

City of Taylorsville
CITY COUNCIL MEETING
Minutes

Wednesday, November 3, 2010
Council Chambers
2600 West Taylorsville Blvd., Room No. 140
Taylorsville, Utah 84118

BRIEFING SESSION

Attendance:

Mayor Russ Wall

Council Members:

Council Chairman Morris Pratt
Vice-Chairman Jerry Rechtenbach
Council Member Dama Barbour
Council Member Bud Catlin
Council Member Larry Johnson

City Staff:

John Inch Morgan, City Administrator
John Brems, City Attorney
Cheryl Peacock Cottle, City Recorder
Jessica Springer, Council Coordinator
Mark McGrath, Community Development Director
John Taylor, City Engineer
Scott Harrington, Chief of Finance
Donald Adams, Grants Manager
Keith Snarr, Economic Development Director

BRIEFING SESSION

18:01:30 Chairman Morris Pratt conducted the Briefing Session, which convened at 6:01 p.m. City Recorder Cheryl Peacock Cottle conducted a Roll Call, wherein all Council Members were present.

1. Review Agenda

18:03:50 The agenda for the City Council Meeting was reviewed.

2. Closed Session:

a. Strategy Session to Discuss the Sale and Purchase of Real Property

18:05:10 Council Member Dama Barbour **MOVED** to adjourn the Briefing Session and convene a Closed Session to discuss the sale and purchase of real property at 6:05 p.m. Council Member Jerry Rechtenbach **SECONDED** the motion. Chairman Morris Pratt called for discussion on the motion. There being none, he called for a roll-call vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All members of the City Council voted and the motion carried by a unanimous vote.**

CLOSED SESSION

Those in attendance at this Closed Session were: Council Members Barbour, Catlin, Johnson, Pratt, and Rechtenbach. Also present were Mayor Wall, City Administrator John Inch Morgan, City Attorney John Brems, Economic Development Director Keith Snarr, Community Development Director Mark McGrath, Grants Manager Don Adams, and City Recorder Cheryl Peacock Cottle. Minutes for the Closed Session were taken and are now on file as a Protected Record.

Council Member Jerry Rechtenbach **MOVED** to adjourn the Closed Session at 6:49 p.m. and convene the regular City Council Meeting. Council Member Larry Johnson **SECONDED** the motion. Chairman Morris Pratt called for discussion on the motion. There being none, he called for a roll-call vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All members of the City Council present voted and the motion carried by a unanimous vote.**

3. Adjourn

The Briefing Session was adjourned at 6:51 p.m.

REGULAR MEETING

Attendance:

Mayor Russ Wall

Council Members:

Council Chairman Morris Pratt
Vice-Chairman Jerry Rechtenbach
Council Member Dama Barbour
Council Member Bud Catlin
Council Member Larry Johnson

City Staff:

John Inch Morgan, City Administrator
John Brems, City Attorney
Mark McGrath, Community Development Director
Del Craig, Chief of Police
Cheryl Peacock Cottle, City Recorder
Jessica Springer, Council Coordinator
John Taylor, City Engineer
Scott Harrington, Chief of Finance
Keith Snarr, Economic Development Director
Donald Adams, Grants Manager
Patrick Tomasino, Building Official
Jean Ashby, Deputy Recorder

Citizens: Raili Jacquet, Jay Ziolkowski, Paul Kehl, Rhetta McIff, Steve Ashby, Lynn Handy, Andy Ho, Matthew Pham, Joel Gardner, Craig Ferrin, Jared Burton, Scott Ferrin, Ken Acker, Kelsey Rowley, Abby Black, Aubrey Thomson, Jerry Milne, Kim Forsyth, Matt Pham, Curt Cochran, Leslie Kruger, Aaron Kruger, Aimee Newton, Elaine Ong, Carly Jensen, Kendra Peterson, Members of Scout Troop 287 and Troop 850

1. WELCOME, INTRODUCTION AND PRELIMINARY MATTERS

18:52:09 Chairman Morris Pratt called the meeting to order at 6:52 p.m. and welcomed those in attendance. City Recorder Cheryl Peacock Cottle conducted a Roll Call, wherein all Council Members were present.

