

**Pleasant Grove City
City Council Regular Meeting Minutes
August 23, 2016
6:00 p.m.**

PRESENT:

Council Members: Dianna Andersen (Mayor Pro-Tem)
Eric Jensen
Cyd LeMone
Ben Stanley
Lynn Walker

Staff Present: Scott Darrington, City Administrator
Sheri Britsch, Library and Arts Director
Denise Roy, Finance Director
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Kathy Kresser, City Recorder
Ken Young, Community Development Director
Tina Petersen, City Attorney
Dave Thomas, Fire Chief

EXCUSED:

Mayor: Michael W. Daniels

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 other Council Members were present. Mayor Daniels was excused.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Drew Engemann.

3) **OPENING REMARKS**

The opening remarks were given by Kevin Wilkey.

4) APPROVAL OF MEETING'S AGENDA

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

5) OPEN SESSION

Mayor Pro-Tem, Dianna Andersen, opened the open session.

Lori Williams gave her address as 175 South 1300 East and explained that she had several questions regarding the reimbursement of the Pipe Plant property. She inquired as to how the reimbursement would work with a bond and whether the citizens would end up having to pay for the property twice or if the Storm Drain Fund would be reimbursed. Ms. Williams also asked if the same principle would apply to the downtown property. If the old Recreation Center has value in assets she wondered if the Parks and Recreation Fund would need to be reimbursed if some of the land is used for the Public Safety Building. Ms. Williams requested individual responses from staff and the elected officials. Council Member Andersen explained that there is only one legal, correct way to transfer funds from one City account to another. She stated that the City's Administrative staff can explain the process.

City Administrator, Scott Darrington, explained that as far as the Pipe Plant property is concerned, it was purchased with a Storm Drain bond, which is paid for by Storm Drain revenues. If the Pipe Plant property is used for any purpose other than storm drain, the City is legally required to reimburse the Storm Drain Fund. This would be the intent if the Fire Station were to go on the Pipe Plant property. The General Fund would need to pay the Storm Drain Fund for the cost of the land. Ms. Williams asked if this expense will be rolled up in the bond. If so, she argued, that the citizens would technically be paying for the same piece of property twice. Administrator Darrington stated that a final decision had not yet been made on the matter.

Council Member Andersen stated that the price of the property has been included in the price of the construction of the building. City Attorney, Tina Petersen, added that the City has not discussed how the value of the Pipe Plant property would be handled; however, it has not been officially decided as to whether the Pipe Plant property will be used for the Fire Station. She explained that there are a variety of ways that the value of the property could be handled. It doesn't necessarily have to be rolled into the bond amount. Attorney Petersen explained that with regard to the analysis of making sure that the City accounts for the value of using the property downtown, the idea is that by law the City must replace the Storm Drain funds because the land was purchased with a revenue bond pledging storm drain fees. It was noted that the City has owned the downtown property for several decades. Attorney Petersen explained that the downtown property was neither purchased with impact fees nor special revenue funds, nor an enterprise fund. Therefore, Pleasant Grove City Corporation owns it free and clear and can do whatever they want and do not have to reimburse another fund for the value of the property.

Ms. Williams asked when the specifics will be decided. Council Member Andersen stated that the \$9.5 million General Obligation (GO) Bond is not going to cover everything. That is simply the amount the citizens are going to pay. There are portions of the facility that will be funded by other financial means.

There was further discussion about fees and fund transfers between accounts within the City. Attorney Petersen stated that there will be one public hearing and one public meeting scheduled regarding the proposal. In the public hearing, members of the public will be given an opportunity to voice their opinions on the matter. During the public meeting, individuals representing both sides of the proposal will present arguments both for and against, as well as rebuttal statements. The open meeting will not be an opportunity for public comments. Ms. Williams asked who will present the pros and cons at the public meeting. Attorney Petersen responded that the individuals have yet to be determined.

