

**Pleasant Grove City
City Council Meeting Minutes
Regular Session
November 22, 2022
6:00 p.m.**

Mayor: Guy L. Fugal

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

Staff Present: Scott Darrington, City Administrator
Tina Petersen, City Attorney
Kathy Kresser, City Recorder
Denise Roy, Finance Director
Neal Winterton, Public Works Director
Kyler Brower, Assistant to the City Administrator

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

6:00 P.M. REGULAR CITY COUNCIL MEETING

1) CALL TO ORDER

Mayor Guy Fugal called the meeting to order at 6:00 p.m. All City Council Members were present.

2) PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Williams.

3) OPENING REMARKS

The opening remarks were offered by Council Member Jensen.

4) APPROVAL OF MEETING AGENDA

ACTION: Council Member Bullock moved to APPROVE the Meeting Agenda. Council Member Andersen seconded the motion. The motion carried unanimously with Council Members Andersen, Bullock, Jensen, LeMone, and Williams voting "Aye."

5) **OPEN SESSION**

There were no public comments.

6) **CONSENT ITEMS**

- A. **City Council Minutes:
City Council Minutes for the November 1, 2022, Meeting.**
- B. **To Consider Approval of Payment Request No. 2 to Kilgore Contracting for the 2022 Street Rehabilitation Project.**
- C. **To Consider Approval of Payment Reports for November 3 and 17, 2022.**

ACTION: Council Member Andersen moved to APPROVE the Consent Items. Council Member Jensen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

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

- A. **To Consider for Approval the Appointment of Ron Kidd as a Beautification Committee Member.**

Mayor Fugal reported that he met with Ron Kidd and felt he would be an asset to the Beautification Committee. Mr. Kidd attended the last several meetings.

ACTION: Council Member Jensen moved to APPROVE the Appointment of Ron Kidd as a Beautification Committee Member. Council Member Bullock seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

8) **PRESENTATIONS**

There were no presentations.

9) **PUBLIC HEARING ITEMS**

- A. **Public Hearing to Allow Public Input Regarding (A) The Issuance and Sale of Not More than \$30,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2023 (The "Bonds") and (B) Any Potential Economic Impact that the Project Described Herein to be Financed with the Proceeds of the Bonds Issued Under the Act May Have on the Private Sector; and Related Matters. Presenter: Administrator Darrington.**

City Administrator, Scott Darrington reported that on November 1, 2022, a Parameters Resolution was entered into for the Series B bonds for the Hale Center Theater funding. The Series A bonds were the lease/revenue bonds, which there was already approval for. He hoped that the Series A bond would be closed within the next several weeks. The lease/revenue bond would be on the

City's credit and owned by the City, with the Hale Center Theater making the payments on that bond. To complete the building, another round of funding was needed, which was the reason for the Series B bond. Hale Center Theater would take out that bond as a 501(c)(3). The parameter was set at \$30 million. The reason the City was involved was that if the bond was issued through the City, it would be possible to sell the bonds at a better price.

Administrator Darrington reported that the Parameters Resolution was adopted on November 1, 2022. With that came a public hearing. There was also a 30-day contest period that started on that date. Future fundraising would help pay the bonds but there was also a guarantee from a citizen in the community that had partnered with the Hale Center Theater. Ideally, the Series B bond would close on the same day as the Series A bond but it could be a week or two later. The idea was to have all of the money in the bank by the end of December so the project would be fully funded and could move forward. Administrator Darrington reported that the Resolution on November 1, 2022, stated that there would be a public hearing on November 22, 2022.

Another noticing requirement was taken care of by the bond attorneys but the deadline was missed. There needed to be proper notice before the public hearing was held. Since the Resolution stated that the City would hold a public hearing on November 22, 2022, the public hearing would open, but the item would be continued to December 6, 2022, which the bond attorneys had noticed as the public hearing date. In essence, there would be two hearings.