1.1 Pledge of Allegiance – Opening Ceremonies– *Andy Ho, Youth Council*

Taylorsville Youth Council Member Andy Ho directed the Pledge of Allegiance.

1.2 Reverence – *Matthew Pham, Youth Council (Opening Ceremonies For November 10, 2010 to be arranged by Council Member Barbour)*

18:53:39 Taylorsville Youth Council Member Matthew Pham offered the Reverence and called for a moment of silence in remembrance of a young man who was struck by an automobile in front of Taylorsville High School earlier in the day.

1.3 Citizen Comments

18:54:11 Chairman Morris Pratt reviewed the Citizen Comment Procedures for the audience. He then called for any citizen comments.

18:55:01 There were no citizen comments, and Chairman Pratt closed the citizen comment period.

1.4 Mayor's Report

18:55:10 Mayor Russ Wall reminded Council Members of the ChamberWest Awards Banquet scheduled for November 5, 2010, at 6:00 p.m., at the Utah Cultural Celebration Center. He noted that the City has a table and needs to reserve space for anyone attending. He asked that Council Members who are planning to attend the banquet notify him by the morning of November 4, 2010.

18:55:34 The Mayor referenced the individual who was hit in front of Taylorsville High School today and reported that the young man is now in good condition.

18:56:23 Mayor thanked citizens for exercising their opportunity to vote during the recent election.

18:56:36 Mayor reminded those present of the Veterans Day Celebration and Parade on November 11, 2010 at 11:00 a.m.

18:58:19 Council Member Bud Catlin and Mayor Wall reminded everyone of the Health Fair at Taylorsville High School on November 6, 2010, from 10:00 a.m. to 2:00 p.m.

18:57:11 Chairman Pratt recognized members of Scout Troop 287 and Troop 850 in attendance.

2. APPOINTMENTS

2.1 Resolution No. 10-49 – Reaffirming the Appointment of Mayor Russ Wall as a Member of the Unified Fire Authority Board of Directors, Filling the Four Year Term Beginning March 2008 through February 2012 – John Inch Morgan

18:59:13 Mayor Wall explained reasons that it is necessary to reaffirm appointments previously made to the Unified Fire Authority (UFA) Board. He noted that he has served on the UFA Board since he has been Mayor and asked that a resolution be adopted to reaffirm his appointment since 2008 until 2012.

City Administrator John Inch Morgan nominated Mayor Russ Wall to serve as a member of the Unified Fire Authority Board of Directors for the Term Through February 2010. Council Member Jerry Rechtenbach **MOVED** to approve Resolution No. 10-49 – Reaffirming the Appointment of Mayor Russ Wall as a Member of the Unified Fire Authority Board of Directors, Filling the Four Year Term Beginning March 2008 through February 2010. Council Member Dama Barbour **SECONDED** the motion. Chairman Pratt called for discussion on the motion. There being none, he called for a vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All City Council members voted in favor and the motion passed unanimously.**

3. REPORTS

There were no reports.

4. CONSENT AGENDA

4.1 Minutes – CCWS 10-13-10 & RCCM 10-20-10

19:01:12 Council Member Dama Barbour **MOVED** to adopt the Consent Agenda. Council Member Bud Catlin **SECONDED** the motion. Chairman Pratt called for discussion on the motion. There being none, he called for a roll call vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All City Council members voted in favor and the motion passed unanimously.**

5. PLANNING MATTERS

There were no planning matters.

19:02:18 Mayor Wall suggested that Agenda Item 7.1 be addressed at this time.

