

**Tooele City Council and the
Tooele City Redevelopment Agency of Tooele City, Utah
Work Session Meeting Minutes**

Date: Wednesday, April 4, 2018
Time: 5:00 p.m.
Place: Tooele City Hall, Large Conference Room
90 North Main St., Tooele, Utah

City Council Members Present:

Chairman Steve Pruden
Dave McCall
Scott Wardle
Brad Pratt
Melodi Gochis

City Employees Present:

Mayor Debbie Winn
Glenn Caldwell, Finance Director
Michelle Pitt, Recorder
Roger Baker, City Attorney
Jim Bolser, Community Development and Public Works Director
Rachelle Custer, City Planner
Brian Roth, Parks and Recreation Director
Paul Hansen, City Engineer
Randy Sant, Economic Development and Redevelopment Agency Director

Minutes prepared by Michelle Pitt

1. Open Meeting

Chairman Pruden called the meeting to order at 5:00 p.m.

2. Roll Call

Steve Pruden, Present
Dave McCall, Present
Scott Wardle, Present
Brad Pratt, Present
Melodi Gochis, Present

3. Discussion:

Chairman Pruden changed the agenda so that the Sensitive Overlay-Skyline Drive was discussed first, and Resolution 2018-17 A Resolution of the Tooele City Council Approving an Agreement with Ace Recycling and Disposal for Collection, Transportation, and Disposal of Residential Refuse and Recyclable Materials was discussed second.

- Sensitive Overlay-Skyline Drive
Presented by Andy Warr and Derald Anderson

Mr. Ward explained that this property is the long narrow strip on Skyline Drive currently zoned R1-7, with an overlay for sensitive lands. He said that it appeared that the parcel was drawn with an arbitrary boundary. He felt it created a situation where the parcel didn't have a buildable area, which may not have been the intent when the overlay was created. Mr. Ward went on to say that zoning required a certain minimum distance away from the road. They would like to request that this parcel be removed from the sensitive overlay so that it can be built upon. He would like to work with planning to come up with something that could work for this parcel, but felt they couldn't do it under the current writing of the code. He added that staff requested that they speak with the Council about their request to remove it from the overlay zone. Mr. Warr said that that they knew that the road needed to be finished. If they could develop enough lots he said that they could put in those improvements. He felt the City would benefit because they would receive the improvements and make it so that this parcel could be used. Chairman Pruden asked how many houses they would like to build. Mr. Anderson said that this was open for discussion, but they would like to build six. They handed out provided a proposal of how these homes could be built – with the garage underneath and the main living space above. They would have a walkout in the backyard. Mr. Warr said that they felt they could mitigate cuts in the slopes and that their proposal was a good solution engineering-wise.

Council Member Wardle said that they have had multiple fires in that area. He asked how this would affect the ability to provide fire services to that area. Mr. Warr felt that it would help facilitate fire services. Mr. Warr added that there are 12 stated goals in the overlay zoning. When the overlay is lifted, half of the goals are met. There are no fire hydrants currently on the south side. Council Member Wardle asked if they would be required to make sure fire hydrants were put in. Mr. Bolser answered that it was very likely. Mr. Bolser added that there have been three fires during the six years that he has worked for Tooele City. They were caused by lightning and power poles.

The Council asked Ms. Custer how she felt about this proposal. Ms. Custer answered that they were willing to follow the direction of the Council. Council Member McCall said that if this project was approved, the developers would have to make sure the road was complete. Mr. Warr said that he understood that would be required. Chairman Pruden expressed concern about the mountain, saying that whenever a mountain is cut in to, it becomes a nightmare. Mr. Bolser said that Staff had concerns about fire and land stability. Mr. Bolser stated that anytime you're dealing with slopes, there is a concern of soil stability, landslides, erosion, fire, and vegetation impact. Mr. Warr said he felt that their concept helped to negate those issues. He said that during the engineering and approval process they would identify the lots, elevations, and building pads with the understanding that everything would be all laid out beforehand. Chairman Pruden asked if they could be required to complete the road improvements first. Mr.

Hansen answered that the City Code required that improvements be completed before building began.

