

River Heights City

COUNCIL MEETING AGENDA

Tuesday, August 27, 2019

Notice is hereby given that the River Heights City Council will hold its regular council meeting beginning at 6:30 p.m. in the River Heights City Office Building at 520 S 500 E.

Opening Remarks (Thatcher) and Pledge of Allegiance (Wright)

Adoption of Previous Minutes and Agenda

Report and Approval of Payments (Mayor, Council, Staff)

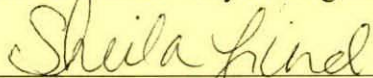
Public Comment

Lions Club Pavilion Proposal

Discuss Old Church Property (443 S 500 E)

Adjourn

Posted this 22nd day of August 2019



Sheila Lind, Recorder

Attachments for this meeting and drafts of previous meeting minutes can be found on the State's Public Notice Website (pnn.utah.gov)

In compliance with the American Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sheila Lind. (435) 770-2061 at least 24 hours before the meeting.

River Heights City

Council Meeting

August 27, 2019

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8 Present: Mayor Todd Rasmussen
9 Council members: Doug Clausen
10 Robert "K" Scott
11 Elaine Thatcher
12 Dixie Wilson
13 Blake Wright
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15 Recorder Sheila Lind
16 Finance Director Cliff Grover
17 Treasurer Wendy Wilker
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19 Excused: Public Works Director Clayton Nelson
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21 Others Present: Jim Brackner, Cindy Schaub, Heather Lehnig
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23 The following motions were made during the meeting:

24 Motion #1

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26 Councilmember Thatcher moved to "adopt the minutes of the council meeting of August 13,
27 2019 and the evening's agenda." Councilmember Scott seconded the motion, which passed with
28 Clausen, Scott, Thatcher, Wilson and Wright in favor. No one opposed.
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31 Motion #2

32 Councilmember Clausen moved to "pay the bills as noted, including add-ons for the Apple
33 Days bills discussed, the Logan City bill, once the container issue is resolved, but to not hold it up to
34 the point we get a late charge. Its agreed to cut the check for Tennis and Track, to be held until the
35 closing documentation is received. Note: Treasurer Wilker has three bills not on the list to be paid,
36 which we are attempting to get W9s for." Councilmember Scott seconded the motion, which carried
37 with Clausen, Thatcher, Scott, Wilson and Wright in favor. No one opposed.
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39 Motion #3

40 Councilmember Clausen moved to "allow the Lions Club to repair the pavilion roof."
41 Councilmember Wilson seconded the motion, which carried with Clausen, Scott, Thatcher, Wilson and
42 Wright in favor. No one opposed.
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47 Motion #4

48 Councilmember Clausen moved to “reiterate their willingness to declare the Old Church
49 property as surplus.” Councilmember Thatcher seconded the motion, which carried with Clausen,
50 Scott, Thatcher and Wright in favor. Wilson opposed.

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53 Proceedings of the Meeting:

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55 The River Heights City Council met at 6:30 p.m. in the Ervin R. Crosbie Council Chambers in
56 the River Heights City Building on Tuesday, August 27, 2019 for their regular council meeting.

57 Opening Remarks and Pledge of Allegiance: Councilmember Thatcher opened the meeting
58 with a thought and Councilmember Wright led the group in the Pledge of Allegiance.

59 Adoption of Previous Minutes and Agenda: Minutes for the August 13, 2019 meeting were
60 reviewed.

61 **Councilmember Thatcher moved to “adopt the minutes of the council meeting of August
62 13, 2019 and the evening’s agenda.” Councilmember Scott seconded the motion, which passed
63 with Clausen, Scott, Thatcher, Wilson and Wright in favor. No one opposed.**

64 Reports and Approval of Payments (Mayor, Council, Staff):

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66 Public Works Director Nelson was absent.

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68 Finance Director Grover

- 69 • He explained the Financial Summary report (in the new format), which reflected accounting
70 through the month of July.