19:03:00 Council Member Bud Catlin **MOVED** to address Agenda Item 7.1 at this time. Council Member Larry Johnson **SECONDED** the motion. Chairman Pratt called for discussion on the motion. There being none, he called for a roll call vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All City Council members voted in favor and the motion passed unanimously.**

7. OTHER MATTERS

7.1 Ordinance No. 10-31 – Naming the Pedestrian Overpass Located on 6200 South at 2700 West – *Mayor Wall*

19:03:27 Mayor Russ Wall referenced the pedestrian overpasses that were recently built on 6200 South at Calvin Smith Elementary and Bennion Jr. High. He stated that it was felt appropriate to name the bridges and also to place memorial plaques on each bridge. The Mayor relayed that a Naming Committee was assembled to name the bridges, per ordinance requirements. He noted that the bridge at 2200 West has already been named as the “Skyhawk Skywalk,” the memorial for Crossing Guard Jim Smith has been placed, and that bridge has been dedicated.

19:04:53 Mayor Wall reported that students at Bennion Jr. High have been asked to provide input on names for the Bridge at 2700 West and 6200 South. He listed the top three names proposed by students, as follows: “Bennion Boardwalk,” “Pawprint Pathway,” and “Over the Top.”

19:06:08 Naming Committee Chair Rhetta McIff introduced student body officers in attendance from Bennion Jr. High, as follows: Elaine Ong, Carly Jensen, and Kendra Peterson.

19:06:59 Upon request, the students described the process for selecting names through the school.

19:07:21 Council Member Barbour confirmed that the majority of votes received were for “Bennion Boardwalk.” 19:08:38 The student body officers stated their own preference for the name “Bennion Boardwalk.”

19:09:16 Council Member Bud Catlin **MOVED** to adopt Ordinance 10-31 – Naming the Pedestrian Overpass Located on 6200 South at 2700 West, named Bennion Boardwalk, and to include the appropriate memorial plaque. Council Member Dama Barbour **SECONDED** the motion. Chairman Pratt called for discussion on the motion. Mayor Wall noted that a correction will be made to the spelling of the name on the memorial plaque. There being no further discussion, Chairman Pratt called for a roll call vote. The vote was as follows: Barbour-yes, Pratt-yes, Rechtenbach-yes, Johnson-yes, and Catlin-yes. **All City Council members voted in favor and the motion passed unanimously.**

6. FINANCIAL MATTERS

19:12:25 Financial Consultant Laura Lewis described the structure of the proposed bond transaction. She relayed that the intent of bonding is to provide the City of Taylorsville with a financing mechanism that works similarly to a line of credit. She reviewed the proposal to issue incremental advance bonds. Ms. Lewis explained that the bonds are primarily secured by tax increment revenues that are received through RDA's, CDA's, etc. She noted, however, that due to the current market and in order to secure the lowest possible interest rate, the bonds are also backed by sales tax revenues. She said that this backstop is provided in the event that there are not enough revenues generated through the project areas to repay the bonds.

19:15:03 Ms. Lewis called for questions from the Council.

19:15:32 Council Member Barbour inquired whether each draw on the bonds will come back to the Council for approval.

19:16:34 Ms. Lewis explained that a requirement for Council approval of draws is not included in the current bond structure, but could be added if desired. City Attorney John Brems agreed that draws do not need to come before the Council. He noted that the bond structure can be changed, if necessary.

19:17:26 Council Member Catlin called for clarification on the proposed method for drawing down bonds. Ms. Lewis explained that the bonds can be used for any existing or new urban renewal, community development, or redevelopment area. She clarified that a type of invoice would be submitted to Ballard Spahr, who would then draw up a document entitled "Incremental Advance;" that document is then submitted to the purchaser of the bonds, who will advance funds. She said that whoever the City appoints would submit the request for funds. She confirmed that cities don't generally enter into the type of mechanism suggested. Ms. Lewis detailed the traditional method for issuing bonds for specific projects. She outlined examples of how flexibility in drawing down bonds may allow the City to act faster on potential projects. She cited similar projects she is working on with other cities. She said that another benefit to the proposed structure is the ability to lock in a formula for an interest rate. She indicated that incremental advance bonds are typically done in relation to special assessment areas. Ms. Lewis added that, if desired, the Council may stipulate guidelines or require Council approval on each draw. She agreed that the Council may set a ceiling that requires Council approval for funds drawn.