Mayor Fugal opened the public hearing. There were no comments. He then closed the public hearing.

ACTION: Council Member Williams moved to CONTINUE Item 9A until December 6, 2022. Council Member Bullock seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

10) **ACTION ITEMS READY FOR VOTE**

A. None.

11) **ITEMS FOR DISCUSSION**

A. **Discussion on Pipe Plant Property.**

Administrator Darrington reported that there was a desire to reengage the Pipe Plant Property discussions. He shared some history with the Council and explained that there had been initial discussions about a park in the area. The cost estimate was \$35 million for the project. This would not include the storm drain basin. There had also been discussions about a Public Works Building, which had a cost estimate of \$20 million. The Hale Center Theater bond was \$35 million. The total was approximately \$90 million in bonds. As a result, the City Council decided to scale that work back. The Public Works Building was no longer part of the proposal. The focus was now on developing the parking area and addressing the storm drain basin needs.

For the park, there was a resident who was willing to donate between \$5 and \$6 million for the playground and splash pad. The proposed playground was state of the art and there was nothing like it in the State of Utah. The splash pad would be sizeable and one of the largest splash pads in the State of Utah. Administrator Darrington shared a map of the area for reference. Though a donor was willing to pay for the playground and splash pad, the rest of the costs would fall on the City. This included costs associated with the parking, restrooms, pavilion, and skate park area. There had been discussions with RSL about potential pick-up play areas as well.

The site would include a park in the upper corner, the cemetery space, and a storm drain basin with a secondary purpose of soccer fields. This would leave approximately 10 acres of land for a future Public Works Building. There was also a proposal for a walking path around the area. Administrator Darrington identified the house on the corner, which was not currently part of the project. It was possible to set aside a few hundred thousand dollars to secure that corner. The pipe to the lake also needed to be taken care of to connect to the storm drain.

Council Member Andersen asked about the detention basin where the building is currently. Administrator Darrington explained that it would be slightly deeper there. Public Works Director, Neal Winterton informed the Council that the site included approximately 30 feet of fall from east to west. Each one of the fields would have a terrace effect to obtain the field play that was desirable. The fields would all be crowned and have drainage available so that during regular storms, the fields could still be played on. Council Member Jensen wondered if the storm drain was grass or if there would be a concrete wall. Director Winterton stated that a certain portion would be rocked to maximize functionality. The remaining portion would be grass and function as playing fields. He identified the area on a map and explained how the drainage would be captured. Council Member Williams asked about the parking on the south side. Director Winterton clarified that it was joint-use parking. It was not anticipated that it would be paved. There would likely be recycled asphalt or concrete and this would allow the area to be used as overflow parking. He noted that there would not be any on-street parking on 600 West.

The Council further discussed parking. Mayor Fugal wondered how the City would prevent visitors from parallel parking on 600 West. Director Winterton reported that the curb would be red-curbed and enforced. It was important not to impede northbound traffic. These decisions would encourage everyone to utilize the parking provided. There was discussion regarding different elevations on the site. Council Member Williams asked what would change about the design if the home was secured. Director Winterton explained that it would be possible to stretch the walking path and open the area more. It would add more usable space. He reported that the plan was to have a catch basin as well as a secondary water booster station in the future.

Council Member Williams did not believe enough parking had been accounted for. Visitors will likely park in different neighborhoods, which would not be desirable for residents. He suggested securing the home and adding more parking. All of the parking needed to be accounted for upfront. Council Member Andersen pointed out that the Public Works parking lot will be empty in the evenings and on Saturdays. Administrator Darrington reported that the splash pad will only be operational from Memorial Day to Labor Day. The soccer season was in the spring and fall. As a result, he did not believe the parking would be fully maximized for the playground when it came

time for soccer. Parking was being analyzed but it was his preference that there be too much parking rather than not enough. Inadequate parking would create issues for neighbors.