Lisa Coombs gave her address as 1742 East Cherokee Drive and announced that the Heritage Jubilee will take place Saturday, September 10th from 10:00 a.m. to 2:00 p.m. at the downtown park. The vintage market will also be held in the Old Recreation Center that day, which should also help draw a crowd. Ms. Coombs reported that the Honorary Colonels have agreed to supply lunch, which will be pulled pork sandwiches. The Kiwanis Club will have root beer floats and the Lions Club will supply scones. Ms. Coombs extended an open invitation to everyone to attend.

Council Member LeMone stated that intent of the Heritage Jubilee is to celebrate Pleasant Grove's 166th birthday.

Molly Andrew gave her address as 1125 Sage Drive and asked if tax dollars were used to purchase the Pipe Plant property originally. Administrator Darrington clarified that Storm Drain Fees were used to purchase the property. Ms. Andrew asked staff to define the Storm Drain revenue. Administrator Darrington explained that every resident pays a monthly Storm Drain Fee on their utility bill. Part of the fee goes toward paying the bond that was used to purchase the Pipe Plant property. The payment on the bond is ongoing. Attorney Petersen clarified that the property purchase was funded by user fees and not taxes.

There were no further public comments. Mayor Pro-Tem Andersen closed the open session.

6) **CONSENT ITEMS**

There were no consent items.

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

A) TO CONSIDER THE APPOINTMENT OF MELISSA FINCH AS A DOWNTOWN ADVISORY BOARD MEMBER AND KENT WELLS AS A FOX HOLLOW GOLF COURSE BOARD MEMBER.

ACTION: Council Member Jensen moved to approve the appointments of Melissa Finch as a Downtown Advisory Board Member and Kent Wells as a Fox Hollow Golf Course Board Member. Council Member Walker seconded the motion. The motion passed with the unanimous consent of the Council.

8) **PRESENTATIONS**

A) PUBLIC SAFETY BUILDING COMMITTEE PRESENTATION TO THE CITY COUNCIL.

Council Member Andersen introduced the presentation by stating that the Public Safety Building Committee has spent over one year discussing every possibility and detail for the future of the Public Safety Building. She thanked the Committee for their diligent efforts. The time was then turned over to the Committee Spokesperson, Larry Nelson.

Mr. Nelson read the following statement:

Note: The following statement is also available on the City's website.

"I am grateful for the opportunity to again represent my fellow citizens on the Public Safety Building (PSB) Committee to present our recommendations based on the work we have been doing for over a year now. As a Committee, we were charged with providing the City Council with multiple potential solutions to the Public Safety Facilities' needs. As we started our work, we outlined the broad concerns that members of the committee saw as important in our discussions including but not limited to (1) providing facilities that meet the needs of the public safety employees so they can serve the citizens of Pleasant Grove effectively now and in the future, (2) doing so in a responsible way that would restrain to the greatest extent possible the financial burden on the citizens of our city, and (3) conducting the process in a way that might start healing the divide that exists in our community over these issues. We addressed specific issues related to needs, costs, and possible sites. We started with all options on the table with potential solutions ranging from doing nothing to building brand new and, of course, everything in between, including options on remodeling the existing facilities. As we have provided several progress reports at various stages along the way, I will not outline everything we have done but simply point out that as options were eliminated at each phase of our work, it was done on the basis of careful analyses, majority opinion being in favor, and not personal preferences or any other arbitrary reasons.

"After our last reporting, the Council supported our request and employed THINK Architecture, represented by Scott Wilkinson (we acknowledge and thank Scott for all of his work), to conduct an analysis of programming needs and a comprehensive assessment of cost estimates for two options which were (in no particular order):

- 1. Fire Station at the Pipe Plant with the Police/Courts/Dispatch (PD) downtown.*
- 2. Fire Station and PD Downtown in two buildings.*

"Scott Wilkinson of THINK provided a report that showed preliminary construction plans and costs for each of these options built to various stages of completion. The option that included a build out anticipating reasonable future needs was estimated at approximately \$12.6 million. However, as a Committee we believe there are responsible ways to lower this cost. First, the cost includes nearly \$1.2 million worth of contingency buffers that we believe should not be reflected in the proposed construction cost. Careful planning and oversight of the project can control contingency spending. We note that THINK Architecture has completed many projects similar to ours at a cost that was under budget. Second, although programming needs have been included in the site planning design, the systematic process of value engineering has not yet been done.

