENTIAL ZONES, REGARDING RESIDENTIAL FACILITIES PAGE 2 OF 3 FOR PEOPLE WITH A DISABILITY, INCLUDING AMENDING SECTION 10-15-23 TO REFLECT CHANGES MADE IN STATE CODE THAT ARE APPLICABLE TO PLEASANT GROVE CITY CODE. *Presenter: Director Young.*

Director Young explained the verbiage as was reviewed by City Attorney, Tina Petersen, to ensure it falls in line with City Code. Pleasant Grove City is requesting amending City Code Section 10-15-23 to reflect recent changes to State Code regarding residential facilities for persons with a disability. The proposed amendment would recognize federal mandates, adjust to the Utah State Code and provide fair residential accommodations to all Pleasant Grove residents with a disability. The proposed City Code amendment is an update to bring Pleasant Grove City Code into conformance with State Code and to avoid future lawsuits. The current ordinance classifies residential facilities as conditional uses; however, according to State Code, all residential facilities for people with a disability shall be a permitted use in all residential zones. Another change needed

was the modification of the term “handicap” for the term “disabled” which broadens its definition and implies more than just physical restrictions. The amendment therefore also proposes to change the Section title to “Residential Facilities for Persons with a Disability.” The other proposed adjustment was the elimination of the current distance buffer between residences. The Planning Commission reviewed the proposal on November 10, 2016 and forwarded a positive recommendation to the City Council to amend Section 10-15-23: Residential Facilities for Handicapped Persons.

Mayor Daniels opened the public hearing. There were no public comments. The public hearing was closed.

ACTION: Council Member Stanley moved to approve Ordinance (2016-28) amending the permitted and conditional uses, in all residential zones, regarding Residential Facilities Page 2 of 3 for People with a Disability, including amending Section 10-15-23 to reflect changes made in State Code that are applicable to Pleasant Grove City Code. Council Member Jensen seconded the motion. A voice vote was taken with Council Members Andersen, Jensen, LeMone, Stanley, and Walker voting "Aye". The motion carried unanimously.

B) PUBLIC HEARING TO CONSIDER FOR ADOPTION AN ORDINANCE (2016-29) TO RELEASE A CERTAIN PORTION OF EXISTING 40-FOOT AND 20-FOOT DRAINAGE EASEMENTS, FOR THE PALISADES PLAT D 23 LOT SUBDIVISION LOCATED AT 813 EAST 767 SOUTH. RELEASE OF EASEMENTS WILL BE CONDITIONAL UPON APPROVED MODIFICATIONS OF EXISTING INFRASTRUCTURE. Presenter: Director Beaumont *Please note this item has been continued until January 3, 2017.

ACTION: Council Member LeMone moved to continue agenda Item 9B to January 3, 2017. Council Member Andersen seconded the motion. The motion carried with the unanimous consent of the Council.

C) PUBLIC HEARING TO CONSIDER FOR ADOPTION OF AN ORDINANCE (2016-30) TO RELEASE A CERTAIN PORTION OF AN EXISTING 20-FOOT PUBLIC UTILITY EASEMENT AND DRAINAGE EASEMENT FOR THE PALISADES PLAT C LOT 18 SUBDIVISION, LOCATED AT 731 EAST 760 SOUTH. RELEASE OF EASEMENT WILL BE CONDITIONAL UPON APPROVED MODIFICATIONS OF EXISTING INFRASTRUCTURE. Presenter: Director Beaumont *Please note this item has been canceled.

ACTION: Council Member Stanley moved to continue agenda Item 9C to January 3, 2017. Council Member Andersen seconded the motion. The motion carried with unanimous consent of the Council.

10) ACTION ITEMS READY FOR A VOTE

A) TO CONSIDER FOR APPROVAL A ONE-YEAR EXTENSION OF APPROVAL OF THE FINAL PLAT FOR THE GROVE CREEK CENTER COMMERCIAL SUBDIVISION LOCATED AT APPROXIMATELY 2168 WEST GROVE PARKWAY. (SAM WHITE'S LANE NEIGHBORHOOD) *Presenter: Director Young.*

Director Young presented the staff report and explained that the applicant is requesting an extension of the approval of a five-lot preliminary subdivision called Grove Creek Center Commercial located at approximately 2168 West Grove Parkway in The Grove Interchange Subdistrict. The original approval was granted by the City Council on July 7, 2015. Staff had been working with the applicant to finalize the plat for recording and have allowed it to not officially expire up to this point. However, if the extension not approved at this meeting, it will be considered expired and the applicant will have to take the plat back through the process. It was noted that no significant changes had been made to the plat since its original approval.