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72 Treasurer Wilker

- 73 • She explained there are a number of bills not listed on the report, which include: Apple Days
74 bills from Jenny Hadfield in the amount of \$97.52, Heather Lehnig for \$273.95, Peggy Smith
75 for \$113.93, Sheila Lind for \$25.53, Sara Nelson for \$56.56, and Ashlee Cordingley for
76 \$111.12. Also added was a bill from Whitaker Construction for \$90.44 and another from
77 Sprinkler Supply for \$800. Councilmember Wilson wanted the Sprinkler Supply bill held until
78 she verified with PWD Nelson that it was all for the tennis courts.
- 79 • She pointed out there were some additional charges from Logan City on the sanitation bill, for
80 roll off container use on July 23. No one was aware of an explanation. She will call Logan
81 City to get more information. The bill totaled \$31,148.81. The roll off container charge was
82 \$1,272.90.
- 83 • She asked if the council remembered a standard that was set by them a few years back due to a
84 vendor for royalty dresses failed to provide a W-9 to the city for two years in a row. It was
85 suggested that in the future any vendor whose services or labor would be over \$600 in a year be
86 required to provide the city with a W-9 prior to their services. She currently has three new
87 vendors, who provided work on the tennis court project, who have submitted billings without
88 the required W-9's on file. FD Grover suggested holding the bills until they turn in the correct
89 forms. The Council agreed. Ms. Wilker suggested, if the city did in fact make this rule,
90 contractors should not be hired until they have filed a W-9. Mayor Rasmussen asked Ms.
91 Wilker for a vendor list which can be referred to before hiring a company.

- Councilmember Wilson asked for the Tennis and Track payment to be held until she gets the closing the documents, which will guarantee the court is all finished. She asked for the check to be printed so she can pay them as soon as she gets the documents. Ms. Wilker explained they billed for the final amount and the retention. Ms. Wilson asked for both to be held.
- Ms. Wilker asked about the royalty scholarship requests for \$100/each. Mayor Rasmussen said he has an anonymous donor that has given \$700 to divide among the seven royalty girls from last year. After discussion, the council agreed to use the donation money to pay the girls. The donation will come through the city and the scholarships will be paid by the city.

Councilmember Clausen moved to “pay the bills as noted, including add-ons for the Apple Days bills discussed, the Logan City bill, once the container issue is resolved, but to not hold it up to the point we get a late charge. Its agreed to cut the check for Tennis and Track, to be held until the closing documentation is received. Note: Treasurer Wilker has three bills not on the list to be paid, which we are attempting to get W9s for.” Councilmember Scott seconded the motion, which carried with Clausen, Thatcher, Scott, Wilson and Wright in favor. No one opposed.

Councilmember Thatcher

- Ms. Thatcher reported that Apple Days went well and thanked Recorder Lind for her efforts in chairing the event.

Councilmember Scott

- He is waiting to hear more on 800 South COG money.
- He and the mayor have talked about a couple alternatives on the 400 South road project, which won't cost as much. Councilmember Clausen asked if they had considered scratching up the road surface and putting a new asphalt coating over it. Mr. Scott said they have just started talking about this. They are concerned about turning it into a speedway and having it cost a lot.
- Mayor Rasmussen asked if the council has received any input from residents concerning roads. Councilmember Wright said he's heard complaints about 400 South. The mayor agreed it needs to be resurfaced in one way or another.
- Mayor Rasmussen said the county wants to give all their roads to the cities where they are located. They believe their responsibility ends at the asphalt and that the sidewalk, curb and gutters belong to the city. They claim they didn't install them, therefore they don't maintain them. Attorney Jenkins has agreed. Mayor Rasmussen pointed out there are a lot of bad sidewalks on 600 East, which the city needs to be aware of.

Councilmember Clausen

- He discussed the upcoming storytime, to be held at the River Heights City Building. Councilmember Thatcher will contact the librarian and ask her to get in touch with Recorder Lind. It will start September 9. Recorder Lind will advertise on Facebook, the website and Instagram.

