

Pleasant Grove City Council Meeting Minutes
Special Work Session
August 12, 2013
5:00 p.m.

PRESENT:

Mayor:

Bruce W. Call

Council Members:

Cindy Boyd
Lee G. Jensen
Cyd LeMone
Jay Meacham – Via Telephone
Kim Robinson

Staff Present:

Scott Darrington, City Administrator
Dean Lundell, Finance Director
Degen Lewis, City Engineer
Tina Petersen, City Attorney
Kathy Kresser, City Recorder
Mike Smith, Police Chief
Marc Sanderson, Fire Chief

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

1) **CALL TO ORDER**

Mayor Call called the meeting to order and noted that Council Members Boyd, Jensen, LeMone, and Robinson were present. Council Member Meacham participated via telephone.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by City Council Member, Cyd LeMone.

3) **OPENING REMARKS**

The Opening Remarks were given by City Engineer, Degen Lewis.

4) **DISCUSSION ON OPTIONS TO FINANCE THE PROPOSED PUBLIC SAFETY BUILDING.**

Mayor Call stated that due to the volume and passion expressed at the public hearing on August 7, the Council felt it would be useful to have extra time to discuss various options before taking a vote on August 14. Mayor Call stated that this was a public meeting and the public was welcome, but there would be no public comment allowed.

Council Member Meacham asked how many residents were present at the public hearing. Mayor Call reported that there were roughly 70 to 75 people in attendance.

City Administrator, Scott Darrington, stated that after the public hearing the Council requested that staff put together some numbers and alternatives with regard to pursuing the general obligation bond. Three different options were compiled dealing with the scope, size, and cost of the building.

Administrator Darrington stated that the first option was the original proposal that would include a new police and fire building at a cost of \$19 million. If the City chose to do a general obligation bond it would be put on a ballot for the public to vote on. He stated that that City Attorney, Tina Petersen, had all of the information on how to proceed with this type of bond. He did not articulate at the public hearing how the \$19 million would be broken down and used, but wanted to share that information with the public in attendance. The proposed total square footage for both buildings combined would be 58,971 with the cost per square foot being \$250. The architect researched other public safety buildings developed over the past few years and estimated the cost per square foot to be \$200 to \$250. Administrator Darrington stated that the City chose to estimate on the higher end for budgeting purposes.

Administrator Darrington reported that he spoke with the Bountiful City Manager who was building a new City Hall Building. He planned to begin construction soon and their cost per square foot was \$245, which was in line with Pleasant Grove's estimate. The construction cost for the fire and police facility totaled \$14,697,750. The soft costs would include design fees to the architect, future, fixtures, equipment, and all required inspections. Soft costs are generally 20% of the construction cost and for this project would total \$2,939,550. Administrator Darrington stated that \$1 million had also been budgeted for property acquisition. The building was not fully designed so the City did not know exactly which properties would or would not be needed. Administrator Darrington stated that a contingency of \$362,700 was added to the budget, which brought the estimated total to \$19 million.

Administrator Darrington stated that a building of this size would be a long-term solution for the City. The building would be paid off after 20 years and the City would hope to continue to use it for an additional 30 years. The building plan was developed based on projected population growth. Pursuing the general obligation bond would reduce the tax burden to the residents over the 20 year bond by \$1.8 million. The individual tax burden would go from \$12.51 per month to \$11.73 per month. The layout of the proposed building would be consistent with the overall Civic Center Master Plan developed several years ago.

Administrator Darrington stated that another option would be to only develop a new fire station. The square footage for that building would be 29,000 square feet. The estimated cost per square foot would remain at \$250. The construction cost would be \$7,250,000. The soft cost would be \$1,450,000. The property acquisition budget of \$1 million would remain the same. He stated that if the City only developed the fire station it may not be necessary to acquire all of the property at this time. Roughly \$300,000 was budgeted for contingency which brought the total cost to \$9 million.

This would be a long-term solution for the fire department, but would not address the police department needs.

Administrator Darrington stated that they would try to construct the building in such a way that they would be able to add a police station eventually. The individual tax burden on a 20-year general obligation bond would be \$5.51 per month. This option would also be consistent with the Civic Center Master Plan.

Administrator Darrington stated that the third option would be retrofitting and remodeling the current fire station. Staff had not yet looked into the cost of updating the police station. The fire station and community development building together totaled 19,000 square feet. In order to meet space needs the fire station would need an additional 9,000 square feet. He explained that renovation is difficult to estimate because costs change once development begins. The estimated cost would be \$160 to \$250 per foot. The soft costs were estimated at 25% of the construction costs. This option would not necessarily require land acquisition. The low-range cost estimate would be \$6,042,500 and the high range would be \$8,802,500. These numbers did not include where they would move community development to.