Council Member Andersen wanted to see a basketball court rather than futsal. Other Council Members agreed. Mayor Fugal wondered if it would be possible to move basketball into a different area. Council Member Andersen stated that she wanted to see all of the fields together. Administrator Darrington noted that Orem City has some futsal courts that are used often. It was noted that futsal uses a smaller and heavier ball. It was unlikely that the balls would travel too far.

Council Member Andersen asked about City clean-up event. Administrator Darrington explained that until the Public Works Building is constructed, the property could be used for that purpose. Alternatively, other cities placed dumpsters in parks for a scheduled number of days. Director Winterton believed it would still be possible to accommodate the City clean-up event within the site. There could be load limits if that became necessary. It could be discussed further in the future.

Administrator Darrington shared a Preliminary Plan with the Council. The intention was to develop, landscape, and install irrigation. Certain areas could double as grass fields in the near future. He was not sure whether the area would be large enough to host soccer tournaments. Council Member Andersen wanted to make sure that children in Pleasant Grove had a home field. Administrator Darrington clarified that the planned fields would accommodate City programs.

Administrator Darrington reviewed the different cost items. There were three different options for the Council to consider. The Pink Paper proposal included the cemetery expansion, curb, gutter, and sidewalk around the entire property, the storm drain basin (detention basin, stormwater, pressurized irrigation, and 2000 West channel to the lake), and the park. The 2000 West channel to the lake project was a separate project where water would be taken from The Grove area to Utah Lake. There was a cost estimate of \$6.6 million for that and the City had approximately \$4.5 million of American Rescue Plan Act ("ARPA") funds to offset that work. Another \$2.1 million would be needed to complete that project. The donor portion of the park was listed as \$6 million, but the number still needed to be confirmed with the designer of the splash pad and playground. That amount would be the commitment of the donor. The City portion would be \$6.7 million, which would include parking, restrooms, a skate park, shade canopies, and other amenities.

There was discussion regarding futsal courts. Administrator Darrington explained that it was his understanding that RSL would pay for them outright because their logo would be on the courts. The costs had been factored into the Pink Paper proposal, in case RSL decided not to move forward with them. The Council further discussed futsal and whether fencing would be necessary. Administrator Darrington believed that fencing was included in the cost of the futsal courts. Futsal is a fast pick-up style game. One court might be enough and there could be a separate basketball court. It was noted that if the Skate Park is removed, two courts would be possible. Director Winterton explained that the Skate Park includes the deviation in elevation that had been discussed. There were retaining walls and other aspects that needed to be taken into consideration. Council Member Williams asked about the liability associated with a skate park. City Attorney, Tina Petersen reported that the insurance company would insure a Skate Park just like a playground. There would be a premium assessed based on risk factor.

Council Member Bullock wondered if it would be possible to allow parking along the cemetery. Administrator Darrington confirmed that this could be done. There could be angle parking. Council Members stressed the importance of adequate parking. Administrator Darrington explained that some of the plots would not be needed for 20 years, so there could be temporary parking in those areas if that was desired by the Council. However, it was important to keep in mind that the temporary parking would one day need to be torn out. He did not want to create a parking problem in the future. It was best to solve the parking issues upfront. Council Member LeMone did not want to see gravel parking in place as it did not look good.

Council Member Andersen did not want a cemetery area right next to a loud park. In a previous plan, there was a buffer area shown. Parking would become a buffer to the cemetery area. There was discussion regarding the placement of amenities. Administrator Darrington explained that anything that would be part of the basin made sense to be landscaped grass. The Fowles property was identified on a map. The City approached the family about buying the property for cemetery expansion. Two of the family members were in support, but one was opposed. Council Member Andersen reiterated the need for a buffer area between the park uses and the cemetery. A lot of noise nearby would negatively impact services at the cemetery. If there was parking and basketball, there would be an appropriate buffer zone between activities and the cemetery. Administrator Darrington offered to take all of the Council feedback to the Landscape Architect.