Councilmember Wilson

- She has looked at Smithfield's gaga pit, which is placed under the trees where the grass doesn't grow anyway. This is where she would like to place the forthcoming pit in the River Heights park. She will look at some options which are in the shade, which she feels is important.

- 138 • She was interested in the proposed changes to the city code, which has been advertised. After
139 the meeting, she will be shown how to look it up on the city's website.

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141 Councilmember Wright didn't have anything.

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143 Recorder Lind didn't have anything.

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- Councilmember Thatcher stated the Apple Days food vendors made good money. Councilmember Clausen asked how the city could get sales tax from their profits. Jim Brackner explained, the city in which the business has their license is the city which receives sales tax revenue. Ms. Thatcher will find out if there is a way River Heights can get in on it. Heather Lehnig informed, when she had been a vendor, she filled out a paper from the tax commission, for this reason. Councilmember Thatcher asked for a list of vendors from Recorder Lind.

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Mayor Rasmussen

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- He reported on the 1000 East fence situation: Attorney Jenkins has recommended that Tyson Glover go to his neighbors to see if they will sign a petition to get the final plat revised (in a way that would allow 6 foot fences). If they sign, the council will consider changing the plat. If they don't sign the petition, the city will go after those property owners who have gone ahead and installed a 6 foot fence. Mayor Rasmussen clarified that his decision to break the council's tie at the last meeting, in regards to the new fence code changes, had nothing to do with the 1000 East situation. However, after measuring, it turns out that the fences currently installed on 1000 East would meet the new code.

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Public Comment: Jim Brackner stated he thought Apple Days was the best attended and best organized the city has ever had.

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Lions Club Pavilion Proposal: Jim Brackner said the Lions Club members have agreed to repair the rotted-out part of the pavilion roof, located on the northwest corner of the overhang. They would like a statement from the city of what they would want. It was brought up that PWD Nelson has suggested a steep roof. Mr. Brackner said the Lions don't plan to peak the roof, but will repair the existing flat one. He guessed their repair job would last about 20 years. Mayor Rasmussen informed that the pavilion firepit is also deteriorating and needs to be fixed. Councilmember Wilson requested it be fixed, rather than torn down.

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Councilmember Clausen moved to "allow the Lions Club to repair the pavilion roof." Councilmember Wilson seconded the motion, which carried with Clausen, Scott, Thatcher, Wilson and Wright in favor. No one opposed.

Mayor Rasmussen asked Mr. Brackner to keep the council informed as to what they are going to do. Mr. Brackner will report once they have a plan.

Councilmember Wilson asked Mr. Brackner to ask the Lions Club members if they would consider fixing the fireplace.

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Discuss Old Church Property (443 S 500 E): Mayor Rasmussen has talked to Attorney Jenkins, who felt the lease option (which the council discussed a month ago) was viable, but wasn't certain it would go through in the manner they think it would. If the council approves to specify that the city keeps ownership, then they become liable partners with the buyer. Attorney Jenkins cautioned they may run into other snags down the road. However, from a legal standpoint, it is allowed.

Tony Johnson said he has a property up the canyon where he owns the buildings but the Forest Service owns the ground.

184 Mayor Rasmussen said Attorney Jenkins wasn't sure the city would need to be a tax credit
185 equity partner. Mr. Johnson assured the city wouldn't need to. Mr. Rasmussen said the city would be
186 a supportive partner and have the first lien.

187 Discussion was had on a lease payment. Mr. Johnson said it is usually paid annually and
188 agreed it is usually minimal since the risk stays with tenant/building owner. Councilmember Clausen
189 asked if the amount of the lease would affect the offer price. Mr. Johnson said it would depend on the
190 extent of the lease, as well as the cost since they would be investing a lot into the building.

191 Councilmember Thatcher asked Mr. Johnson if he would keep ownership of the building and
192 rent it out, or would he sell it as condos. Mr. Johnson stated he would rent, not sell, because of the
193 ground lease.