The proposed subdivision was to be located on approximately 2.22 acres and was intended to accommodate five commercial office buildings. Of the five planned buildings, one had been built and another was proposed for preliminary approval in connection with a site plan during the June 25, 2015 Planning Commission Meeting. The plat was previously approved by the Planning Commission on September 13, 2012 and the approval had since lapsed as more than a year had passed since it was approved.

It was reported that all lots exceed the minimum lot dimension requirements for the zone and are intended to support a use that is allowed in the zone and supports the intent of the General Plan. Based on review of the proposed preliminary plat, staff was satisfied that it meets both the regulations and intent of the City Code.

Staff recommended that the City Council approve a one-year extension, which would expire on July 8, 2017, for the proposed five-lot final subdivision called Grove Creek Center Commercial.

ACTION: Council Member Jensen moved to approve a one-year extension of approval of the final plat to July 7, 2017 for the Grove Creek Center Commercial Subdivision located at approximately 2168 West Grove Parkway. Council Member Andersen seconded the motion. The motion passed with unanimous consent of the Council.

B) TO CONSIDER APPROVAL OF AN 18-LOT FINAL PLAT FOR MANILA CREEK ESTATES SUBDIVISION, PLAT A LOCATED AT APPROXIMATELY 3000 NORTH 900 WEST. (MANILA NEIGHBORHOOD) *Presenter: Director Young.*

Director Young presented the staff report and explained that the applicant is requesting approval of an 18-lot final subdivision, named Manila Creek Estates, on property located at approximately 3000 North 900 West in the R-R Zone. The parcel was formerly owned by the Alpine School District and after an unsuccessful application to rezone it to a higher density, the land was

fragmented into three different parcels acquired by three different developers. The subdivision is the first of three future proposed subdivisions in the property.

The proposed subdivision is to be located on approximately 11.02 acres. The final plat consists of 18 subdivided lots designated for new single-family dwellings. All of the proposed lots meet the minimum area requirement of .5 acres (21,780 square feet); therefore, the proposed layout of the subdivision meets the minimum requirements set forth in the Pleasant Grove City Code.

The applicant was also proposing the adoption of a new Vicinity Plan. According to engineering and planning staff, the proposed new vicinity plan meets the requirements regarding traffic, the number of access points, and maximum block distance without an access. Before the submission of the first plat application, the three developers and staff agreed on a Vicinity Plan that would work for the entire 43.34 acres. Manila Creek Estates complies with the aforementioned Vicinity Plan. The subject property falls within the General Plan designation of Very Low Density Residential. Staff recommended approval of the proposed final plat to the City Council.

John Litton, representing DR Horton, was present in lieu of the applicant. He confirmed that they agreed to the terms of building permit on the subject lots.

ACTION: Council Member Jensen moved to approve an 18-lot final plat for Manila Creek Estates Subdivision, Plat A located at approximately 3000 North 900 West. Council Member Stanley seconded the motion. The motion passed with unanimous consent of the Council.

C) TO CONSIDER ADOPTION OF A RESOLUTION (2016-050) OF THE CITY COUNCIL OF PLEASANT GROVE CITY (“CITY”) AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF NOT MORE THAN \$9,500,000 AGGREGATE PRINCIPAL AMOUNT OF ITS GENERAL OBLIGATION BONDS SERIES 2017; AND OTHER RELATED MATTERS; AND PROVIDING FOR AN EFFECTIVE DATE. *Presenter: Administrator Darrington.*

Administrator Darrington introduced Matt Dugdale from George K. Baum & Co., who is the financial advisor on the bond issue. Mr. Dugdale distributed a handout to the Mayor and Council and stated that the subject Resolution is the first official action related to the bond. It delegates authority to the Mayor and City Administrator to approve the final terms of the bonds as long as they fit within the parameters. It also creates the maximum interest rate, principle amount and term, etc., thus allowing the Mayor and City Administrator flexibility of when to sell the bonds. He explained that the goal is to issue the bonds with the lowest interest rate and the least impact on residents. He presented several charts, which provided an overview of this information.

Mr. Dugdale explained that the market is volatile and they strategize when to sell the bonds. Because there are fewer bonds, there is competition among investors. They have set the calendar to issue the bonds in January or February to take advantage of said competition. He stated that while the resolution is the first official act, it does not require them to issue bonds or set an official deadline. Once the resolution is passed they will prepare to meet with ratings analysts who assess the City's credit. That will require a few weeks' time but afterward, the rating can be published

and sent to the marketplace. The process takes about six weeks; however, there is flexibility. They will continue to monitor market conditions so bonds can be issued at a favorable time.