Administrator Darrington stated that advantages to this plan included no extra cost for land purchase or the preservation of historic buildings. The disadvantages would include the risks that come with renovation and the fact that it deviates from the Civic Center Master Plan. There will also be reduced functionality because it would be necessary to work with the layout that currently exists. Parking would be an issue that would need to be looked into as well as issues with emergency vehicles likely being forced to exit onto 100 East. Staff felt that starting with a new building would be better in the long term.

Attorney Petersen addressed the timeline of a public vote for a general obligation bond. She stated that at least 75 days before the date of the election the City would have to submit the ballot language and the proposition to the Lieutenant Governor and the Election Officer of the County for the November 5th election. The City would need to provide notice of the bond election once a week for three consecutive weeks in a newspaper of general circulation not less than 21 and not more than 35 days before the election. The City would also be required to prepare a voter information pamphlet and mail it to each household not less than 15 days but not more than 45 days before the election. The City would pay the cost of the notice. Attorney Petersen suggested that instead of mailing out the full voter information pamphlet they mail out a preaddressed card and have citizens request the full information. The vote could be held on the same day as another election. The election code states that there are limits on what a public entity may do with public funds. She stated that they cannot use taxpayer funds to influence a ballot proposition. The code allows for certain exceptions including allowing public officials to provide factual information and to express their First Amendment rights.

Council Member LeMone asked if the proposal for the fire department only was basically the same plan and design as before but without the police department. Administrator Darrington stated that the original building had a shared basement, which would no longer be possible. Other than that the City could still frame the building the same as far as how it would look.

Council Member LeMone asked if it was possible to estimate any costs into the budget for updates or renovation to the current police department. Administrator Darrington stated that the cost

proposal would be similar to what he presented regarding renovation of the fire department. He stated that the price could range from \$160 to \$250 per square foot depending on the type of renovation they decide to do. Council Member LeMone asked if those renovations could be included in the general obligation bond. Administrator Darrington stated that it could be included and the bond would be a set dollar amount. The language for the actual plan for each facility would be included on the ballot.

Council Member Boyd asked how much of the square footage was originally planned for shared space between the police and fire departments. Administrator Darrington figured they would lose a few thousand square feet for the shared space. He noted that he would bring those numbers to the next meeting.

Council Member Robinson asked if the time requirement for the general obligation bond would allow the City to form a citizen committee. Mayor Call did not think this type of bond would allow for the citizen committee. He did not think, however, that there would be time for the City to prepare for a general obligation bond this year and that it would likely have to wait until next year.

Council Member Jensen asked how much additional land would be required for the separate fire station. Administrator Darrington stated that if they held true to the Civic Center Master Plan there were definitely two properties they would need to acquire. If the fire station was placed on the west side of Center Street it would likely reduce the need to one piece of property. Council Member Jensen asked how much total acreage would be required for the entire project. Administrator Darrington agreed he would bring that information to the next meeting.

Council Member Boyd reported that many citizens emailed her asking if it was possible to move City Hall to another building and refit City Hall for the police or fire department. Administrator Darrington stated they had not looked into that option at all. Council Member Boyd requested that staff put those estimates together for the next meeting. Council Member Jensen stated that it seemed that if the City retrofitted each old building in the City there would not be any cost savings. If they redo multiple buildings the cost would be high. Unless the City has a cost estimate on redoing all of the necessary buildings he did not see a point in even discussing it as an option. He felt it would not make sense to redo one building at a time without knowing the total cost of updating all the necessary buildings.

Administrator Darrington stated that if the Council was leaning toward changing to a general obligation bond they would likely need more time to gather all of the necessary information. He reported that the vote being taken at the next meeting would be to determine if the City would raise property taxes. If the City wanted to do a general obligation bond in 2013 they would have to have the language completed by August 20. He questioned whether they could do all of the necessary research by then.

Council Member Meacham stated that there seemed to be a lot of scenarios and questions. He was concerned that they would not have time to address all of them before the vote has to be taken. He asked if all costs were based on a 20-year bond. Administrator Darrington stated that all costs were geared toward a 20-year bond due to the Council's request because of the additional interest that would accrue on a 25-year bond.

Council Member Boyd wanted to see a history regarding how interest rates on bonds have increased over the past year. She remarked that interest rates would increase faster than inflation and the City may be in a bad financial position if they wait another year. Finance Director, Dean Lundell, agreed to compile information by the next meeting.

Mayor Call was concerned that the Council would not have enough time to change to a general obligation bond in 2013. There would be a significant amount of voter education required and he was not certain that they could accomplish what was required in the allotted timeframe.

Council Member Robinson asked if there was any other potential urgency to moving forward besides rising interest rates. Mayor Call wanted to see the City take action, but in a wise and measured way. He felt that waiting too long to proceed could create problems. He remarked that if they do not have time to do it right this year, they should wait until 2014.