19:22:25 City Administrator John Inch Morgan noted that the matter for consideration before the Council at this time is an inter-local agreement between the City and the Redevelopment Agency of Taylorsville Board (RDA). He noted that City Council Members sit on the RDA Board and the RDA Board is the body that will control guidelines on the bonds. Mr. Morgan cited some

draft guidelines and the proposal that the RDA Executive Director, Mayor Wall, be given authority to negotiate development deals up to a certain point. He suggested that anything outside the parameters be brought back to the RDA Board.

19:24:48 Mayor Wall referenced the previous bond issued to the City for storm water repair and described parameters for those funds. He said that funds drawn on the previous bond did not come back before the Council for every project done in regards to storm water or transportation issues. The Mayor cited a need to have some flexibility in negotiating projects but stated that he has no problem accounting to the City Council on any expenditure. He confirmed that the agreement before the Council is to approve the use of sales tax to back the bond and obtain lower interest and the RDA Board will then set parameters in the RDA Meeting.

19:29:26 Ms. Lewis addressed several questions regarding drawing upon the line of credit and potential interest on the bond. She confirmed that there is no penalty for not using the entire bond amount. It was clarified that a special meeting of the Council could be called if a decision must be made quickly.

19:26:15 Chairman Pratt posed some legal questions regarding the documents presented. He noted a discrepancy in the exact name of the agency. He inquired whether a public hearing held by the RDA was referenced in the documents. Mr. Pratt cited his concern that the wording in the agreement stipulates that the entire \$10 million bond will be used for the 5400 South Bangerter Project Area, although that is not the intent. He referenced many blanks in the document that must be discussed before approving.

19:28:11 Ms. Lewis relayed her understanding that Blaine Carlton from Ballard Spahr had planned to attend this meeting, as he could best address Mr. Pratt's concerns. She indicated that it is not uncommon to have some blanks in the document for unknown factors, i.e. dates, interest rates, etc. She noted that the main purpose of this meeting is to hold a public hearing in order to meet statutory requirements. Ms. Lewis described additional steps that are yet to be followed in the process of finalizing the bond agreements. She said that the term sheet she has prepared does indicate that bond funds will be used in various areas. She explained that the term sheet will be sent out to a number of investors for a bid response. Ms. Lewis stated that a bond purchase agreement finalizing specific terms and conditions will be brought back to the Council at a later time.

19:30:01 Chairman Pratt indicated that he is not comfortable signing a document that does not contain an interest rate. Ms. Lewis said that the document will be signed after the interest rate is obtained. Mr. Pratt disagreed and noted that if the resolution is approved, the resolution will be signed.

19:30:13 Ms. Lewis clarified that the resolution is between the City and the RDA Board. She said that the interest rate cannot be determined at this point and referenced the State process that must be followed. She acknowledged that the document does contain a not-to-exceed amount.

19:31:12 Council Member Catlin observed that the only other time the City bonded was for storm drain issues. He noted that this proposed bond pledges sales tax. Ms. Lewis clarified that repayment of the bonds will first come from tax increment on project areas, and if that isn't sufficient then sales tax will be used.

19:32:48 Mayor Wall confirmed that there is likely to be a shortfall between tax increment and the bond payment, and so money will come out of the general fund. He stated that either an increase in taxes or a decrease in services will be needed to cover the shortfall. The Mayor acknowledged that there is a high risk of the shortfall being covered by the general fund during the first two years.

19:34:26 Ms. Lewis reviewed guidelines for drawing and spending bond funds within project areas. She described ways to estimate tax increment revenue and said it is reasonable to request such estimates when a draw is made by Staff. She emphasized that such projections are only estimates.

19:37:42 Chairman Pratt expressed concern over the \$2.5 million amount of the initial drawdown. He stated that this amount is higher than that which was initially discussed. Mayor Wall recalled that the Council Chairman previously indicated he does not want to pay for a new building façade, but said he has received no official instruction from the Council. The Mayor said that Staff is seeking ways to spend the least amount possible to make the project happen.

19:39:13 Council Member Barbour said that she has known all along, and thought the rest of the Council was aware, that monies from the general fund would be required. She stated her recollection that the Council had hoped to spend as little as possible, but wanted to see the project happen.

