

**Sunset City Corporation
City Council Minutes
January 18, 2011
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Minutes of a regular meeting held January 18, 2010 at Sunset City Hall, 200 West 1300 North, Sunset, Utah; Mayor Bangerter presiding.

Mayor and Council Present:

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|----------------|----------------|
| Chad Bangerter | Mayor |
| Brent Andrews | Council Member |
| Cheyrl Budge | Council Member |
| Ricky Carlson | Council Member |
| Ray Chapman | Council Member |
| Ryan Furniss | Council Member |

City Employees Present:

| | |
|--------------------|--------------------------|
| Susan R. Hale | Recorder |
| Linda J. Youngdell | Treasurer/Office Manager |
| Ken Eborn | Police Chief |
| Neil Coker | Fire Chief |
| Mickey Hennessee | Public Works Director |
| Brett Jamison | Police Corporal |
| Doug Garcia | Police Corporal |
| James Weston | Asst. Fire Chief |

Fire Fighters:

Amy Kippen, Alan Campbell, Matt Gardner, Dan Nelson, Alex Fenner, Travis Carter

Others Present:

| | |
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| Johnathan Ward | Vice President, Zions Bank Public Finance |
| Terry Avondet | Citizen Corps |
| Kaleb M. Boyd | |

The meeting was called to order at 6:30 p.m. by Mayor Bangerter.

Council Member Chapman led the Pledge of Allegiance and gave the invocation.

Approval of Minutes: Council Member Budge made a motion to approve the minutes of January 4, 2011 as written. Council Member Chapman seconded the motion. The motion passed unanimously.

Approval of Vouchers: Council Member Furniss made a motion to approve the voucher for Utah Local Governments Trust in the amount of \$53,032.00. Council Member Budge seconded the motion. The motion passed unanimously.

Citizen Comments: There were none.

REGULAR SESSION

1. Presentation on bonds by Zion's Bank: Johnathan Ward is the Vice President of Zions Bank Public Finance. He explained the City does not have a bond rating because the Council has financed items through leasing and has not paid for or acquired a bond rating. On the

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Council's concerns about relocating the fire station and public works buildings when 1800 North is widened, he said some of the funds would come from what the State pays for the properties and the rest from financing options. Governmental agencies normally can borrow money at about 2% less interest. The longer the term of a loan, the higher the interest rate is because the risk is greater on a longer term loan. Methods of financing public projects include saving it, doing small sections at a time while paying for them as they are done, grant financing and debt financing. Improvements benefit citizens now and in the future, so it makes sense to borrow money, get the project done and let the people it benefits pay for it instead of saving the money over a long period of time when those that saved the money may not reap the benefit from it.

There are several types of bonds to finance capital projects. General obligation bonds require an election, are secured by property tax and paid by taxes, user fees or impact fees. Lease revenue bonds do not require an election, are secured by appropriations and improvements and are paid with taxes, user fees or impact fees. Enterprise revenue bonds are secured by the increased system fee revenue and are paid for with those fees. Sales tax bonds are secured by sales taxes and paid for with taxes, user fees or impact fees. Bonds are used for infrastructure projects and structures, where capital leases are used only for structures or vehicles. Bond payments can be set up in several different ways, but traditionally, general obligation bond payments consist of annual principal and semi-annual interest payments. On a revenue bond, such as a water revenue bond, the City may be required to give a third party trustee 1/6 of the next interest payment and 1/12 of the next principal payment every month for when the payments come due. Sales tax bond principal and interest payments are given to a trustee 15 days before they are due.

The process to get bond financing takes about 3 to 4 months. The three major bond rating agencies are Moody's, Standard & Poors and Fitch. Mr. Ward believes Sunset's bond rating would be in the A or A- range. The rating agencies will evaluate a municipality's economy, management, debt and finances. Sunset has relatively low debt and good management.

Mr. Ward explained how some cities are using a Community Development Agency (CDA) to entice businesses to come into their cities by giving a business all or a portion of their city sales tax back to them for a period of years. He cautioned against this type of incentive because it ties up a city's means of revenue for a period of time.

Zion's Bank can act as the City's financial advisor, a purchaser of the bonds to hold in it's portfolio as an investment or it can act as underwriter, which is an intermediary between the city and public capital markets. 90% of the time Zion's bank acts as a financial advisor. The first thing Sunset needs is a financial plan.

Mayor Bangerter said they've already cut 20% of the budget this year, they raised taxes and are still struggling to make the budget while still maintaining the quality of service to the community. There is a major project coming through the City that will cause the possible relocation of the fire station and city shops and updating the storm drain. That is the main reason to have Mr. Ward here; to help them figure out whether to bond or go with capital lease. Mr. Ward said they need to answer questions such as what they need, what it's going

to cost, if they have an architect or engineer to give them some preliminary cost estimates. Zion's Bank likes to be involved with the architect or engineers early on because it helps them gauge what sort of financing package will be the best option for the City.

2. **Recognize "Employee of the Quarter"**: Mayor Bangerter advised public works employee Joe Maylin, police officer Duane Arbogast and Treasurer/Office Manager Youngdell were nominated for employee of the quarter and the Department Heads chose Treasurer/Office Manager Youngdell. He has written a letter to each of the other nominees and the nomination letters were put into each of the nominees' employee files. He read the nomination letter submitted by him. Treasurer/Office Manager Youngdell was given a check and congratulated by the Mayor and Council. Treasurer/Office Manager Youngdell thanked everyone for the award and advised she did not attend the department heads meeting in which the decision was made.