Ms. Custer said that a rezone would have to be done in order to remove the overlay. Mr. Baker said the Council should consider which was in the City's best interest – to remove the overlay or amend it. Mr. Bolser said that it would be easy to remove it, if that was the Council's direction. Mr. Hansen suggested that they obtain geotechnical engineering to make sure that whatever was done did not create more of a hazard. Mr. Hansen said that he realized that the proposal showed there wasn't a cut, but for the protection of those that would live there, he felt the geotechnical engineering would be beneficial. Mr. Warr said that they would be willing to do that. He added that he wanted to make sure of the Council's feelings before they spent money to do things like studies. Chairman Pruden said that the Council would defer to Mr. Hansen's recommendation to get a geotechnical engineer's opinion.

Mr. Anderson said that they would be willing to work with the City and asked about the first step in the process. Ms. Custer answered that the first step was to get a concept plan and to sit down with herself and Mr. Hansen to get a full understanding of what was needed from the City. The next step would be to get the geotechnical engineering done. Council Member Wardle indicated that he was amiable to removing the overlay if they met Staff recommendations. Council Member Gochis asked if they would be required to put in curb, gutter and sidewalk. Mr. Hansen said that it was a requirement of development to put in those improvements. Mr. Anderson added that they might be willing to fix the small section in that area that does not currently have curb, gutter and sidewalk, depending on the cost and how much was needed.

Mr. Baker stated that any ordinance brought to the Council to remove the sensitive overlay should contain a condition that a geotechnical study be done to protect the City from liability from a slope failure.

- Resolution 2018-17 A Resolution of the Tooele City Council Approving an Agreement with Ace Recycling and Disposal for Collection, Transportation, and Disposal of Residential Refuse and Recyclable Materials
Presented by Roger Baker

Mr. Baker stated that Staff and Council had discussed this issue once previously and talked about an RFP concept to make sure that the City was providing services to the public at a market rate. This was discussed with Ace multiple times. Mr. Baker added that numerous companies nationwide and in Utah have the same names as two that provide collection and disposal of refuse service, namely, Republic and Waste Management. Mr. Baker indicated that he reached out to those two companies through their websites, indicated Tooele's population size, and asked if they would be interested in receiving an RFP. No one responded. He said he took that as an indication that they weren't interested. He recommended a four year contract with Ace Recycling and Disposal for refuse hauling and recyclables hauling.

Council Member Wardle expressed appreciation to Ace. He said he hoped that they understood that the RFP process wasn't about them. He said that they were looking at the process that the City had at procuring contracts and Ace happened to be the first contract they looked at.

Chairman Pruden also expressed appreciation for their service over the years. He added that the City has a fiduciary responsibility. Council Member Gochis said that Ace has done a good job for the City over the years and she was happy to be able to continue working with them. Dawn, from Ace, said that they love working with everyone from the City. She said she was excited about the extra bulk pickup service for the City's spring cleanup. She added that when they talk with other cities, they talk about Tooele's website and the way Tooele City does the bulk program. She says they like the way we do the program and recommend it to other cities.

Council Member Pratt said that there has been a tremendous amount of positives in working with Ace. Ace helped the City go through the painstaking process of getting recycling in the City. The Mayor also expressed appreciation to Ace and for their patience in the process over the months. She added that the City has a steward over the City's finances, but when the City asked for additional services from Ace during this process for additional bulk pickup, Ace was still willing to do it. Council Member McCall added his appreciation to Ace, and wanted to make sure they knew that it wasn't that the City had an issue with them.

- Comprehensive Financial Review
Presented by Randy Sant

Mr. Sant stated that a few months ago the City asked Jason Burningham to discuss potential financial modifications for the future. He explained that Mr. Burningham was not able to be at the meeting, so Mr. Sant would present the item. Mr. Sant stated that the financial review was not something to be voted on, and that it was just a proposal at this time.

Mr. Sant said that in 2015 and 2016, the City retained Lewis Young Robertson and Burningham to put together a financial sustainable plan for the general fund. He reiterated that the review was only about the general fund, not other funds. Mr. Sant reviewed goals that were identified: to evaluate and discuss the health of the general fund, identify any weaknesses, discuss how the City could further address the city's imbalance, and to look to see if there were any capital projects that could be resolved or built.