Value engineering is the “organized effort directed at analyzing designed building features, systems, equipment, and material selections for the purpose of achieving essential functions at the lowest life cycle cost consistent with required performance, quality, reliability, and safety” (General Services Administration, <http://www.gsa.gov/portal/category/21589>). We believe that a detailed assessment of the ratio of function to cost can produce a thorough optimization of square footage to reduce costs further.

*“As a result, the 13 members of the Committee who were in attendance at our last meeting **unanimously** voted to recommend that a budget for construction costs of the buildings be placed at \$11 million or less. We responsibly believe that new public safety facilities that adequately meet current and future anticipated needs for our City can be achieved for this amount.*

“Concerning the matter of bonding to pay for the needed public safety buildings, the Committee has been informed of possible cash infusions that can be made by the City (e.g., impact fees) in the neighborhood of \$1 million. Furthermore, we know that generous members of our community are prepared to contribute in both cash and in-kind services to help meet the costs of these buildings. [For this we are extremely grateful!] Therefore, with a budget set at \$11 million or less for construction costs, we recommend to the City Council, again unanimously, that a general obligation bond be set at \$9.5 million or less.

“To put this proposal in perspective, we would like to note what these figures represent in the form of progress. Previous proposed bond amounts started at \$19 million and have decreased to \$16.9 million, and then to \$12.7 million in past bond initiatives. The figure of \$9.5 million represents a minimum anticipated savings of 50% over the starting point of this discussion. Without discounting whatsoever the actual burden that \$9.5 million would still place on individuals and families, we feel this potential cost savings over past bond proposals should give the community reason to be optimistic that we can meet our City’s public safety needs in a fiscally responsible manner.

“There is much left to be done, but let us all take note of the progress made to this point. This Committee has shown that with calm heads and a sincere desire to work together, citizens with very different perspectives can come together to produce results that benefit our City. We believe this approach of reason, compromise, and mutual respect can and needs to continue.

“Having made a budget and bonding recommendation to the City Council, we note there are key and sensitive issues yet to be resolved. We feel these should be addressed before we ask our neighbors to vote on a ballot initiative in November. Specifically, where to put the buildings is of fundamental concern. Our charge was not to provide a single recommendation but the committee has examined many facets of this question. Thus, we believe that with time to clarify some outstanding issues we will be able to present an objective and comprehensive assessment of both sites to the City Council that you could use in conjunction with other information at your disposal, citizen input, etc. to then make your decision.

“We acknowledge the challenge that this next step of deciding the location poses for you as a Council. There are strong feelings in the community tied to both potential sites for the Fire Station. Many members of our Committee started this process with preferences for a particular site, but we have tried to go beyond just preferences to include a careful analysis of both financial costs

and intangibles associated with each location. Given that there is not a “perfect” site, it is important to look beyond any existing preferences to include a full analysis and acknowledgement of the gains and losses that potentially exist at each site. A thorough, honest, transparent, and informed process will go a long way in how your decision is eventually received. If an open and informed process is conducted, we hope that citizens of the community will then fully recognize, appreciate, and, ultimately, support the challenging decision facing the Council.

In summary, based on the work we have done to this point, we recommend:

- (1) A budget of \$11 million total or less be established for the construction costs of a new Fire Station and a new combined Police and Courts building.*
- (2) An amount for a General Obligation Bond be set at \$9.5 million or less.*
- (3) Money shall be made available to engage an architect to begin the task of value engineering and rendering plans that are within this budget.*
- (4) Our Committee shall continue the process of evaluating the two possible sites for the Fire Station.*

“We reiterate that we see this set of recommendations as a tremendous step forward as the work to this point has produced a proposed project that represents a minimum anticipated savings of 50% over where this process started years ago with the first bond proposal. We acknowledge and appreciate all of the support the Council has provided the Committee to allow us to examine this vital concern of our City. It is in that spirit of appreciation and collaboration that we ask the City Council to take an open and honest approach to their deliberations. Likewise, we make a plea to all involved in this process going forward that it be carried out in a spirit of respect, comprise, good will, and openness to a variety of questions and opinions. If we continue to work together as government officials, a Public Safety Building committee, concerned citizens, City employees, and hired professionals in a spirit of respect, trust, and good will, we sincerely believe good things are in store for the City of Pleasant Grove and its citizens.”