3. **Council Member Reports and General Information**: Council Member Furniss reported he was elected as treasurer to the North Davis Sewer District. He said the City website is 1,000% better than when he was elected to the Council, but he would like to see more improvements made to make the City more transparent. He received a letter from the Sutherland Institute that graded Utah cities for their transparency and Sunset received a C-grade from them. He asked Fire Chief Coker about the gas leak that happened a few days ago. Chief Coker said one CERT member called out to cover the intersection when the officer had to leave. Public Works Director Hennessee said in 2001 a CDBG project was done on 475 West and the contractor nicked the gas pipe with a back hoe. Questar is supposed to be contacted when that happens so the pipe can be rewrapped or it will deteriorate over time. The nick was never reported and the pipe finally ruptured. He was able to produce the paperwork detailing the project and the contractor is out of business. Council Member Furniss said he received an email from Chief Eborn regarding the police foot chase in his neighborhood. They had noticed some unusual activity in the area lately and he is comforted to know Chief Eborn is already on it. He believes it was wise of Mayor Bangerter to have Johnathan Ward do his presentation tonight. The Council has to plan ahead for the 1800 North widening project. He agreed with Mr. Ward when he said the financial burden of long range projects should be shared with future users.

Council Member Budge said she received an email about the government's banquet and there is a section honoring volunteers. She asked if it would be okay to nominate Heidi and John Blaylock. Mayor Bangerter believes that would be great and to also nominate other volunteers. Council Member Budge asked if the house was rented. Mayor Bangerter said it was rented on a six-month lease.

Council Member Andrews said he would like to volunteer his services to help fix any problems with the house. He reminded everyone about the Sunset Sam event in two weeks. This will be the 17th year for it and he thanked the City for taking over the event. He thanked CERT for their Festival of Trees involvement.

Council Member Carlson echoed Council Member Furniss on the issue of planning ahead for the 1800 North project. Zion's Bank was also the financial advisor for North Davis

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Mosquito Abatement's recent project. He also believes construction of the fire and public works buildings would be less costly if done now instead of in a few years from now.

Council Member Chapman also echoed the thoughts on Mr. Ward's message. He advised it looks like they may be losing the Youth City Council Advisor. He has not been attending meetings and Council Member Chapman has not been able to contact him. The youth have stepped up and are talking about plans for the Logan conference, but they haven't done any fundraising for it so it does not look like they'll be able to attend this year. Mayor Bangerter said he does not want to lose the Youth City Council Members so they need to submit suggestions for a new advisor.

Public Works Director Hennessee said Fun Days is being planned and he will email the Mayor and Council Members to explain the details. About 50% of the snow plowing budget has been spent, but they still have 40 to 50 tons of material so they are in good shape.

Fire Chief Coker said the Citizen Corps website has a lot of good information and it is getting a lot of hits. On January 29th, two of Sunset's fire fighters will be participating in the annual guns and hoses hockey game at the Maverick Center. Tickets for the game are also good for the regular Grizzly game after theirs.

Police Chief Eborn said the monthly lunch with the Mayor will be tomorrow and it is the school's turn to provide the pizzas. He received a phone call today from the Utah Peace Officers Association and they are giving awards to the officers involved in the Clinton shooting a couple months ago. They will be presenting the Medal of Valor award to Clinton Officer Hayward and Presence awards to Sunset Officer Arbogast and Clinton Officer Stoker. UPOA will be giving the awards to the officers at their conference in February in St. George. They would like Chief Eborn and Sgt. Arbogast to attend the presentation, but Chief Eborn does not have it in his budget so he may ask if someone from the Association could present it here at a Council meeting. Mayor Bangerter believes they should attend the presentation in St. George because it is such an honor. He asked Chief Eborn to estimate the cost of them attending and he will see what they can do. The Council Members agreed they should go. Chief Eborn reported the Davis County Sheriff's Department thanked Sunset City profusely for allowing them to use the City Building for investigations into the officer involved shooting in an unincorporated section of Davis County.

Mayor Bangerter said he just became familiar with the UDOT Region 1 Director, Jason Davis, and he has received a letter stating he has been replaced by Chris Peterson. Mr. Peterson will be making an appointment to meet with Mayor Bangerter in the near future. When Mayor Bangerter tried to work with the director before Mr. Davis he was blocked all the time, but Mr. Davis was very good to work with on striping the east side of Main Street and getting a street light at 1800 N. 250 W. He hopes things will go as smoothly with Mr. Peterson. He reported there will be many things taking place during the Sunset Sam event on February 2nd at 5:00 pm. The art show will be held that day, there will be a chili cook off with plaques for 1st, 2nd and 3rd place and they'll have the fire pit going for roasting marshmallows and story telling. He said Director Hennessee and Marcus Garcia are doing a great job planning it. He has asked the department heads to give him their employees' job

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descriptions adding additional duties assigned since the employees were hired. There were issues with the community garden last year with the users cleaning up their plot after they were done, so they may do things differently this coming spring. Chief Eborn only received one application for the Assistant Chief position and that was Lt. Shawn Valdez. He meets all the requirements for the position so he asked the Council Members if they were okay with giving Lt. Valdez that position. After some discussion, Council Members Chapman and Furniss believe the issue needed to be on the Council agenda. The other three Council Members were okay with just giving Lt. Valdez the position. Mayor Bangerter said he would review the policies and procedures and make a decision. He thanked everyone for attending tonight.

Council Member Chapman made a motion to adjourn. Council Member Andrews seconded the motion. The motion passed unanimously.

The meeting adjourned at 8:45 p.m.

These minutes have been read and approved at the regular City Council meeting held **February 1, 2011.**

Chad Bangerter, Mayor

Susan R. Hale, Recorder