

MINUTES OF THE COTTONWOOD HEIGHTS CITY COUNCIL MEETING HELD TUESDAY,
MARCH 24, 2015, AT 7:00 P.M. IN THE COTTONWOOD HEIGHTS CITY COUNCIL CHAMBERS

Members Present: Mayor Kelvyn Cullimore, Councilman Scott Bracken, Councilman Mike Shelton, Councilman Mike Peterson, Councilman Tee Tyler

Staff Present: City Manager John Park, Deputy City Manager Linda Dunlavy, Public Relations Specialist Dan Metcalf, Assistant Fire Chief Mike Watson, City Attorney Shane Topham, Public Works Director Mike Allen, Finance Director Steve Fawcett, Community and Economic Development Director Brian Berndt, Assistant Police Chief Paul Brenneman

Excused: Police Chief Robby Russo

Others Present: McCall Christensen, Kurt Christensen, Heather Christensen, Jim Gresh, Kim Olsen, Nancy Day, Patti Hansen, Andrew Davis, Kirsten Rycker, Valerie Nagasawa, Nancy Hardy

1.0 **WELCOME/PLEDGE/ACKNOWLEDGEMENTS**

1.1 Mayor Cullimore called the meeting to order at 7:05 p.m. and welcomed those attending.

1.2 The Pledge of Allegiance was led by Councilman Shelton.

1.3 Councilman Bracken introduced Youth City Council Representative, Derek Heiner.

2.0 **PROCLAMATIONS**

2.1 **Recognizing Brighton High School Girls' Basketball Team for an Outstanding Performance**

2.1.2 Mayor Cullimore read a proclamation commending the Brighton High School Girls' Basketball Team for their performance on and off the court and proclaimed March 24, 2015, as Brighton High School Girls' Basketball Team Appreciation Day in the City of Cottonwood Heights. The City saluted the athletes, coaches, teachers, fellow students, parents, and community members who have contributed to the success of the team. He introduced McCall Christensen, MVP player of the 5A Tournament, her parents Kurt and Heather Christensen, and Coach Jim Gresh.

2.2 **Presentation by the Utah Recreation & Parks Association (URPA): Lifetime Achievement, Great Western Park & Playground –Professional Scholarship, and Current Past-President Awards and Recognitions**

2.2.1 Mayor Cullimore introduced Kim Olsen, Executive Director of the Utah Recreation and Park Association (URPA).

2.2.2 Mr. Olsen stated that the URPA represents the majority of Park and Recreation professionals throughout the state, which consists of over 1,000 members.

2.2.3 Past President, Nancy Day, presented Mike Peterson, Director of Cottonwood Heights Parks & Recreation Service Area, with the Lifetime Achievement Award and stated that it is the most prestigious award given within the association. She gave a brief background of Mr. Peterson's education and accomplishments over 44 years of professional experience.

- 2.2.4 Current Past President, Patti Hansen, presented Andrew Davis, Park Supervisor for Cottonwood Heights Park and Recreation Service Area, with the UPRA's Great Western Scholarship Award of \$500.

3.0 **CITIZEN COMMENTS**

- 3.1 Nancy Hardy asked what progress the City has made regarding her recommendation that a city wide survey be conducted asking for input from citizens as to what future development they want to see happen in the City
- 3.1.2 Mayor Cullimore reported that little progress has been made and explained that because it is quite costly to conducting a survey throughout the City it would first need to be incorporated into the budget. It will likely need to be an item to be done after July 1st.

4.0 **PUBLIC HEARINGS**

4.1 **Public Hearing to Receive Input on the Proposed Amended Budget for Cottonwood Heights for the Period of 1 July 2014 through 30 June 2015**

- 4.1.1 Mayor Cullimore stated that occasionally it is necessary to amend the City's budget due to changes that occur from the time of original adoption. Tonight's hearing is to give the public an opportunity to comment on proposed budget adjustments. The proposed amendment has four components and involves the receipt of grant money, adjusting monies from account to account, providing reimbursement for a police vehicle that was totaled in an accident, and additional funds to complete needed street light and traffic signal installations.
- 4.1.2 Mayor Cullimore opened the public hearing. There was no public comment. The public hearing was closed.

