

Approved

MINUTES OF THE REGULAR MEETING OF THE GRANTSVILLE CITY COUNCIL, HELD ON OCTOBER 5, 2011 AT THE GRANTSVILLE CITY HALL, 429 EAST MAIN STREET, GRANTSVILLE, UTAH. THE MEETING BEGAN AT 7:00 P.M.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE.

Mayor and Council Members Present: Mayor Brent Marshall and Council Members Mike Colson, Mike Johnson, Tom Tripp, James Vera and Todd Castagno.

Appointed Officers and Employees Present: Attorney Ronald Elton, Finance Director Tom Hammond and City Recorder Rachel Wright.

Citizens and Guests Present: Martie Leo, Missy Bird, Sheldon Riches, Kent Liddiard, Scott Stice and William Webb.

Mayor Marshall asked Todd Castagno to lead the audience in the Pledge of Allegiance.

AGENDA:

1. Youth Awards.

Mayor Marshall announced that the youth recognition awards had been cancelled.

2. Rocky Mountain Power Presentation.

Marty Leo was present representing Rocky Mountain Power. She presented the City with a \$3,000.00 check to go towards the new library. The Mayor expressed appreciation for the donation.

3. Summary Action Items:

- a. Approval of Minutes of the September 21, 2011 City Council Meeting.
- b. Approval of Business Licenses (none).
- c. Approval of Bills in the sum of \$124,411.12.
- d. Personnel Matters (none).

Councilman Tripp asked about the Taste of Grantsville expenses that were reflected on the bills. Mayor Marshall stated that the City receives a grant and that the grant is divided among the vendors that are involved with the Taste of Grantsville.

Motion: Councilman Johnson made a motion to approve the summary action items. Councilman Colson seconded the motion. All voted in favor and the motion carried.

- 4. Consideration of Resolution 2011-13 authorizing and approving the execution of an annually renewable master lease agreement, by and between Grantsville City and the Municipal Building Authority of Grantsville City, Utah (the “Authority”), authorizing the issuance and sale by the Authority of its Lease Revenue Bonds, Series 2011, in the aggregate principal amount of not to exceed \$2,500,000; authorizing the execution of a master resolution, ground lease, leasehold deed of trust, and other documents required in connection therewith; authorizing the construction, equipping, and furnishing of a library and related improvements; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by the resolution; and related matters.**

Jason Burningham from Lewis, Young, Robertson and Burningham was present. He stated that he has been working with city staff with the financing of the new library. He stated that there are a few items that need to be accomplished for the funding of the library. He stated that the Resolution 2011-13 authorizes the issuance of bonds and sets parameters so the Grantsville Municipal Building Authority can provide funding. He stated that the City has used the Municipal Building Authority to finance the Fire Station and the City Hall. He stated that the Municipal Building Authority is a separate legal entity from the City, but its board is comprised of the Mayor and City Council. He commented that the Municipal Building Authority issues the bond then leases the building back to the City. He stated that the City is the lessee and will pay the bond payment. Councilman Castagno expressed concern that if Tooele City is being obligated to reimburse the City for the bond payment, but the City is having to issue the bonds then it will indicate that the City has more of a financial burden than it actually does. Councilman Castagno inquired if this could cause the City to not receive future funding. Mr. Burningham stated that the Municipal Building Authority does not have any debt limitations. He stated that the bond doesn't impact the ability of the City to borrow money in the future. Mr. Burningham commented that the City does not have many outstanding bonds and that the largest is the fire station and the others are smaller utility bonds. He remarked that the City has a low debt ratio.

Mr. Burningham passed out a preliminary calendar of events. He stated that there will be another Community Impact Board (CIB) meeting tomorrow. He stated that the initial recommendation was a loan with a rate of 2.5% up to 30 years. He stated that the board accepted the proposal and moved the project to its priority list. He stated the meeting tomorrow is to authorize funding after which the City will receive an authorization letter. He stated that the deal will not be closed until the construction bids have been received so the actual costs will be known. He stated that is why the City is asking for donations for furniture, fixtures and equipment (FFE) which is not included in the settlement agreement with Tooele City. He stated the settlement with Tooele City is up to 2 million dollars. He commented that 2.5 million dollars would cover the other costs. He stated that a 20 year bond for the City's portion would be approximately \$22,000.00 per year. Mr. Burningham expressed his appreciation for the professionalism of the City staff in working on this project. He stated that Mayor Marshall, Attorney Ron Elton and Finance Director Tom Hammond have been very good to work with.

Motion: Councilman Tripp made a motion to approve Resolution 2011-13, a Resolution of the City Council of Grantsville City, Utah (the “city”), authorizing and approving the execution of an annually renewable Master Lease Agreement, dated as of November 1, 2011, by and between Grantsville City and the Municipal Building Authority of Grantsville City, Utah (the “authority”), authorizing the issuance and sale by the authority of its lease revenue bonds, series 2011, in the aggregate principal amount of not to exceed \$2,500,000 (the “series 2011 bonds”); authorizing the execution of a master resolution, ground lease, leasehold deed of trust, and other documents required in connection therewith; authorizing the construction, equipping, and furnishing of a library and related improvements (the “project”); authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this resolution; and related matters. Councilman Vera seconded the motion. All voted in favor and the motion carried.