Administrator Darrington discussed the corner piece of property. The City had spoken to the property owner a year and a half ago. Initially, the property owner was against the sale but had since warmed to the idea. There was an opportunity for the City to pick up that piece of property. There could be a few hundred thousand dollars set aside to purchase the property. This could be done before the bond was funded. He explained that this was his preference so additional money was not being added to the bond. He thanked the Council for the feedback shared. Everything was currently in concept form, which meant that some of the cost estimates might change.

Council Member Williams asked about the timeline. Administrator Darrington explained that he would love to be funded by February so it was possible to get started on the work. Director Winterton explained that in the next week or two, the work on the trees would start. In a few months, all of the perimeter and interior trees would be taken out. Administrator Darrington explained that the Pink Paper proposal included everything that had been discussed. There would still be a 10-acre piece of property left that would be graded but would not be asphalted. It would sit there for future use. Everything else, including road improvements as well as curb, gutter, and sidewalk would be done on the full piece of property. The cemetery expansion was approximately \$2.7 million, the roadway design was approximately \$3 million, the storm drain channel to the lake required an additional \$2 million, and the detention basin with the piping was \$9.4 million.

The park would come in at \$12.7 million, but a little less than half of that would be covered by the donor. The agreement with the donor was still being worked out. There had been discussions with the accountant for the donor to make sure that if anything happened to the donor, the estate would continue to make the payments. There was a verbal agreement but documents needed to be signed. Mayor Fugal wondered whether there were any concerns there. Administrator Darrington denied this. The donor was still committed to the project and it was a matter of signing documents.

The debt service payment would be approximately \$2.1 million per year. The General Fund portion of that would be \$881,827, the donor would cover \$420,000, and the storm drain would cover \$814,074. On the General Fund portion, \$75,000 of that would come from the Cemetery Fund and \$806,000 would come out of the General Fund. In anticipation of this, the City budgeted \$328,000 of General Fund money for the project. That was already built into the base budget. Another \$478,791 would be needed from the General Fund. Administrator Darrington believed that could be covered with the growth revenue. There would be a better idea of what the numbers would look like in January or February 2023. Ideally, he believed the amount could be covered without having to do a tax increase. The storm drain portion of the utility bill would need to increase by \$4.86 a month. Everything else could be handled with current funding.

Administrator Darrington pointed out that there was a note on the bottom of the Pink Paper proposal related to secondary water meters. When the City was funded on secondary water meters and the payments were made, this would result in roughly \$3.85 per month increase for secondary water. He clarified that the payments may not need to be made for two more years, but it was something that needed to be considered by Council. He did not believe it would impact anything next year.

Council Member Williams asked about the Orange Paper, Green Paper, and Pink Paper options that had been shared with the Council. He believed the difference was the amount of General Fund debt service. The residential bill would be the same regardless of what was chosen. The difference was the General Fund portion. Administrator Darrington confirmed this. The storm drain costs were necessary and could not be continued to be put off. There was some flexibility on the cemetery space, but that needed to be done in the next two to three years. If it was not part of this bond, it would still need to be addressed in the next few years. There was money in the General Fund to service the debt. Administrator Darrington explained that the revenues and sales tax over the next few months would make a difference. So far, the sales tax for the year had remained high. If the City stayed at a 10% increase, that could result in a notable amount of new money, but he wanted a little more data before stating anything for certain. December sales were normally the largest, due to the holiday season. The City would have those numbers in February.

Council Member Williams asked about the sales tax numbers from three months ago. Administrator Darrington explained that the numbers were tracked and could be shared with the Council. There was one month when the sales tax was flat. Council Member Williams wanted month-over-month numbers as well as year-over-year numbers. That would provide important trend information. Administrator Darrington reported that when the July 2022 number was received, it was compared to July 2021. The month-over-month data was not as useful due to the seasonal nature. The year-over-year numbers were most beneficial. The numbers would be examined to understand the trends. If additional money was received, that would be excellent, but there were still employee increases, health benefits, and operational costs to consider.