5.0 **REPORTS**

Standing Monthly/Quarterly Reports

5.1 **Monthly Financial Report**

Finance Director, Steve Fawcett, presented the Financial Report for the month of February. He stated that Salt Lake City sales tax collections were reported at 104.1% and Cottonwood Heights' sales tax collections are currently at 102.3%. He helped explain why there is a differential between the two pointing out that most of it is a reporting difference. Most city revenue sources are doing well. The biggest adjustment will come late March with property tax settlements. There will be another adjustment to sales tax prior to the fiscal year end. Expenditures are within budget and there are no red flags on expenditures at this time.

5.2 **Unified Fire Report**

Assistant Fire Chief, Mike Watson, presented the Unified Fire Report for the month of February. He stated that in terms of call volume among all UFA stations Station 110 came in 2nd with a total of 164 calls and station 116 came in 17th with a total of 63 calls. Station 110 had 130 total medical calls with 63 Advanced Life Support (ALS) calls resulting in 25 transports; and 67 Basic Life Support (BLS) calls resulting in 9 transports. Station 116 had 49 total medical calls with 22 Advanced Life Support (ALS) calls resulting in 10 transports; and 27 Basic Life Support (BLS)

calls with 0 transports.

The customer service message included two station tours, EMT, paramedic, and high school intern ride-a-longs, USAR training, confined space training, RIT training, heavy rescue training, and peer fitness evaluations, CPR training for 700 students, high-rise and LMS training, peer fitness evaluations, ACLS prep, and filming with KUTV. The safety message included steps to help remember and take care of smoke detectors.

6.0 ACTION ITEMS

6.1 Consideration of Ordinance Number 238 Adopting Two Project Area Plans, as Approved by the Board of Directors of the Cottonwood Heights Community Development and Renewal Agency

6.1.1 Mayor Cullimore explained that the proposed ordinance is for the adoption of two project area plans approved by the Board of Directors of the Cottonwood Heights Community Development and Renewal Agency. They will be included in the Official Community Development Project Area Plans for the Fort Union Neighborhood Community Development Project Area and the Cottonwood Corporate Center Community Development Project Area.

6.1.2 City Manager, John Park, stated that adopting these project areas allows Cottonwood Heights to utilize approximately \$1,900,000 in funds transferred from Salt Lake County. The funds were discovered by the County who realized they were required to transfer the assets to the appropriate entity which in this case is Cottonwood Heights.

6.1.3 **MOTION:** Councilman Peterson moved to approve Ordinance Number 238. The motion was seconded by Councilman Shelton. Vote on motion: Councilman Shelton-Aye, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed unanimously.

6.2 Consideration of Ordinance Number 239 Adopting an Amended Budget for the Period of 1 July 2014 through 30 June 2015

6.2.1 Mayor Cullimore explained that the proposed ordinance approves amendments to the city budget for fiscal year 2015, as advised.

6.2.3 **MOTION:** Councilman Shelton moved to approve Ordinance Number 239. The motion was seconded by Councilman Bracken. Vote on motion: Councilman Shelton-Aye, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed unanimously.

6.3 Consideration of Resolution Number 2015-14 Approving an Agreement with Lyndon Jones Construction for ADA Access Ramps

6.3.1 Mayor Cullimore explained that the proposed resolution will approve a contract in the amount of \$105,00 with Lyndon Jones Construction for construction of ADA access ramps along Bengal Boulevard from Highland Drive to Wasatch Boulevard.

6.3.2 **MOTION:** Councilman Bracken moved to approve Resolution Number 2015-14. The motion was seconded by Councilman Tyler. Vote on motion: Councilman Shelton-Aye, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed unanimously.

6.4 **Consideration of Resolution Number 2015-15 Approving an Interlocal Agreement Concerning Phase II of the “Mountain Accord” Regional Planning Process**

6.4.1 Mayor Cullimore stated the proposed resolution will approve an agreement to provide for a transition from Phase I to Phase II of the Mountain Accord regarding planning and visioning for the Central Wasatch Mountains. It involves a three-year, \$50,000 per year commitment.

6.4.2 Councilman Tyler asked if the ski resorts are participating financially.

6.4.3 Mayor Cullimore confirmed that they are represented on the Executive Board and he believes all Executive Board members are supposed to be contributors one way or another.

6.4.4 **MOTION:** Councilman Bracken moved to approve Resolution Number 2015-15. The motion was seconded by Councilman Peterson. Vote on motion: Councilman Shelton-Aye, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed unanimously.

6.5 **Consideration of Resolution Number 2015-16 Consenting to the Appointment of Vice Chairman of the Cottonwood Heights Historic Committee**

6.5.1 Mayor Cullimore stated that the proposed resolution consents to the appointment of Gayle Conger to serve as Vice Chairman of the Cottonwood Heights Historic Committee.