19:40:23 City Attorney John Brems said that a solution is to have the Council be the approving authority.

19:40:51 Chairman Pratt said that he believes the Council is in agreement with the Administration to proceed with the bonds, but cited the need to make sure "i's are dotted and t's are crossed." He stated that he will not sign the resolution as it is currently written because it needs to be fixed.

19:41:40 Ms. Lewis indicated that the public hearing may go forward during this meeting so that State law requirements are met and then the resolution may be adopted at a future time.

19:42:45 Chairman Pratt noted that the document being considered is the resolution that was provided in the packet.

19:42:46 City Recorder Cheryl Peacock Cottle confirmed that the correct name of the agency is the "Redevelopment Agency of Taylorsville City" and indicated that she has received new documents for signing in which that correct name is consistently reflected.

19:43:46 Council Member Johnson suggested that more information be obtained before the resolution is considered.

19:44:07 Mr. Morgan clarified that there is some time sensitivity related to the 5400 South and Bangerter Highway Project, but acknowledged that there is still time to address concerns and correct the agreement.

19:44:54 Ms. Lewis reiterated that the interest rate formula will be unknown until much further in the process. She said that a "not-to-exceed figure" can be inserted in the document. Chairman Pratt stated that he is comfortable with that.

19:45:35 Council Member Bud Catlin **MOVED** to hold the public hearing at this time, but to postpone consideration of the corrected resolution until the Council Meeting on November 10, 2010. Council Member Larry Johnson **SECONDED** the motion. Chairman Pratt called for discussion on the motion. Discussion was held regarding the timing of the public hearing and whether it is appropriate to hold it now. Ms. Lewis confirmed that the hearing has been noticed and it is fine to hold it now and then take action on the resolution later. There being no further discussion, Chairman Pratt called for a roll call vote. The vote was as follows: Barbour-no, Pratt-yes, Rechtenbach-no, Johnson-yes, and Catlin-yes. **All City Council members voted and the motion passed with a 3 to 2 vote.**

6.1 ***Public Hearing*** – 6:30 p.m. – **To Receive Public Comment for the Proposed Execution by the City of an Inter-local Pledge and Loan Agreement (The "Agreement") Between The City and the Redevelopment Agency of the City of Taylorsville, Utah (The "Agency"), to Pledge Certain of the City's Sales Tax Revenues (The "Sales Tax Revenues") to Secure the Payment, in Part, of the Agency's Tax Increment Bonds Anticipated to be Issued in the Total Principal Amount of Not More than \$10,000,000 (The "Bonds"), and (A) Any Potential Economic Impact the Agreement and Pledge of Sales Tax Revenues May Have on the Private Sector**

19:48:16 Chairman Pratt opened the public hearing and called for citizen comments.

19:48:21 Chairman Pratt read a statement from Aimee Newton expressing her favor of the \$10 million bond for reinvestment in the City.

19:48:52 Chairman Pratt read an e-mailed statement from Keith Sorensen stating his support of the bond for redevelopment, with certain conditions, goals, controls, monitoring, reporting, and stewardship, plus value-added evaluation.

19:49:57 Lynn Handy encouraged pursuit of the bond and encouraged its broad use for projects. He stated that the bond will be of great benefit to the City of Taylorsville. He suggested that services cannot be cut any further and a tax increase will have to be implemented. Mr. Handy encouraged the Council to be cautious, but to move forward with the bond to revitalize the City.

19:52:52 Ken Acker stated his support of the issuance of a bond. He suggested that the City not waste the money, but use it to generate sales tax revenue. He asked for additional information on the project approval process and the debt service.

19:57:15 Chairman Pratt noted that information on the debt service, etc. was furnished to the Council earlier in the day.

19:57:49 Mr. Morgan and Ms. Lewis described estimates on the debt service. It was clarified that four years of interest will be paid on the bond before principal payments are made. Mr. Morgan agreed to provide additional public information to Mr. Acker.