194 Mayor Rasmussen stated, if Mr. Johnson gets upside-down financially and decides to walk
195 away from the project, in a lease situation, the city would end up with the property and the building. If
196 Mr. Johnson owns the property, the city would no longer have a liability to take it back. Either way
197 (lease or sell), the property would revert back to the city. The benefit to an outright sell, is the cash
198 flow to put into another project.

199 Tony Johnson said he could purchase the structure and have a ground lease. In this case the
200 city would receive compensation at both levels and keep control. They would get cash flow from the
201 building and an ongoing lease amount.

202 Councilmember Clausen asked if the city would need to put the building out for bid, if they
203 decided to go with the land lease option. Councilmember Wright guessed in the affirmative.

204 Mayor Rasmussen recommended the council ratify their decision to declare the property as
205 surplus. Then work out agreements with the attorney to decide what the city wants for the property
206 and what would be in the lease agreement. As they move in that direction, if they decide not to sell the
207 property, they can abandon their surplus decision. If they move forward with selling the building and
208 not the ground, then the declaration for surplus would be in place.

209 **Councilmember Clausen moved to "reiterate their willingness to declare the Old Church**
210 **property as surplus property." Councilmember Thatcher seconded the motion, which carried**
211 **with Clausen, Scott, Thatcher and Wright in favor. Wilson opposed.**

212 Mayor Rasmussen projected they would be holding some workshops with Attorney Jenkins, as
213 they work through the details. It would be allowable to invite Tony Johnson, even though the city
214 would ultimately put the property up for sale after they make their decisions.

215 Councilmember Clausen suggested they need to find out from the attorney what kind of
216 notification they need to give the Opera Company to vacate the building.

217 The meeting adjourned at 7:50 p.m.

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222 Sheila Lind, Recorder

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224 Todd A. Rasmussen, Mayor

River Heights City Bills To Be Paid

8/27/2019

	Payee JUNE \$	Description	Admin.	P&Z	Parks/Rec	Pub. Safety	Com. Aff.	Roads	Water	Sewer	Total
1											
2											
3											
4											
5											
6											
7	JULY \$										
8	Addason Gunnell	Royalty Gift - Scholarship					\$100.00				\$100.00
9	Anna Wakefield	Royalty Gift - Scholarship					\$100.00				\$100.00
10	Cori Tirey	Royalty Gift - Scholarship					\$100.00				\$100.00
11	Diane Weese	Apple Days Bike Rodeo & Parade					\$96.99				\$96.99
12	Dominion Energy	Gas	\$10.00		\$9.85			\$2.76	\$28.95	\$2.76	\$54.32
13	Foresight Land Surveying	800 South TOPO						\$1,110.00			\$1,110.00
14	Gabriel Rasmussen	Apple Days Newsletter Delivery					\$130.00				\$130.00
15	Gabrielle Booth	Royalty Gift - Scholarship					\$100.00				\$100.00
16	Grace Brand	Royalty Gift - Scholarship					\$100.00				\$100.00
17	James Brackner	Apple Days Expenses					\$504.12				\$504.12
18	Kendrick Electric	Pole Repair and Photo Cell			\$1,088.00						\$1,088.00
19	Logan City	Water Consumption							\$1,157.71		\$1,157.71
20	Page Longhurst	Royalty Gift - Scholarship					\$100.00				\$100.00
21	Peggy Smith	Apple Days Band Member Gift Cards					\$105.00				\$105.00
22	Roto Rooter	Soccer Porta Potty			\$100.00						\$100.00
23	Ryan Pierce hold	Tennis Court Curbing			\$1,592.50						\$1,592.50
24	Tennis and Track Co. hold	Final Pay & Retention Release Tennis Ct.			\$25,377.00						\$25,377.00
25	Thomas Petroleum	Fuel for City Vehicles			\$19.80			\$19.79	\$19.79	\$19.79	\$79.17
26	Tylee Gunnell	Royalty Gift - Scholarship					\$100.00				\$100.00
27	Utah Local Government Trust	Monthly Premium Workers Comp	\$20.53		\$31.52			\$96.24	\$121.91	\$128.32	\$398.52
28											
29											
30	Ashlee Cordingley	Apple Days tennis					111.12				
31	Heather Lehning	" " Fun Run					273.05				
32	Jennifer Hadfield	" " Darlings + Dudes					97.52				
33	Peggy Smith	" " Band					113.93				
34	Sara Nelson	" " Tennis					56.54				
35	Sheila Lind	" " Pic Eating					25.53				
36											
37	City of Logan	Sewer Sanitation, 911	15,686.31			2,013.00				13,449.50	
38											
39	Whitaker Const.	Water leak					90.44				
40											
41											
42											
43		Hold until wa is received.									
44		Hold until closing documents are received.									
45											
46											