6.5.2 **MOTION:** Councilman Peterson moved to approve Resolution Number 2015-16. The motion was seconded by Councilman Tyler. Vote on motion: Councilman Shelton-Aye, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed unanimously.

6.6 **Consideration of City Hall Building Design and Budget**

6.6.1 Mayor Cullimore stated that after much deliberation of the New City Hall building design the Council will vote on the final design and cost estimates as they currently stand.

6.6.2 City Manager, John Park, stated that the current building design and cost estimate will be presented and that the Council will vote to approve the building square footage and the financing plan as outlined.

6.6.3 Valerie Nagasawa, from GSBS Architecture, stated that the confirmed square footage total for the Main Building is 34,571 square feet. The Lobby is 6,436 square feet in size, City Hall is 12,255 square feet, the Police Building is 15,880 square feet, and the detached Ancillary Building is 2,306 square feet. Representatives from GSBS met with city staff to review the rooms in greater detail and are developing fixed elements. Engineers are developing structural framing and mechanical systems. Civil Engineers are working on site grading and drainage. The geometry of the rooms is being developed.

6.6.4 Councilman Bracken asked where they are with respect to the budget.

6.6.5 Ms. Nagasawa stated that they are still within the budget. They will continue to develop and design, but have no reason to believe they are out of line at this point.

- 6.6.6 Mr. Park identified costs that will be incurred but are not included in the current budget for the building. The costs include the widening of Bengal Boulevard and 2300 East, burying power lines, and fill. He explained the decision making process and reviewed bonding, elevations, and costs. Mr. Park thanked the Council for their input and cooperation with this difficult task.
- 6.6.7 Finance Director, Steve Fawcett, presented financial considerations regarding impacts of the building on the budget for fiscal year 2016 and 2017. He stated that an additional \$1.5 million of revenue is needed in fiscal year 2016. Moving into fiscal 2017 would require supplemental revenue or borrowings of \$2 million to enable the City to meet budget and still have targeted funding for capital improvement budget. He reviewed the five-year payback scenario should the city borrow \$2,000,000 more for city hall. A 10-year payback would include all of the assumptions with the exception that the debt service on the supplemental bond is slightly higher the first year. From a cash flow perspective, he believes the 10-year plan is the better option. In other words, the amount required to fund the full city hall plans as they now stand will require additional borrowings beyond the initial bonding and the borrowing can be done for between 1.5% and 3% depending on length of term. In addition, it is Mr. Fawcett's belief that additional revenue sources will be required not just because of the new building, but because of future operating demands.
- 6.6.9 Mayor Cullimore clarified that what the Council is being asking to formally approve the square footage as outlined, the basic design totaling roughly 37,000 square feet, the financing plan, which includes a \$14.5 million bond along with up to a \$2 million interim bond that would be paid off on either a five or 10-year basis, for a total budget of \$16.5 million. While approving that amount, it is possible that full amount may not be needed.
- 6.6.10 Councilman Bracken stated that his concern is to make sure that what is proposed works for the City operations and the citizens. He supports the plans as outlined. Councilman Bracken stated that he appreciates the work Mr. Park and Mr. Fawcett have done to put forth this proposal.
- 6.6.11 Councilman Shelton thanked the Council for having the discussion. He has voted in the minority two times before and suspects he will again on this issue. All of the information was evaluated and the Council collectively studied the ideas closely and came to a decision based on the facts. Originally the Council was considering three options that were expected to total approximately \$11.5 million each, or thereabouts. The projection increased to 34,000 square feet at a cost of \$14 million and we bonded based on that estimate. The projection now ranges from \$16 million to \$16.75 million, depending on various contingencies. Councilman Shelton stated that he has always been in favor of a new building, but asks how much is too much. The total leased space that will be replaced is 21,200 square feet. He is of the opinion that an increase of over 65% is too much. Councilman Shelton believes that a building that costs \$15 to \$16 million would no longer project a return on investment. He estimated that the cost of acquiring the building we are now in, excluding land, would cost \$210 per square foot of building that would have been acquired. He reported that Midvale built a 35,000 square-foot building at a cost of approximately \$7.84 million including associated costs and excluding land. Comparable construction of large buildings was discussed. If the City were to build a facility similar to Midvale's on the ground that has been purchased, the total cost would be approximately \$11.85 million. He stated that the Council has carefully evaluated all ideas and looked at less expensive alternatives. Councilman Shelton stated that he did his best to drive a decision that was more conservative and less cost. While he disagrees with the decision, he respects the fact that the other councilmembers preferred the current design with its estimated costs. He believes all perspectives are informed, but hope the council will work to drive down costs of the new building as much as possible.

