

COUNCIL WORK MINUTES
MARCH 18, 2020

The City Council held a meeting on Wednesday, March 18, 2020, at 5:30 p.m. in the City Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson-Edwards; Councilmembers: Ron Adams; Terri Hartley; Craig Isom; W. Tyler Melling; Scott Phillips.

STAFF PRESENT: City Manager Paul Bittmenn; City Engineer Kit Wareham; City Attorney Tyler Romeril; City Recorder Renon Savage; Finance Director Jason Norris; Wastewater Superintendent Eric Bonzo; Wastewater Collections Randy Clove.

OTHERS PRESENT: Pastor Bob Sharp, Tom Jett.

CALL TO ORDER: Pastor Bob Sharp of Trinity Lutheran Church gave the invocation; the pledge was led by Councilmember Phillips.

AGENDA ORDER APPROVAL: Mayor indicated that there is a comment section for the online participants.

Councilmember Hartley moved to approve the agenda order; second by Councilmember Melling; vote unanimous.

ADMINISTRATION AGENDA – MAYOR AND COUNCIL BUSINESS; STAFF

COMMENTS: ■Melling – in light of some of the restrictions and likely increasing restrictions on activity and commerce which I understand the need to protect the vulnerable. Also, some of these are putting working families at greater risk of employment and economic hardship, such as domestic violence, drug addiction and violence. I appreciate the Chamber has launched a Facebook page, Cedar City Work Mo an online support group for those affected by the social distancing and shutdowns the Governor has put in place. Those that have had their business/livelihood to reach out and find ways to lift others up or to participate and receive help through that. It is a Facebook Group, Cedar City Work MO. ■Phillips – I want to thank Chief Adams and his staff and Fire Chief to responding to the discussion on the Value Inn, they have boarded up and have worked with the property owners about cleaning it up. Also, I want to extend our heartfelt concern to the neighbors to the north with the Earthquake, they are facing additional challenges. This is different for us to be in the social distance arena. I want to thank the Mayor and Staff for keeping the citizens up to date. We want to be calm, cautious and fair, but it will have an enormous effect on the rural area. ■Mayor – it is changing second by second. We were in a lunch taskforce meeting with budget meetings before and after. A few updates, there have been questions about if there are tests available in the area, there are tests but there is a procedure, call a healthcare provider, ConnectCare tele help or Health Department for an initial discussion and they will provide the next steps. There is a new testing facility next to Instacare but call the health

care provider first. The Southwest Health Department is the agency over this area, they have the most up to date information, SWUhealth.org or their Facebook page to find information. There are no cases in Iron County, there is one in the five-county region, the gentleman that was on the cruise ship. The hospital is still seeing a lot of cases of the flu, please keep all normal health precautions for this time of year. The hospital has instituted a new rule, no one under 18 in the facility unless they are seeking treatment. On parent showed up with their kids to get lab work done and they were turned away. The more accurate information we can get out the better. They have also limited visitors. I have had people angry over the Governor's declaration in regard to restaurant establishments and who is administering it. We are under a state of emergency. The Health Department will do the enforcement, they are hoping they don't have to involve law enforcement and are hoping the community will abide by the restrictions. If you can still support the local restaurants, they will greatly appreciate the takeout business. Phillips – the Health Department will monitor but law enforcement may have to help? Mayor – the Health Department and the County Attorney may have to also be involved. The 10-person rule, they are recommending social distancing, good hygiene, as things advance. The Aquatic Center, City Library, and Festival Hall/Theatre are closed, but we will keep our employees working, it was quite rewarding, our staff came and asked if they could do maintenance and fix up the facility, clean, etc., it wasn't we want to set around, it is we want to make our facilities better for the community. The Aquatic Center will bring back some employees to do maintenance also. I will continue to keep you posted.

PUBLIC COMMENTS: ■ Tom Jett – I have a lot of low-income tenants, do you know if you have to see a doctor to get the free testing? Mayor – call the provider, tele health or SW Public Health for that information. Melling – that contact information is also on the Mayor's updates. Mayor – it is on the City Website links to the most up to date information, Southwest Public Health also has it on their website.

