

**Pleasant Grove City
City Council Meeting Minutes
Work Session
September 6, 2022
4:30 p.m.**

Mayor: Guy L. Fugal

Council Members: Dianna Andersen
Brent Bullock
Eric Jensen
Cyd LeMone
Todd Williams

Staff Present: Scott Darrington, City Administrator
Daniel Cardenas, Community Development Director
Deon Giles, Parks Director
Tina Petersen, City Attorney
Kathy Kresser, City Recorder
Neal Winterton, Public Works Director
Britt Smith, Police Captain
Denise Roy, Finance Director
Drew Engemann, Fire Chief
Sheri Britsch, Library and Arts Director
DaSheek Akwenye, Recreation Director

The City Council and staff met in the Community Room, 108 South 100 East, Pleasant Grove, Utah.

4:30 P.M. WORK SESSION

Mayor Guy Fugal called the meeting to order at 4:30 p.m. and welcomed those present.

a. New Employees Introduction.

Fire Chief, Drew Engemann, introduced new employees, Kage Hall, Kolby Drancey, and Boston Brower. All were happy to be with the Department. Police Captain, Britt Smith, introduced new employees Randi McCormick, who will be at the front desk, and Kristen Santa Maria, who will be replacing Sergeant Oliver. He noted that there were still two openings to fill. The Oath of Office was administered to Ms. Santa Maria. Recreation Director, DaSheek Akwenye, introduced new employee Kylie Power, who will serve as the Sports Director. Library and Arts Director, Sheri Britsch, introduced New Librarian, Amber Ard, who began working at the library today. Public Works Director, Neal Winterton, introduced new employee, Zack Ehrhardt. Photos of the group were taken.

ask questions of staff, which were answered. He was impressed. Council Member Jensen stated they were able to walk around and see the new technology in place, which he also found impressive. Council Member Andersen noted that the best thing they were able to do was to talk with the team in charge of both the hardware and software side of the project. She noted that there was no odor while standing right outside the structure. She found it interesting to see the actual process in operation. She was surprised at both the process and results. She also was mindful that not composting could increase the rates. Director Winterton found the trip interesting and described the housing and the working parts of the process with more particularity. His main point was that with mechanical processes in place, redundancy is needed, and where those design factors are built in, the risk of failure is reduced.

Mr. Mickelson was asked about the time frame of getting such a project done and the cost if approved. He stated that first, approval of the design would need to be made by engineering, as part of the biosolid team. He announced that a preliminary design currently is in process and should be completed within 12 months. Once that is done, a Conceptual Plan will be presented to the Council regarding the details. His estimate was that the project itself, if approved, would be completed in April 2026.

In relation to cost, Mr. Mickelson stated that currently, they budget \$2.5 million for hauling. The amount of money budgeted four years ago when they started was zero. He noted that the cost of hauling continually increases and estimated that the actual amount that will be spent would be closer to \$2.8 million to \$3 million. At this point, he did not have accurate figures but noted that an indoor facility would eventually pay for itself because of reduced hauling costs. He stated that their goal was to use the resources they have as well as what would be sustainable on the premises. They, however, need feedback from the Council and businesses.

It was reported that a complaint was received a few weeks prior. He stated that over the past two years, TSSD has hauled 120 tons of biosolids per day, of which, 85% is water. That waste is taken to three separate landfills, of which, two are closed on the weekends, meaning the waste had to be held at the plant during that time. Their procedure was to stockpile the waste in a pit on the weekends and odor was noticed when the pits were emptied. To resolve the issue, they have since retrofitted the area with additional diffusers and no longer put anything into the pits. Those changes should reduce any odor.

Administrator Darrington reported that TSSD is looking for direction. He also acknowledged that developers interested in development in the area also need input.

d. Staff Business.

e. Incorporation of Utility Rates.

Administrator Darrington reported that the utility rates that were adopted in August during the budget process need to be reviewed by the Council before being implemented. He provided the following rate increases:

- Culinary and secondary water (each 5%);

- Storm drain (7.5%);
- Recycling (7.5%) and
- Garbage (9%).

The monthly dollar increase was \$7.05/month.

Administrator Darrington also reported there were other future costs to be considered pertaining to the following projects:

- The pipe to the lake;
- The storm drain basin; and
- The park.

He identified a future cost increase in the Storm Drain Fund of \$4.10 per month to make the debt service payment beginning July 31, 2023. He reported that the pressurized irrigation cost increase is estimated to be \$3.85 per month, however, the increase may not go into effect until the project is completed around 2025. He pointed out that neither of these costs is factored into the proposed rate increases for this year. The intent was to have the financing in place this winter or spring recognizing that supply chain issues will delay work. He reviewed the loan amount on secondary water as being \$4.25 million over a 15-year loan period at 1% interest and an \$11 million State Grant Award.

When asked how the debt service number was obtained, Finance Director, Denise Roy, stated that the debt service amount, which was described as revenue plus increase, was divided by the number of customers. It was noted that the increases were similar to what was done in the past. Mayor Fugal appreciated the work done to track the increases.

There was discussion regarding the Hale Center Theater Bond. Administrator Darrington reported that they are working with Zions Bank to see if it would be the bond purchaser, making it a private rather than a public placement. The initial discussions with Zions Bank had been very favorable with regard to rates and financing options. He stated that this was the direction they plan to go. The City's Financial Advisor reviewed what Zions presented and indicated that it was the best option. He also stated that because Zions Bank will guarantee the rate for 30 days, the City needs to be in a position to accept the offer and work through the process. The City asked for 45 rather than 30 days to prepare the needed paperwork.

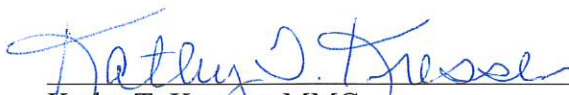
Administrator Darrington reported that on the bond side, the City Council needs to set a Parameters Resolution for the agreed-upon \$35 million, as addressed in the Memorandum of Understanding ("MOU"). The amount set for construction was originally \$31 million. Due to the passing of time and rising costs, there has been a request for a higher amount of \$35 million for construction costs, which would increase the bond to \$40 million. Administrator Darrington recommended that they remain with the current figures unless the Council feels otherwise. A meeting was scheduled for the following day with Zions Bank. He noted that the Parameters Resolution was to be addressed at the next City Council Meeting and allows for borrowing to occur. Once it is passed, there is a 30-day statutory public comment notice. After the public hearing is held, the City can move forward to closing.

Administrator Darrington noted that the work continued with Hale Theater and DoTERRA. The Master Agreement was expected to be ready on September 13. He also stated that the Bond Attorney wants to make sure that all of the background agreements are in place since the City does not own the land. Once the bond is paid, the City will no longer be involved. He reported that there will be three Council Meetings in September. The 30 days do not run until the Term Sheet is signed, which should be finalized next Tuesday.

ADJOURNMENT

MOTION: At 5:32 p.m. Council Member Jensen moved to ADJOURN the Work Session. Council Member Bullock seconded the motion. Council Member votes: Andersen, Yes; Bullock, Yes; Jensen, Yes; LeMone, Yes; Williams, Yes. Motion carried unanimously.

The City Council Work Session Minutes of September 6, 2022, were approved by the City Council on September 27, 2022.


Kathy T. Kresser, MMC
City Recorder



(Exhibits from the meeting are in the Recorder's office.)