Council Member Boyd asked if staff could provide a building cost projection if the City were to begin development in 2013 versus 2014. Administrator Darrington would work with the architect to come up with estimates.

Council Member Jensen was not convinced that a general obligation bond would not pass. He stated that the Council should not be deterred from pursuing a GO bond if they felt it was the best option. He explained that the GO bond would save the City money and was his preference. Mayor Call stated that the vote on Wednesday would be to determine whether to use the MBA bond or not.

Attorney Petersen agreed to provide the Council with the timing from the last GO bond the City used. She had available the timing regarding when the citizen committee was formed along with other data. She felt it would help the Council determine whether to move forward with a GO bond in 2013. Administrator Darrington stated that the Council would have to have final language for the GO bond by August 20, which would not allow time for a citizen committee.

Mayor Call felt that the biggest advantage to the MBA bond was immediacy. He stated that the two major benefits of the GO bond would be the lower interest rate and the automatic sunset, which means that when the bond is paid off it would automatically revert back to the previous tax rate.

Council Member Meacham asked if they opted to do the GO bond, if that meant they could not take action until November of 2014. Mayor Call confirmed that that was correct and explained that the vote has to be held during a regular ballot time. Attorney Petersen stated that it used to be allowed during a special election time, but the Legislature removed that option.

Council Member LeMone felt that the police and fire departments had immediate needs and asked if there were funds available to meet some of those needs in their current buildings on a smaller scale until new facilities can be built. Administrator Darrington stated that the two most significant issues are space for additional growth and seismic problems. To do something smaller was possible, but somewhere along the line the City will have to tackle the space issues. He noted that funds are not currently available for minor updates.

Council Member Boyd asked if the City's economic value increased and if they had more sales tax revenue if they would be able to make larger payments to pay the bond off sooner. Director Lundell

stated that bonds are issued in a specific term and usually do not allow for refinancing until a minimum of 10 years has passed.

Council Member Robinson asked if there are bonds available that would mature by November 2014. Director Lundell stated that there may be some small water bonds, but nothing out of the General Fund.

Council Member LeMone thanked the public for coming to the meeting and clarified how the Council had come this far in the process. She explained that when the needs were presented to the Council eight months earlier they began working on the proposal. The Council hosted an open house in April and discussed the issue numerous at City Council Meetings. There was very little push back from residents which made the Council Members comfortable continuing to move forward. The first real sign of disagreement came at the public hearing last week. She hoped the public could see that the Council tries to work with the public and listen to their concerns. She added that some residents are concerned that the Council has already made up their minds. She hoped that this meeting showed that was not case. She explained that the Council Members see a real need for public safety facilities and are concerned about the safety of public safety workers. She acknowledged that the Council has a tough decision to make on Wednesday, but they are trying to come together for the good of the City to make the best decision.

Council Member Jensen stated that this was the eighth year this discussion had been ongoing. They began with RUDAT eight years ago and there was tremendous involvement by the public. He stressed that it was important for the public to understand how much time, thought, and education has gone into the planning thus far. He explained that this was an ongoing process that will continue far beyond fire, police, and city hall. This discussion would eventually include everything the City needs to be a progressive City that is attractive to people who live in and want to develop commercially in Pleasant Grove. He remarked that the Council has come far in those eight years with respect to the City and its future. He felt the timing was more of an issue than the funding. He remarked that if the timing was right they should move forward. If the timing is not right they should wait and determine can be done until the timing is right.

Council Member Meacham stated that during last week's public hearing they heard a lot of talk about the Civic Center and how it was not moving forward. He explained that the Council is trying to look to the future to see what is best for the City. The Council has recognized a need for multiple facilities in the community and they cannot accomplish everything at once. He stated that the Council understands that, but the citizens need to understand that the Council needs to look to the future and plan accordingly. He was surprised that people did not understand the planning process and the amount of time spent on the process.

Council Member Boyd stressed the importance of timing and looked forward to getting more information from staff in order to make the best decision for the community. Council Member Robinson she hoped the Civic Center was understood as a planning process. At the open house in April she clearly stated that building funding was not even in consideration yet. She felt it was important to continue to involve the citizens.

Mayor Call requested that staff email any information they compile to the Council Members as soon as possible. The next meeting was scheduled for the following Wednesday at 6:00 p.m. at the Junior High. He invited and encouraged the public to attend. He explained that there will be no

public comment taken at the meeting. The Mayor reminded all to vote the following day in the primary election. He asked that the Council email additional questions to staff as soon as possible.

Council Member LeMone requested that the public contact her with comments and questions.

5) **ADJOURN**

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

The City Council Meeting adjourned at 5:54 p.m.

This certifies that the City Council
Minutes of August 12, 2013 are a true,
full and correct copy as approved by
the City Council on September 17, 2013

Kathy T. Kresser, CMC, City Recorder

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