CONSIDER APPROVING THE FINAL PLAT FOR SAGE SPRINGS PHASE 3. ROSENBERG & ASSOCIATES / TYLER ROMERIL: Tyler – this is located at 2150 Northfield Road. They have come through with vicinity plan and all requirements for final plat approval. Fees have been paid, bond agreements signed, we are waiting for the actual letter of credit, I do have a letter from the bank indicating that they will have it to us by Friday. You can put in on Action since it is not in hand. Hartley – how large is the phase, can you send that to us? Tyler – yes. Phillips – any changes from phases 1 and 2 in the design or number of units. Tyler – the design is similar. I will get you a copy of the plat. Action.

CONSIDERATION FOR AND ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,600,000 IN FEDERALLY TAXABLE/CONVERTIBLE TO TAX-EXEMPT GENERAL OBLIGATION AQUATIC CENTER REFUNDING BONDS, SERIES 2020. ZIONS BANK PUBLIC FINANCE: Paul Bittmenn – this bond refunding does two things; it is the GO Bond on the Aquatic Center. When we first did the bond, it was a Build America Bond through the Obama Administration and they would reduce the bond amount. Every year they would say this is the subsidy and it was never what they said it would be, the

subsidy has always been at a reduced rate. We have an opportunity to refinance the bond, all the savings would be passed on to the taxpayers. Phillips – does it change the time frame? Paul – no. Hartley – was it a revenue bond? Paul – always a general obligation bond, Build America was an add on to help lower the payment. It saves the taxpayers to get rid of that. Melling – what roughly is the rate change? We don't know. Paul – I will provide you the rate on this bond and the subsequent bonds. Hartley - what is the sewer bond? Paul – it is the Aquatic Center only. Phillips – is refunding a fancy name for refinancing. Paul – yes, I equate the two. Jason Norris – these are strange on the timing. Months ago, Zions reached out to us and asked if we wanted to issue or refinance any debt, that was about August. In December they reached out and said the rates came down, so we looked at these bonds, particularly the Build America bond. The water bond is totally separate and will be a lower rate, they have evaluated all our debt structure. Phillips – how much fluidity is there in this, the Federal Reserved lowered those rates. Paul – that is better question for Jonathan Ward. Jason – we don't know what all is happening with federal rates. Paul – we had this public hearing published two weeks ago to hold this public hearing. If we need to make contact with Zion Public Finance and bring them down when there is not an earthquake, we can do that. We can have them next week or at a subsequent meeting. Phillips – if we can save dollars we want to, we just wonder if there is additional savings. Melling – in the mortgage industry there are closing costs and different fees, what are those incentives in play with Zions, any fee that is going to be assessed, and if so, how much. Paul – yes there are bonding fees for Zions Public Finance and Bond Counsel. It is usually \$25,000 to \$35,000 and are into the refinancing and calculated into the payments.

Mayor Wilson Edwards opened the public hearing. There were not comments. The hearing closed.

CONSIDERATION FOR AND ADOPTION OF A PARAMETERS RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A STORM WATER REVENUE REFUNDING BONDS, SERIES 2020. ZIONS BANK PUBLIC FINANCE:

Paul – this is a different bond. We pay out of our user rates, everyone gets a bill for water, storm drain garbage and sewer. Part of that calculation is funding to do storm drain improvements. These were taken out during the last recession under Mayor Burgess. There is an opportunity to lower the rate, we are not extending the time, just saving some money. Phillips – do we have additional projects or not? Paul – this bond is closed, it was for storm drain improvements down Cross Hollow Road. In the enterprise funds there are projects funded every year. I will get you the same information on the bonding costs, saving amounts and rates.

Mayor Wilson Edwards opened the public hearing. There were not comments. The hearing closed.

CONSIDERATION FOR AND ADOPTION OF A PARAMETERS RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A WATER REVENUE REFUNDING BONDS, SERIES 2020. ZIONS BANK PUBLIC FINANCE:

Paul –

same story on the water revenue bonds, we replaced older infrastructure and undersized pipes. We will be lowering rates and not extending the time.

Mayor Wilson Edwards opened the public hearing. There were not comments. The hearing closed.

Paul – if I call Zions Public Finance, do you want to hear from them? Yes.

CONSIDER AN ORDINANCE AMENDING THE AVAILABLE USE OF WATER OUTSIDE THE CITY'S BOUNDARIES. TYLER ROMERIL:

Tyler – a few weeks ago we had a citizen come to council asking permission to provide a connection to water livestock, the Council did not allow that. I was given the direction to look at the ordinance. The purpose of the ordinance was to promote people to move their livestock from the City and it is not a problem now in our boundaries. I struck out language. First section is watering outside the city limits, we will continue to allow those that have that. I changed the use restrictions for existing connections. Paul – we talked with Robbie about that, he generated a list of outside city limit connection, everything we have, and he sent me a draft, I chatted with him and he was going to update it. I will forward that to you. It is not a long list. Tyler – we will continue to honor those. It will spell out the user responsibilities, if they change the line, they go through the water superintendent, follow Utah State Board of Health rules.