Mr. Dugdale congratulated the Council on the tremendous job they have done in the past. He noted that the City is in a very select category in terms of its credit rating. Mr. Dugdale mentioned that a hurdle they are facing is to let the analysts know that despite the additional debt, the City is still strong and the same or better rating should be issued. Mayor Daniels clarified with Mr. Dugdale that January is a low point for bond availability. The Mr. Dugdale discussed bond supply stating that rates are more favorable when there is a low supply because investors pay more, which translates into a lower interest rate.

Council Member Stanley mentioned that the graphs presented illustrated multiple drops and asked for the reasoning behind them. Mr. Dugdale explained that there was a spike before the election, although there is generally a push near the end of the year.

Council Member Stanley expressed the public's concern with borrowing a lot of money that will sit for a long period of time in an account. He asked about the availability of impact fees while architectural work is in progress. Mr. Dugdale explained that when a transaction is split into two and issued at different times of the year, the City ends up paying twice the cost. He also described the differences between the interest rates on the bond if issued at the beginning of the year and the interest earned in the construction account. It was noted that interest rates cannot be controlled throughout the year.

Mayor Daniels stated that they weigh the good with the bad in terms of interest rates. Council Member LeMone mentioned that the bond can be refinanced after 10 years. Mayor Daniels discussed locking the rate in now and paying the interest after borrowing the money. Mr. Dugdale explained that it is better to know the rates now rather than later. There was further deliberation on the matter.

Council Member Stanley opined that the City has money to do the work without the immediate issuance of the bonds. The City would be in a better financial state if the bonds were issued in January 2018.

Council Member Andersen asked what the interest rate was pre-election. Mr. Dugdale responded that pre-election it was 3.1% and today it is 3.4%. Administrator Darrington asked if the interest rates would remain the same over 20 years if the bonds were issued in January or September. Mr. Dugdale confirmed that it is a 20-year increment from when the full bond is issued. Regardless of whether the money is spent, the interest over 20 years will remain the same. The City will not be paying additional interest if they borrowed the money in January versus September.

Council Member Stanley stated that the bigger issue is getting information on value engineering or architectural work. It will give a better sense of the exact amount of bonds needed in one transaction. Administrator Darrington mentioned that this was a policy decision for which staff would be willing to provide their analyses. Council Member Stanley asked if the Council could

weigh in on the exact decision regarding the sale of the bonds. Administrator Darrington answered in the affirmative.

ACTION: Council Member LeMone moved to adopt a Resolution (2016-050) of the City Council of Pleasant Grove City (“City”) authorizing the issuance and sale by the City of not more than \$9,500,000 aggregate principal amount of its General Obligation Bonds Series 2017. Council Member Walker seconded the motion. A voice vote was taken with Council Members Andersen, Jensen, LeMone, Stanley, and Walker voting "Aye". The motion carried unanimously.

D) TO CONSIDER FOR ADOPTION A RESOLUTION (2016-051) AUTHORIZING THE MAYOR TO DECLARE 5 DELL OPTIPLEX 780 DESKTOPS AND 3 HP PRO 3130 MT DESKTOPS SURPLUS AND DIRECT THAT THEY BE DISPOSED OF ACCORDING TO THE CITY’S POLICY FOR DISPOSING OF PROPERTY SURPLUS; AND PROVIDING FOR AN EFFECTIVE DATE. *Presenter: Director Britsch.*

Library and Arts Director, Sheri Britsch stated that the aforementioned equipment consists of old computers that have been replaced.

ACTION: Council Member Stanley moved to adopt a Resolution (2016-051) authorizing the Mayor to declare 5 Dell Optiplex 780 desktops and 3 HP Pro 3130 MT desktops surplus and direct that they be disposed of according to the City’s policy for disposing of property surplus; and providing for an effective date. Council Member Jensen seconded the motion. A voice vote was taken with Council Members Andersen, Jensen, LeMone, Stanley, and Walker voting "Aye". The motion carried unanimously.

E) TO CONSIDER FOR ADOPTION AN ORDINANCE (2016-31) SETTING THE TIME AND PLACE OF THE REGULAR MEETING OF THE CITY COUNCIL, BOARDS, COMMISSIONS AND COMMITTEE MEETINGS FOR THE YEAR 2017. *Presenter: Administrator Darrington.*

Administrator Darrington explained that this is a standard requirement to make notice of all meetings for the upcoming year. They have stayed with the same schedule for the Planning Commission and City Council. In response to a comment from Council Member LeMone, Administrator Darrington stated that the City Council has business to handle at the end of the year and the joint meeting with the Planning Commission did not utilize their time well.