The Grantsville City Council recessed and went into a special meeting for the Grantsville Municipal Building Authority at 7:28 p.m. The special meeting adjourned at 7:33 p.m. and the Grantsville City Council meeting convened again at 7:34 p.m.

5. Consideration of awarding bid for street and pedestrian improvement projects.

Mayor Marshall stated that the City had received three bids for the street and pedestrian improvement projects. He commented that the low bid was from Tom Parker Construction for a total of \$117,103.80 which included the alternate bid. He commented that Aqua Engineering recommended awarding the bid to Tom Parker Construction. Councilman Johnson asked if the City’s building inspector will conduct the inspections. Attorney Ron Elton stated that the inspections are the responsibility of the engineer which is Aqua Engineering. Councilman Johnson commented that compaction needs to be looked at thoroughly.

Motion: Councilman Castagno made a motion to award the street and pedestrian bid to Tom Parker Construction including the alternate bid for a total of \$117,103.80. Councilman Colson seconded the motion. All voted in favor and the motion carried.

6. Consideration of bids for water rights acquisition.

Mayor Marshall stated that the City received 7 bids and he suggested buying from the two low bidders which would be a total of 40 acre feet of water. The low bid was from the Worthingtons for \$4,980.00 per acre feet for 10 acre feet and the second lowest bid was from Clark Realty LLC for \$4,990.00 per acre feet for 30 acre feet of water. He stated that water rights are the only thing that can be purchased with the water rights acquisition impact fees. Councilman Tripp asked if the City has water impact fees that need to be spent at this time. Finance Director Tom Hammond stated that the City does not have to spend these impact fees for three more years. Councilman Tripp stated that a bid came in after the deadline which was a little lower than the lowest bid which would

be about \$4,000.00 difference for the same amount of water. Councilman Vera stated that everyone had the same opportunity to get their bids to the City and that the late bid should not be considered. Attorney Elton stated that the water rights attorney has looked over the water rights offered by the two lowest bidders and they do not have any concerns with these water rights. Mayor Marshall stated that both of the water rights are older which means they have a good priority. Joe Cange was present representing Clark Realty. He stated that the 30 acre feet being offered for sale has already been conveyed to the City under a banking agreement. Attorney Elton stated that the City is holding this banked water for the benefit of Clark Realty and the purchase would allow the City to use these water rights for its sole purposes.

Motion: Councilman Castagno made motion to buy 10 acre feet from Jay R. Worthington, Shirley C. Worthington and C. Jason Worthington for \$4,980.00 per acre foot and 30 acre feet from Clark Realty L.L.C for \$4,990.00 per acre foot under the terms specified in the Request for Proposals. Councilman Johnson seconded the motion. All voted in favor and the motion carried.

7. Consideration of amendment to City Hall Janitorial Services Contract.

Finance Director Tom Hammond stated that the City went out for bid for janitorial services for the City Hall. He stated that one company, Hawks Janitorial, put in a bid and asked to have a one month trial period under the old amount and that his company would supply the cleaning products not including the paper products. He stated that Hawks Janitorial has found that the services are more work than was anticipated so they are proposing to raise the monthly amount from \$890.00 a month to \$925.00 a month and they will furnish all the cleaning supplies. Finance Director Hammond stated that the old contract was for \$890.00 a month with the City buying all the cleaning supplies. He stated that the City has been paying \$717.00 a year in cleaning supplies. He stated that with Hawks Janitorial providing the cleaning supplies the City would have a savings of approximately \$300.00 a year. Councilman Castagno stated that Hawk's Janitorial is asking for a higher price so why wouldn't the City want to rebid the contract. Councilman Colson stated they are offering to buy the supplies so they are cheaper than the previous amount the City was paying. Finance Director Hammond remarked that Hawk's Janitorial is going to see if they can also get better pricing for the City on the paper products. Councilman Johnson stated that he would prefer that Hawks buy these products from a local company in order to keep business within the city. Councilman Tripp stated that Councilman Castagno has raised a valid issue in suggesting that the contract be rebid. Councilman Johnson stated that they are saving the City money because of buying the supplies and are still lower than the other bids. Councilman Colson stated they would still be saving the City money. Councilman Vera commented that the City may get a lower bid. Councilman Tripp stated that if he had a chance to rebid Hawks could possibly lower his bid. Councilman Tripp commented that it does take a fair amount of time and effort to rebid a contract like this. Councilman Johnson stated that it is going to cost the City to rebid the contract and even with the proposal it would still be a net savings to the City. Finance Director Hammond stated that Hawk's Janitorial has

been doing a good job. He commented that they have stated that if the City needs something extra done, that they will not charge extra. Councilman Colson suggested offering a year contract at \$900.00 a year including the cleaning supplies.

William Webb was present. He stated that he has a lot of janitorial experience. He stated that it isn't cost efficient to contract, but recommended to have in house janitorial services. He stated that when you contract with a company you have to deal with other issues such as theft.