Melling – I think most of the council was in agreement on the continued use of that.

Kelly Hofeling (online participant) - who oversees the bonds? Paul – they are held by private entities or banks; we work through Zions Public Finance as bond counsel advisors. The City Council has the vote on whether to bond or not and refund or not. For us it is the City Council. Adams – are they looking for the management of them? Paul – it is Zions Public Finance, Jason budgets so when they are issued, we know from year to year on that. Melling – on the consumer end it would be the individual brokering that, we would not have anything to do with that.

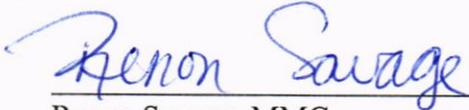
Kelly Hofeling – is there a bond committee to make sure the projects are on budget? Jason – these bonds date back to 2011 when water and sewer projects were done and completed in 2013 the Aquatic Center was issued in 2008 and completed in 2010. We are not issuing any new debt or projects; they were completed over 5 years ago. These bonds are owned by different financial institutions, State Bank own some, CIB owns some, they are in the budget and we are sent invoices and we pay the debt service payment. They are not new money.

CONSIDER A RESOLUTION AMENDING THE CITY ENGINEERING

STANDARDS. KIT WAREHAM: Randy Clove, Wastewater Collections – we want to change our submergible lift stations. We have learned that going out at 2 a.m. in a snowstorm and open a panel it ruins electronics. We want to add a building to protect our panels so they will last longer. We are finding out they last a lot longer if they are enclosed. It will also protect our employees. Hartley – what kind of cost does it add to

the developer? Randy – they are prefab buildings, they are \$30,000 to \$50,000, you put in a gravity line or a lift station, it is worth it in the long run because the taxpayers will pay for it otherwise. Phillips – is this just for the lift station? Yes. Melling - how many lift stations do we have? Randy – 5. Melling – if the lift station helps other developments is there help? Paul – we have done pioneering agreements, we limit them. Developer puts in the station and put up the costs, we give them 10 years if others hook on, they pay a portion back. It is not helpful because they wait 10.75 years to develop. Randy – if there is additional development they must be upsized. Phillips – how large are the buildings? Randy - 10x15 with 8-foot ceiling. We have a Dorset panel, control panel and the lift station and pump. Phillips – does the city maintain when it is installed? Randy – yes, we do. I looked at the well houses, they have the precast buildings, they can do precast concrete or metal, we want them to match the surroundings, Cedar Meadows did stucco to match the houses. Phillips – safety is paramount. Melling – is there flexibility on how it is paid for in the future or on a case by case basis. I am sensitive to increased costs of housing, even if it is \$2,000 or \$3,000 per house. Is there a way with funding using impact fees instead of the 10-year thing, look at impact fees covering costs, is that a possibility? Paul – impact fees go to upsize sewer infrastructure, we don't require them to be upsized, specs are for a volume capacity, they would not be able to use impact fees. Melling – have we taken it to Home Builders? Randy – it went to Project Review with no comments. They will pay for themselves. Lift stations are very expensive. Melling – for the taxpayer it is a good policy but is it for a homeowner. I would be curious what the Home Builders think. Phillips – will we do the existing lift stations, if we do, do we pay the bill? Paul – it would be for new lift stations, the lift stations that are existing is on us to all taxpayers. Randy could propose that it the budget. Randy – we have looked at it with the existing stations they are too congested. We changed the design layout so when they are put in the truck can be pulled in without reaching around buildings. We want to have the wet well in the front, we put cinders in the road that can be flushed. We go in quarterly and suck out all the debris and grease and we don't want to damage our trucks or hurt our employees. Hartley – other communities our size is this how they handle it, or how do we compare? Randy – almost all I researched have enclosures, some have fiberglass, but we have had problems with the fiberglass. Our above ground pumps have precast buildings and the have held up well. The pumps are underground in a wet well and the panels are exposed outside. The above surface it is all in one building.

ADJOURN: Councilmember Isom moved to adjourn at 6:25 p.m.; second by Councilmember Adams; vote unanimous.



Renon Savage, MMC
City Recorder