Council Member Jensen remarked that Mr. Nelson made a thorough presentation and thanked the Committee for their work. After acknowledging several of the Committee Members in attendance, Mr. Nelson was asked if he felt confident in the Committee’s proposal and in promoting it to the public. Mr. Nelson answered in the affirmative and reiterated that the above proposal received unanimous support from the rest of the Committee. They are confident that this can be done for \$11 million with construction costs of \$9.5 million as set forth in a GO bond. Mr. Nelson explained that while there are still issues that need to be clarified, he was of the opinion that how the items are approached will affect how the community receives the proposal. Council Member Jensen asked Mr. Nelson at what point the City Council should get involved. Mr. Nelson indicated that now is the time for Council involvement.

Council Member Stanley asked how long it will take to fill in the remaining information gaps. Mr. Nelson indicated that they were close to making final determinations and estimated that it should only take a couple weeks to finalize details. Council Member Stanley recalled that the last time the Public Safety Building Committee presented, they discussed renovation/remodeling options.

He asked if any of these options are still being considered. Mr. Nelson responded in the negative and explained that based on thorough analysis of information presented by THINK Architecture, and discussions relating to the needs, flow, and function of the Public Safety facilities, there was a unanimous decision to move forward with the two options outlined above.

Council Member LeMone requested that all outstanding information be submitted to the City Council by September 20, prior to the public hearing. Mr. Nelson explained that there was some discussion about beginning the deliberations on locations as early as last week; however, he felt this was not the correct timeline to follow. The Committee was starting to confuse the progress of getting to the point that they can recommend to the Council a proposed budget of construction costs and a GO Bond amount.

Council Member Stanley stated that Mr. Nelson spoke at length about the value of the engineering process. He asked if it was possible within the realm of the engineering step for them to see any change in the total square footage or if there would just be an optimization of the square footage that has already been discussed. Mr. Nelson opined that both scenarios could potentially occur. His understanding was that the engineering process will examine the material, equipment of the systems, etc; this could potentially have an effect on the total square footage needed for the facilities.

Attorney Petersen stated that in anticipation of the recommendation from the Public Safety Building Committee on the fixed bond amount, Resolution 2016-039 has been presented to the Council for consideration. She explained that this resolution is required by State law. In order to have a special bond election, the City must provide the bond language to the Lieutenant Governor's Office by August 25. Attorney Petersen stressed that it is imperative that the Council take action sometime between now and then on the issue of whether the item will go on the ballot. The resolution needs to specify the proposed bond amount and the bond language itself. Attorney Petersen reviewed the resolution and noted that it contains the bond amount of not to exceed \$9.5 million to finance the costs of constructing a new Fire Station, Police Station, Justice Court Facility, and all related improvements. The resolution provides a date for publication to notify the citizenry that it will be on the ballot in November and establishes one public hearing, which is scheduled for September 20. At that time, citizens will have the opportunity to speak regarding the proposal. A public meeting will also take place during which individuals specifically selected from opposition groups and proponent groups will speak on the pros and cons and issue rebuttals. The public meeting will not be an opportunity for members of the public to speak on the matter in an open forum setting.

Attorney Petersen read the ballot language. Staff determined that the average homeowner in Pleasant Grove City will pay approximately \$60.22 per year, or \$5.02 per month, which is based on the average home value of \$251,400. The estimated cost to a business will be \$109.49 per year. Attorney Petersen stated that these are just estimates and are not limit amounts on the taxes the City may be required to implement in order to pay the debt service.