Mr. Sant pointed out that there was an imbalance in the general fund. The revenues going forward were not coming in as fast as the expenditures were going out. He said that salaries, benefits, and capital doesn't grow very much. The City has been trying to make assets last a little longer, they've tried to defer costs, but it hasn't fixed the problem. The City has tried to correct the imbalance by decreasing expenditures instead of increasing revenue. Corrective measures that were taken included: a sales tax bond to help cover some legal issues, managing and limiting personnel costs with no step increases, etc., and debt managing practices by looking at opportunities of refinancing with lower interest to reduce payments. Mr. Sant stated that even with those changes, it was not getting the City where they needed to be. The City needs to look at revenues because if the City continued to cut, they would start to cut the level of services provided.

Mr. Sant said that sales tax, property tax, and franchise tax has created the negative trend in the general fund. Two of those sources are negative, and not growing. There were also unanticipated costs incurred that the City wasn't planning on. Expensive capital costs and repairs, and maintenance costs have been deferred.

Mr. Sant went on to say that sales tax has grown but property tax has gone down. He asked how property tax could go down when property values have increased. He said that an analysis needed to be done to see why this trend is happening. He said the City shouldn't be losing money when houses were being built. He said that additional research needs to be done as to why the City is receiving less property tax, and that could be done within the next 30 days. Council Member Wardle felt that property evaluations have gone up substantially which should equate to an increase in property taxes, not a decrease. The Mayor said that it would be interesting to see if other cities, like Grantsville and Stansbury, were losing revenue in property taxes as well.

Mr. Sant said that a lot of cities have had a truth and taxation hearing every year so that they could keep the same certified tax rate, and not see a decrease. In regards to the franchise tax, he said that interest rate deductions, mild winters where the furnace wasn't always going, and better efficiency such as solar panels, could affect the rates. The City would want to look at the trends.

Mr. Sant said that licensing and permit fees may need to be adjusted. Mr. Sant said that no one could accuse the City of not cutting costs. The City has cut costs for a significant period of time as a way to cut the imbalance. Council Member Wardle said that the deficit had been taken out of savings. Mr. Sant said that if the City didn't make any adjustments in the next six years, the situation of the imbalance would get worse. There wasn't a savings account to solve the problem. Even if the City cut the level of services, it wouldn't cut the imbalance. Mr. Sant said that based on the historical analysis conducted by our financial consultant, the City needed to look at ways to increase the revenue flow if it wanted to address the imbalance, or reduce the level of services significantly.

The analysis said that the City needed to increase revenue that would have significant impact, such as property tax, sales tax from increased economic development, or need to review decreasing service in non-revenue departments, such as police, fire, legal, administration, etc.

Mr. Sant gave a summary of what would happen if there was a property tax increase, and what the increase would need to be in order to address the deficit, fund unanticipated legal costs, provide a capital fund for the general fund, and meet labor costs as defined by the administration.

Mr. Sant added that the City wants to build a police and fire station. The summary showed what the anticipated property tax would need to be to build these facilities, from a leasing and bonding perspective. Given the current debt of the City, and the ability to move quickly on the facilities, the MBA process appeared to be the best option for these projects. The City could create a Municipal Building Authority (MBA) to build the building and lease it back to the City. The City did that for the USU building. Bond holders look at a police station and fire station as an essential building for a city. Bond holders feel like the investment is secure because of the actual buildings. Bond holders know that cities won't walk away from the buildings. Rates are usually

very competitive. Mr. Sant said that a general obligation bond has to be voted on, but the MBA could be done right away.

Council Member Wardle said that it was critical to understand that the City is trying to do the best financial planning they can. He said that the City has to look at revenue at some point. He added that some of these percentages look great, but the public has recently had tax increases from the school district and the county. He said that it makes this decision difficult. He added that the City has gone 36 years without keeping up with the pace of the cost of living index. He expressed appreciation for the transparency the City has had during the budget process.