ACTION: Council Member LeMone moved to adopt Ordinance (2016-31) setting the time and place of the regular meeting of the City Council, Boards, Commissions and Committee Meetings for the year 2017. 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

There were no further items for discussion.

12) REVIEW AND DISCUSSION OF THE DECEMBER 13, 2016 CITY COUNCIL MEETING AGENDA

The agenda for the aforementioned agenda was briefly reviewed and discussed. Administrator Darrington explained that while this is a Work Session, there are some actions that need to be taken. There will be a few presentations, including an introduction of Josh Walker and UTOPIA. The Executive Director would like to discuss with the City Council the possibility of bringing UTOPIA to Pleasant Grove. He will review the financial mechanism and the risks to the City. There will also be a quick presentation from the Green House Center. Council Member LeMone asked to hear from other cities as well as the business owner of UTOPIA.

Public Works Director, Marty Beaumont, stated that Walker Ridge Plat A approaches two lots in anticipation of a future pressurization water tank with up to two million gallons of storage. This is the first of three steps in combining two lots and creating a third lot to make it a two-lot plat. The Planning Commission will discuss this with a public hearing next week. He stated that they are in the middle of design but want to begin construction in March with completion in July.

Administrator Darrington mentioned the auditors will present the audit and CAFR reports. There will also be discussion regarding 220 South and what the impact to the road system will be if it was removed to accommodate a development project. The road is approximately 700 feet in length. Administrator Darrington stated that there might be an RDA item regarding the interlocal agreement for the Grove Tower. Mayor Daniels mentioned that he will not be present next week.

13) NEIGHBORHOOD AND STAFF BUSINESS

Staff provided various updates pertinent to their respective departments. Assistant to the City Administrator, David Larson, announced the Chamber of Commerce Christmas Party scheduled for the following Thursday. It will be a time to interact with the businesses and see the momentum from the decision combined with American Fork. They were anticipating a successful turnout.

Director Beaumont discussed pothole repairs throughout the City and requested that any issues be reported to the Public Works Department. He also reviewed the three-year road plan, and stated he would give a presentation to the Council providing an overview of completed projects. Mayor Daniels requested that Director Beaumont's presentation reflect the gas tax as well. Council Member LeMone expressed thanks for the road work that has been done.

Director Britsch commented that Mrs. Claus was at the Library earlier in the evening. There were 200 people in attendance. They were selling mugs as a fundraiser for \$8. Director Roy stated that the audit is complete and the findings will be presented at the next meeting. Administrator Darrington reminded those present that there are no meetings scheduled for the December 20 or 27.

14) MAYOR AND COUNCIL BUSINESS

Council Member Stanley asked Administrator Darrington to sign a certificate from the Finance Academy. He expressed gratitude to him and Director Roy for the remarkable event they put together. He commented that it is a popular event and a productive use of time.

15) SIGNING OF PLATS

The Void Plats A and B were signed.

16) REVIEW CALENDAR

No additional calendar items were discussed.

17) CONVENE AS THE PLEASANT GROVE REDEVELOPMENT AGENCY

ACTION: Council Member LeMone moved to adjourn as the Pleasant Grove City Council and convene as the Pleasant Grove Redevelopment Agency. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

a) REVIEW AND APPROVE THE MINUTES OF THE NOVEMBER 9, 2016 MEETING.

ACTION: Mr. Stanley moved to approve the minutes of the November 9, 2016 meeting. Mr. Walker seconded the motion. The motion passed with the unanimous consent of the Redevelopment Agency.

18) RECONVENE AS THE PLEASANT GROVE CITY COUNCIL

ACTION: Ms. LeMone moved to adjourn as the Pleasant Grove Redevelopment Agency and reconvene as the Pleasant Grove City Council. Ms. Andersen seconded the motion. The motion passed with the unanimous consent of the Redevelopment Agency.

19) CLOSED MEETING TO DISCUSS THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL (UCA 52-4-205 (1)(a)).

ACTION: Council Member LeMone moved to adjourn to a closed meeting to discuss the character, professional competence, or physical or mental health of an individual (UCA 52-4-205 (1)(a)). Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

The Council convened in a closed meeting at 8:47 p.m.

ACTION: Council Member LeMone moved to come out of Executive Session. Council Member Stanley seconded the motion. The motion passed with the unanimous consent of the Council.

20) **POSSIBLE ACTION ON CLOSED MEETING DISCUSSION**

There was no further action.

21) **ADJOURN**

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

The meeting adjourned at 10:23 p.m.

The minutes of December 6, 2016 City Council Meeting were approved by the Council on January 17, 2017.

Kathy T. Kresser, City Recorder. MMC

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