Motion: Councilman Johnson made a motion to offer to continue the current contract for one year with an increase to \$900.00 a month including the contractor providing the cleaning supplies. Councilman Colson seconded the motion. All voted in favor and the motion carried.

8. Consideration of Resolution 2011-14 of Mountain Vista vs. Grantsville City Lawsuit including possible closed session.

Mayor Marshall indicated that the City is proposing a resolution of the lawsuit filed by Mountain Vista. The settlement will provide reimbursement to Mountain Vista for the excess capacity improvements installed for the South Willow Estates Development and will buy out the remaining seven years under the 2003 Reimbursement Agreement. This settlement will mean that Grantsville will not be required to reimburse Mountain Vista any additional amounts for property that is developed in the 1908 acre area of benefit for the next seven years as was originally required under the Reimbursement Agreement.

The settlement includes a \$150,000.00 cash payment to Mountain Vista together with a waiver of building and impact fees for up to nine new homes, which must begin being constructed within the next two years. These payments will be made from existing impact fee accounts that Grantsville has previously collected from new construction. These payments will not have any effect upon the general funds of the City.

Councilman Vera asked if waving impact fees in legal. Attorney Ron Elton stated that the City is not technically waiving the impact fees, but using them to pay for the settlement. Councilman Johnson stated that the attorney fees alone were estimated to be around \$200,000.00 to defend the lawsuit.

Motion: Councilman Tripp made a motion to approve the proposed settlement, which includes a \$150,000.00 cash payment and the waiver of impact and building fees on nine homes for Mountain Vista, which homes will need to have begun construction within the next two years. Councilman Johnson seconded the motion. All voted in favor and the motion carried.

9. Mayor and Council Reports.

Mayor Marshall reported that he has attended many Senate redistricting meetings where he voiced the City's objections to the boundary designations that divided Grantsville City and Tooele County. He commented that Ronda Menlove will be at the October 19th City Council meeting with the County's possible new representative.

Mayor Marshall stated that on the night of September 23rd there was an incident involving a lost 11 year old child. He stated a command and control center was established at the elementary school. He remarked that the Grantsville Police, Grantsville Fire Department, Judge Butcher, Search and Rescue, Utah Highway Patrol, South Salt Lake City, school officials, and Grantsville Latter Day Saint Stake President and Bishops were all part of the search for the missing child. Mayor Marshall stated that the child was found at approximately 9:00 a.m. He commented that DCFS conducted an interview and the child was released to her parents around 2:00 p.m. He remarked that a critique of the incident command took place at 5:30 p.m. and that overall the community response was very successful.

Mayor Marshall announced that he met with the EPA in regards to U.S. Magnesium and its property being placed on the superfund list. He stated that EPA would like to form a community advisory group with regular meetings to involve and inform the public of the proceedings.

Mayor Marshall announced that he, Attorney Ron Elton and Finance Director Tom Hammond met with Jason Burningham about the Wal-Mart RDA. He stated that the RDA should be close to being paid off. He stated that letters are being written to Wal-Mart and Tooele County informing them of the status of this financing.

Mayor Marshall commented that on September 28th there was an auto-pedestrian accident on Park and Apple Street where an 18 year old driver clipped the back tire of a bicycle being operated by an elementary student. He stated that school got out at 12:30 p.m. and the accident occurred at an unguarded crosswalk after the crossing guards had ended their regular shifts at other crosswalks. He stated that there are some upset parents that want to see a crossing guard placed on Park and Apple Street. He announced that the walk to school program was held today and there were 109 people that crossed at Park and Apple Street, with some being counted twice because they were parents taking their children to school and they then returned home using the same crossing. He stated he has been trying to contact the PTA president about getting volunteers to man other crosswalks. He stated that he also contacted the Grantsville Senior Center and they are going to bring up volunteering for crosswalk guards at their next board meeting.

Mayor Marshall stated that he attended a ribbon cutting at the Grantsville Junior High School for their new computer room. He commented that the computers were the ones donated by the Census Bureau through the City.

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Mayor Marshall announced that he talked to the Tooele County Commissioners about the proposed Deseret Peak Water and Sewer Agreement and he had scheduled a meeting to further discuss the agreement on Wednesday, October 12th at 9:00 a.m. Mayor Marshall also announced that there is a meeting scheduled with the State of Utah Permanent Community Impact Board on October 6th to obtain the final funding for the new library.

William Webb was present. He expressed appreciation for the service that the Mayor and City Council members do for the community. He expressed concern about the no parking signs on Main Street. Mayor Marshall stated that the signs were installed by UDOT and that he had received a commitment from a UDOT representative to remove these no parking zones. Mayor Marshall stated that he has instructed the Police Department not to write tickets for parking violations on Main Street in these areas that the State will be removing the signs. Mr. Webb stated he received a citation. Mayor Marshall asked Mr. Webb to bring the citation to the City and the City Attorney would have it dismissed. Mr. Webb stated that he would volunteer to be a crossing guard.

10. Adjourn.

Motion: Councilman Vera made a motion to adjourn. Councilman Colson seconded the motion. All voted in favor and the meeting officially adjourned at 8:25 p.m.