Chairman Pruden stated that it has been 36 years since Tooele City has had a tax increase. He said that it is important that citizens differentiate between the City and County. The County has increased taxes, but not the City. He encouraged Staff and Council to be forthright in the City's education of letting people know the difference. Chairman Pruden felt that at the town hall meeting, representatives came and said that they wanted the police situation fixed and current facilities taken care of. Citizens said they wanted the current parks fixed, not additional parks added. Chairman Pruden went on to say that citizens wanted to spiff up the current ball fields and current parks and seemed willing to pay more to have it done. Chairman Pruden added that, having been on the Council for 15 years, he appreciated Mr. Caldwell and Mayor Dunlavy and how they prepared the City for the tough times. He said that he heard horror stories from other cities on their finances. Although a tax increase may seem to be a big hit, Chairman Pruden said he didn't want to do a multiple year hit. He said he wanted to do it once, but to make sure it was enough to take care of what was needed. He said that now was the time to put something in place to carry the City through the next generation to continue to provide quality services. It would allow the City to address all the needs and some of the wants to provide the services that the citizens need.

Council Member Gochis said she recognized that the burden of the budget has been on the employees. Employees have gone without raises and increases. She said it was time to put that right. Employees don't have the equipment they need. Council Member Gochis said that she also recognized that it was the Council's responsibility. She also realized that raising taxes impacts the senior citizens and those on a limited income.

Council Member McCall felt that it was something that has been due for a while. He also commended what was done in the past. He said he understood the option of having it be a one-time deal, but indicated the Council needed to look at the complete picture. He said the Council needs to do what needs to be done to get caught up and be prepared to move on. He said that he didn't want to only do enough to get by, and not plan for the future. As the economy grows, the City grows. Council Member McCall said that it was not fair for the taxing entities to all tax at the same time. People know that taxes run the City. He also expressed appreciation to the Mayor for letting the public know the way the budget is being done, and allowing the public to weigh in on the budget. He advised that the Council not promise that it will be a one-time increase.

Chairman Pruden said that the proposals that are there, whatever avenue the City decides to go, will remedy the problems now, but will also set them up to handle things in the future. Council

Member Wardle said that a lot of the problems that the City is dealing with were started in 2001 and 2002, but the City is just now feeling it. When other cities were doing a 20-25% increase, it wasn't even mentioned in this City. He added that employees must be commended; they have been extremely loyal. Council Member Wardle said that good economic development and retail development will subsidize and limit tax increases in the future. He said that the Council will do everything they can before raising taxes.

Mr. Sant said the study verified that the City has done everything it can to tighten its belt and has not looked at an increase in revenue in the past. Past administrations have done very well, but it is now time to look at revenues. He added that employees have been patient, loyal and understanding. They realize it is a good place to work.

Council Member Pratt said that the citizens have come and asked for more. They are asking for greater services. Council Member Pratt said that the City is living right now a little short on what we can afford. Residents aren't asking for luxury things, they are asking for basic things like more police officers, and to build up City provided services. He felt that citizens understood that they have to pay more for those services. The City has gone a long time without raising taxes, unlike other cities. Council Member Pratt also commended employees, staff, and financial staff. He felt that the City had come to the point where revenues needed to be increased. The City needs to provide more and employees can't be asked to give any more.

Mayor Winn stated that she agreed with what had been said. She felt that citizens understand that revenues need to be increased, as difficult as it is. She added that by being transparent and showing the public what has already been shown, and what the City will continue to show will help the public to understand even more. By understanding it, but they will accept the increase because of the services provided to them.

- Providence at Overlake Subdivision Phases 1 & 2 – Preliminary Plan Request
Presented by Jim Bolser

Due to the lack of time, Chairman Pruden asked Mr. Bolser to explain this item in the 7:00 Business Meeting.

- Discussion on Proposed Par 4 Development PUD Provisions
Presented by Jim Bolser

Mr. Bolser stated that the property that the City sold to the developer not long ago was between the golf course and Vine Street. He said that he understood that the developers were going to seek a PUD designation in this development. He indicated that as Staff has worked with them, it was determined that they needed a change in lot size and setbacks in order to have the PUD provisions. This development does not have a necessity for increased density. Developers would like to designate the interior roads as private. Mr. Bolser explained that because a PUD is a designation in City Code, Staff needed the Council's input before they can work with developers and the drawings could be formalized. Chairman Pruden asked if their product would be similar to Graystone's product. Ms. Custer said that the difference was that Graystone has condominiums, and these would be single family homes with a small section of land. Mr. Bolser

added that the PUD would have open space and private roads. Mr. Bolser added that by having the roads private, the City wouldn't have to plow or maintain them. Mr. Bolser said that Staff was asking if there were provisions that the Council would like to accept or reject.