Council Member Stanley asked if there is language in the resolution that sets the hard budget number for construction. Attorney Petersen answered in the negative and stated that these numbers were not up for discussion tonight. The only discussion tonight was to determine the bond amount.

Council Member Andersen commented that interest rates are at an all time low. If the proposal passes, the total amount to be paid back will be approximately \$13 million.

Council Member Stanley stated that one question that arose two years ago, was whether to employ a mechanism called preferred bonding, which would allow the City to raise an additional \$1 million. He asked if they have they discussed or considered this question for the current proposal. Attorney Petersen answered in the affirmative. She explained that they decided not to pursue a premium bond because staff felt this was not as transparent to the general public. Attorney Petersen clarified that State law does allow the City to go up to 2% of a premium bond without engaging the public process. In the case of this bond proposal, that 2% would be an additional \$190,000. Attorney Petersen explained that since the bond amount was going to be set at \$9.5 million, staff did not believe that the cost of issuance was included in the original budget calculations coming from the Committee. Thus, it may or may not be necessary to take advantage of that 2% buffer in the long run. However, staff hoped this need would not arise.

9) **PUBLIC HEARING ITEMS**

There were no public hearing items.

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

A) TO CONSIDER FOR ADOPTION A RESOLUTION (2016-039) CALLING A SPECIAL BOND ELECTION TO BE HELD ON NOVEMBER 8, 2016, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF PLEASANT GROVE CITY, UTAH, A PROPOSITION REGARDING THE ISSUANCE OF NOT TO EXCEED NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000) GENERAL OBLIGATION BONDS TO FINANCE THE COSTS OF CONSTRUCTING A NEW FIRE STATION, POLICE STATION, AND JUSTICE COURT FACILITY AND ALL RELATED IMPROVEMENTS; AND RELATED MATTERS; AND PROVIDING FOR AN EFFECTIVE DATE. (CITY WIDE)

Presenter: Administrator Darrington.

ACTION: Council Member Jensen moved to adopt a Resolution (2016-039) calling a Special Bond Election to be held on November 8, 2016, for the purpose of submitting to the qualified electors of Pleasant Grove City, Utah, a proposition regarding the issuance of not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000) General Obligation Bonds to finance the costs of constructing a New Fire Station, Police Station, and Justice Court facility, with the understanding that the aforementioned Resolution amount does not affect future space needs, and flow and function; and all related improvements; and related matters; and providing for an effective date. 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.

11) **ITEMS FOR DISCUSSION**

There were no items for discussion.

12) REVIEW AND DISCUSSION OF THE AUGUST 30, 2016 JOINT CITY COUNCIL AND PLANNING COMMISSION MEETING AGENDA

Council Member Andersen reviewed the agenda for the meeting to be held on the aforementioned date. She noted that it will be a joint visioning workshop for the Council and Planning Commission for the update of the City's General Plan. Community Development Director, Ken Young, clarified that this will be a workshop and not a meeting, per se. Department Directors, elected officials and planning commissioners will separate into small groups to brainstorm. The meeting will be held at the Fox Hollow Golf Course and the public is welcome to attend. Council Member Jensen mentioned that he would not be present.

13) NEIGHBORHOOD AND STAFF BUSINESS

Police Chief, Mike Smith, announced that there will be a "Pops with Cops" gathering the following night at Sodalicious from 4:00 to 6:00 p.m. Library and Arts Director, Sheri Britsch, announced that there will be a Writers' Series Class beginning in September. Novice writers will be given a chance to mingle with published authors for advice and critiques. The series has been well-received, with 52 registrants, which exceeds the max capacity.

14) MAYOR AND COUNCIL BUSINESS

Members of the City Council thanked the Public Safety Building Committee for their work. Council Member Stanley reminded everyone in attendance about the Finance Academy.

15) SIGNING OF PLATS

There were no plats.

16) REVIEW CALENDAR

There were no additional calendar items.

17) 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 meeting adjourned at 6:47 pm.

The minutes of August 23, 2016 City Council Meeting were approved by the City Council on September 6, 2016.

Kathy T. Kresser, City Recorder

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