- 6.6.12 Councilman Tyler stated that the proposed building end up with more square footage than originally discussed, but he believes it will accommodate the City well into the future. He shares concerns about the overall costs and hopes to drive down costs, but not at the expense of less space or inadequate planning for the future. After showing the plans to as many citizen's as he was able, many liked the elevation and believe the square footage will be needed. Councilman Tyler stated that although he personally did not favor Exterior A, that by a small majority, those citizens in his district did favor it and do favor the size of building proposed and corresponding expenditure. He expressed concern with the issue of paying both rent and a bond payment. He believes building through the winter tends to incur additional cost and recommends construction be accelerated. He supports the current design and cost modeling.
- 6.5.13 Councilman Peterson stated that he appreciates Councilman Shelton's view. He believes a couple of critical points that brought costs up are the lack of open space in the city leaving us to purchase more expensive developed land. The fact we acquired as much land as we did also drove up costs. And while he agrees we are increasing the square footage from our current leased pace, he does not feel it is comparing apples to apples and that the new space is efficiently designed with the future in mind. He assured that the Council will continue to diligently look for ways to save on costs throughout the process. He believes this project is being built out of need and not want. He expressed his support for the proposed design and budget.
- 6.6.14 Councilman Bracken stated that as the project moves forward a detailed explanation of cost comparisons and savings should be provided.
- 6.6.14 Mayor Cullimore stated that the City has always prided itself on being frugal. For the past four years, numerous options have been indeed been explored in hopes of taking advantage of lower construction costs, lower land costs and lower bond rates. Cottonwood Heights is one of few cities in the state that does not have a City Hall. Should we purchase our existing building as some have suggested, it would take almost \$100,000 in property tax off the rolls annually in perpetuity whereas the homes purchased amounted to only about \$20,000 of annual property tax. The age of the current building was also a consideration. The design of a city hall needs to serve as not only office space, but an expression of the community and operate as a gathering place. Costs could be cut by eliminating the public space, however, that would defeat a main purpose of having a City Hall. He maintains his position that in the long run, it is a financially wise decision and owning the property is better than renting and being subject to a landlord. He believes the anxiousness to bond prior to rates going up required that we estimate costs which ended up being an inaccurate estimate. That left us with a bond that became a de facto budget when in reality it was a false budget. Part of the challenge was being constrained by that budget and trying to accomplish all we intended with City Hall. If they were to compare the cost per square foot with Midvale, Cottonwood Heights would be higher due to additional amenities Midvale does not have. Elements included in the building were well thought out, have a purpose, and were done definitively. The financing Mr. Fawcett proposed shows confidence that it can be accomplished without being unaffordable even in the early years. When we are paying rent and bond payments simultaneously. Mayor Cullimore acknowledged Councilman Shelton's concerns and indicated we need to work to reconcile some of the costing differentials being quoted. If Midvale is really \$4MM less in their cost for a similar sized city hall that should be carefully studied and appropriate adjustments made.
- 6.6.15 **MOTION:** Councilman Tyler moved to approve the current design and budget and approve a 10-year financing plan.
- 6.6.16 Mr. Park suggested that until costs and details are worked through, a 10-year plan may not be the correct plan.

- 6.6.17 Councilman Tyler amended the motion to approve the current design and budget and approve up to a 10-year financing plan for any shortfall not covered by bond proceeds. The motion was seconded by Councilman Peterson. Vote on motion: Councilman Shelton-Nay, Councilman Bracken-Aye, Councilman Peterson-Aye, Councilman Tyler-Aye, Mayor Cullimore-Aye. The motion passed 4-to-1.
- 6.6.18 Mayor Cullimore emphasized that every expenditure and opportunity to save money will be explored.
- 7.0 **CONSENT CALENDAR**
- 7.1 **Approval of Minutes for March 10, 2015**
- 7.2 The minutes stood approved.
- 8.0 **ADJOURN BUSINESS MEETING AND RECONVENE WORK SESSION IN ROOM 250**
- 8.1 **MOTION:** Councilman Bracken moved to adjourn the Business Meeting and reconvene the Work Meeting. The motion was seconded by Councilman Tyler and passed unanimously on a voice vote. The business meeting adjourned at 9:16 p.m.

Minutes approved: 04/14/2015