Council Member Andersen wondered if the Tesla dealership would be considered a point of purchase or online sale. Everything was done online and the vehicle would be picked up at the location. Administrator Darrington explained that when the vehicle was picked up, the City received sales tax. He had spoken to South Salt Lake, which had the only other Tesla dealership in the State. The actual amount received was proprietary but it was within their top 10 sales tax

amounts. Administrator Darrington believed the sales tax would continue to be solid short of a major recession. He noted that sales tax would likely be okay even if there was a minor recession.

Administrator Darrington explained that there was another option the Council could consider. \$6.5 million was bonded for road improvements last year and there was still some of that money sitting in the bank. If the Council wanted to use that for the road improvements related to this project, that would reduce the General Fund portion by \$216,523. However, that would take away from the other streets that needed the funds. The Council was not supportive of that idea.

The Council expressed support for the Pink Paper proposal. Administrator Darrington noted that there could be a Parameters Resolution ready as soon as December 6, 2022. If that occurred, the bonds would be sold in January 2023. He explained that bonds could be sold publicly, but when there was a public offering, the bonds could not be refinanced for 10 years. That was not attractive, because Staff believed the interest rates would decrease over time. If there was a private placement, like with the Hale Center Theater bonds, there could be negotiations. In that case, there could be an option to refinance after five years instead of waiting 10 years. After speaking with the Financial Advisor, he believed it would be best to pursue the private placement first to see if it was possible to find a favorable callback option. Five years or less would be best. If the public offering route was taken, the debt service payment numbers would shift slightly, because those were set with the intention that there would be a refinance in five years. On a 25-year bond, refinancing at five years could save the City a significant amount of money.

All Council Members expressed support for the Pink Paper proposal. Administrator Darrington explained that Staff would start work on the finance part of that, but there was still work to be done as far as the concept plan and some of the final decisions. He believed December 6, 2022, City Council Meeting would be a notable one. Council Member Andersen and Council Member Bullock reported that they would not be present. Administrator Darrington stated that December 6, 2022, City Council Meeting would include the continued public hearing and the Site Plan approval for the Hale Center Theater. There was a chance that next week, there would be a Subdivision Plat for Hale Center Theater as well. The Planning Commission would hold a Special Meeting on November 28, 2022, at 7:00 p.m. to address that. If the financing for Series A was pushed back a week or two, the Subdivision Plat would be discussed on December 6, 2022. If for some reason, the City needed to close before that time, a special meeting would need to be held.

12) **REVIEW AND DISCUSSION ON THE DECEMBER 6, 2022, CITY COUNCIL MEETING AGENDA**

The next City Council Meeting would take place on December 6, 2022.

13) **MAYOR AND COUNCIL BUSINESS.**

There was no Mayor or Council Business discussed.

14) **SIGNING OF PLATS.**

15) REVIEW CALENDAR.

It was noted that the Christmas Tree Lighting event would take place on November 28, 2022, at 6:00 p.m. at Downtown Park. Administrator Darrington reported that Santa Claus would be there and refreshments would be available. Additionally, carolers would perform.

Jeff Fisher with the Hale Center Theater introduced himself. He explained that the performances for the season were planned the spring before. For instance, the 2023 schedule had been announced earlier in the year. He believed that Hale Center Theater had one of the best seasons in the western United States planned for 2023. There were a lot of great shows in the future.

16) ADJOURN

Mayor Fugal wished those present a happy Thanksgiving. He hoped everyone would spend time with their families and be thankful for their beautiful community. He expressed appreciation for everyone that worked in Pleasant Grove. Hale Center Theater and the park would benefit all.

ACTION: At 7:24 p.m. Council Member Williams moved to ADJOURN. Council Member Andersen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

The City Council minutes of November 22, 2022, were approved by the City Council on December 6, 2022.



Kathy T. Kresser, MMC
City Recorder

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