Chairman Pruden said that Graystone was well managed. He felt that the Par 4 proposal was a sweet deal and he liked the concept. Chairman Pruden added that it was perfect for this neighborhood and that strip of land. He said that there are some people that don't want to take care of a yard anymore. He felt like it was a win-win situation. Ms. Custer said that this development would have an HOA. She asked that the CCRs include the stipulation that homes cannot put up fencing.

Council Member Gochis asked if it would border the golf course. Mr. Bolser said that it would. Council Member Gochis then asked what the City does to protect the housing from being hit by golf balls. Ms. Custer said there was a cart path to buffer the housing from the golf course. Mr. Bolser added that it is considered "buyer beware" but the area of the golf course located next to this development would likely lend itself to not having a great number of golf balls being hit into this area. Council Member McCall said that there were only two tee boxes on that side. Mr. Hansen added that the developer had talked with them about putting up some netting. Council Member Wardle stated that Mr. Roth has done a good job at making sure that the homes in that area, such as Graystone, were protected.

- Resolution 2018-22 A Resolution of the Tooele City Council Approving a Contract with Hydro Resources Rocky Mountain, Inc. for Drilling of the Fire Station Well
Presented by Paul Hansen

Mr. Hansen said that Tooele City received bids from four bidders for this project. Criteria for those bids was established and evaluated. Mr. Hansen talked about the scoring process. All four bidders are well qualified and good at drilling wells. In the bid scoring evaluation, some bidders were given bonus points for their ability to access additional equipment, man power, and resources in a timely manner. After going through the scoring, Staff recommended that project not be given to the "low" overall bid. Mr. Hansen went on to explain that, as an example, the bids included as a line item abandonment of the well if the well were found to be of unsuitable quality or yield insufficient quantity. The bid price provided by Hydro Resources, if the well were not abandoned, would actually result in a lower overall cost to the City than that of the apparent low bid. Taking this in to consideration, and looking across the scoring spectrum, it is recommended that the City award the contract to the lowest responsive, responsible bidder who is Hydro Resources – Rocky Mountain. He said that some may say that this is unfair, and that the City is giving an unfair advantage to favorites, but this is a driller that the City has not worked with before, and has not been given an unfair advantage. Staff will be requesting a 5% contingency with this Resolution.

Chairman Pruden recommended the Council go with Staff's recommendation due to the outcome of the scoring.

- Resolution 2018-21 A Resolution of the Tooele City Council Accepting the Completed Public Improvements Associated with the Sunset Estate Phase 7 Subdivision
Presented by Paul Hansen

Due to the lack of time, Chairman Pruden asked Mr. Hansen to explain this item in the 7:00 Business Meeting.

4. Close Meeting to Discuss Litigation and Property Acquisition

Council Member Pratt moved to close the meeting. Council Member McCall seconded the motion. The vote was as follows: Council Member Wardle "Aye," Council Member McCall "Aye," Council Member Pratt "Aye," Council Member Gochis "Aye," and Chairman Pruden "Aye."

Those in attendance during the closed session were: Mayor Debbie Winn, Glenn Caldwell, Roger Baker, Paul Hansen, Michelle Pitt, Jim Bolser, Brian Roth, Randy Sant, Council Member Wardle, Council Member Pratt, Council Member McCall, Council Member Gochis, and Chairman Pruden.

The meeting closed at 5:36 p.m.

No minutes were taken on these items.

Motion to Reopen the Meeting

Council Member Pratt moved to reopen the meeting. Council Member McCall seconded the motion. The vote was as follows: Council Member Wardle "Aye," Council Member McCall "Aye," Council Member Pratt "Aye," Council Member Gochis "Aye," and Chairman Pruden "Aye."

The meeting reopened at 6:54 p.m.

5. Adjourn

Council Member McCall moved to adjourn the meeting. Council Member Gochis seconded the motion. The vote was as follows: Council Member Wardle "Aye," Council Member McCall "Aye," Council Member Pratt "Aye," Council Member Gochis "Aye," and Chairman Pruden "Aye."

The meeting adjourned at 6:54 p.m.

The content of the minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Approved this 18th day of April, 2018

Steve Pruden, Tooele City Council Chair