20:00:20 Rhetta McIff stated her appreciation for the documentation that was placed on the website for the public. She referenced the general plan and said that she hopes it will be followed for economic development efforts in the City. She noted that City Committees can be utilized in the process. Ms. McIff expressed hope that the Council doesn't stall the project. She said that after watching all of the budget meetings, she fears that Council approval of every redevelopment step along the way will result in missed opportunities. She noted concern over delays that are already occurring.

20:03:11 Chairman Pratt said he considers that a personal attack and reiterated his stand that he will not sign a document that is incorrect. Ms. McIff acknowledged that the documents need to be correct, but said citizens are anxious for development to happen in Taylorsville.

20:04:04 Chairman Pratt noted that information on the bonds are on the City's website.

20:04:20 There were no additional comments, and Chairman Pratt declared the public hearing closed. He confirmed that no additional motions on this matter are needed at this time.

20:05:18 Chairman Pratt agreed to send an e-mail outlining his concerns so that the resolution can be changed for next week.

20:05:37 Mr. Morgan noted that parameter resolutions are being considered and cited his understanding and intent that some of the blanks in the documents would be filled during this meeting. He said that most of the blanks are dates, etc. and will necessarily remain blank for now.

20:06:18 Chairman Pratt asked that any other Council Members who may have concerns with the resolution or agreement, e-mail those to Mr. Morgan, as well.

6.1.1 Resolution No. 10-50 – Accepting the Inter-local Sales Tax Pledge and Loan Agreement – Laura Lewis – Financial Consultant & Blaine Carlton, Attorney, Ballard Spahr, LLP

This resolution was tabled until November 10, 2010.

8. NEW ITEMS FOR SUBSEQUENT CONSIDERATION (No Action)

20:07:09 There were no new items for subsequent consideration.

9. NOTICE OF FUTURE PUBLIC MEETINGS (NEXT MEETING)

20:07:18

- 9.1 RDA Meeting – Wednesday, November 3, 2010 – 7:00 p.m.
- 9.2 Legislators Breakfast – Wednesday, November 10, 2010 – 8:00 a.m. – Noon
- 9.3 City Council Briefing Session – Wednesday, November 10, 2010 – 6:00 p.m.
- 9.4 City Council Meeting – Wednesday, November 10, 2010 – 6:30 p.m.
- 9.5 Strategic Planning Session – Saturday, November 20, 2010 – 8:00 a.m.
- 9.6 City Council Briefing Session – Wednesday, December 1, 2010 – 6:00 p.m.
- 9.7 City Council Meeting – Wednesday, December 1, 2010 – 6:30 p.m.
- 9.8 City Council Work Session – Wednesday, December 8, 2010 – 6:00 p.m.

10. CALENDAR OF UPCOMING EVENTS

20:07:55

- 10.1 **Healthy Taylorsville Community Health Fair – Saturday, November 6 – 10:00 a.m. to 2:00 p.m. – Taylorsville High School, 5225 S. Redwood Road. Sponsored by City of Taylorsville, Intermountain Healthcare, Jordan Valley Medical Center, and Taylorsville High School FBLA.**
- 10.2 **Annual Veterans Day Parade and Celebration – Thursday, November 11, 2010 – 11:00 a.m. Contact Elaine Waegner at 801-963-5400 or**

ewaegner@taylorsvilleut.gov for more information. To submit photos or memorabilia, contact Jean Ashby at 801-963-5400 or jashby@taylorsvilleut.gov. To download parade application or parade flyer visit ww.taylorsvilleut.gov.

11. ADJOURNMENT

20:08:29 Council Member Bud Catlin **MOVED** to adjourn the City Council Meeting. Council Member Barbour **SECONDED** the motion. Chairman Pratt called for discussion. There being none, he called for a vote. The vote was as follows: Rechtenbach-yes, Johnson-yes, Catlin-yes, Barbour-yes, and Pratt-yes. **All City Council members voted in favor and the motion passed unanimously.** The meeting was adjourned at 8:09 p.m.



Cheryl Peacock Cottle, City Recorder

Minutes approved: CC 12-01-10

Minutes Prepared by: Cheryl Peacock Cottle, City Recorder