Page 1 SubTotals

\$30.53

\$28,218.67

\$1,536.11

\$1,228.79

\$1,328.36

\$150.87

\$32,493.33

Page 1 Total Amount to be Paid \$32,493.33

River Heights City
 Financial Summary
 August 27, 2019

		Cash Balance By Fund			
		06/30/19	07/31/19	Net Change	% of Total
General Fund		310,904.46	240,068.82	(70,835.64)	14.60%
Capital Projects Fund		(92,049.68)	(94,695.89)	(2,646.21)	-5.76%
Water Fund		614,782.70	630,553.83	15,771.13	38.34%
Sewer Fund		860,776.13	868,915.61	8,139.48	52.83%
Total Cash Balance		1,694,413.61	1,644,842.37	(49,571.24)	100.00%

		YTD Actual	Annual Budget	Unexpended Budget	% Of Budget Incurred	% Of Time Incurred
General Fund						
Revenue		51,349.82	809,270.00	757,920.18	6.35%	8.49%
Expenditures	Administrative	8,608.33	164,060.00	155,451.67	5.25%	8.49%
	Office	1,225.24	19,570.00	18,344.76	6.26%	8.49%
	Community Affairs	531.17	20,750.00	20,218.83	2.56%	8.49%
	Planning & Zoning	39.87	7,270.00	7,230.13	0.55%	8.49%
	Public Safety	2,119.98	86,400.00	84,280.02	2.45%	8.49%
	Roads	7,708.19	114,200.00	106,491.81	6.75%	8.49%
	Parks & Recreation	5,978.56	90,550.00	84,571.44	6.60%	8.49%
	Sanitation	14,483.55	150,000.00	135,516.45	9.66%	8.49%
	Transfer To CP Fund	-	220,000.00	220,000.00	0.00%	
Total Expenditures		40,694.89	872,800.00	832,105.11	4.66%	8.49%
Net Revenue Over Expenditures		10,654.93	(63,530.00)	(74,184.93)		
Capital Projects Fund						
Revenue		152.07	3,000.00	2,847.93		8.49%
Reimbursement Income			234,000.00	234,000.00		
Transfer From General Fund			240,000.00	240,000.00		
Expenditures	Administrative		-	-		8.49%
	Parks & Recreation	2,674.50	85,400.00	82,725.50		8.49%
	Roads	123.48	570,000.00	569,876.52		8.49%
			-	-		8.49%
Total Expenditures		2,797.98	655,400.00	652,602.02		8.49%
Net Revenue Over Expenditures		(2,645.91)	(178,400.00)	(175,754.09)		
Water Fund						
Revenue		45,937.45	361,350.00	315,412.55	12.71%	8.49%
Expenditures		11,957.79	544,200.00	532,242.21	2.20%	8.49%
Net Revenue Over Expenditures		33,979.66	(182,850.00)	(216,829.66)		
Sewer Fund						
Revenue		28,701.42	312,800.00	284,098.58	9.18%	8.49%
Expenditures		19,547.03	333,500.00	313,952.97	5.86%	8.49%
Net Revenue Over Expenditures		9,154.39	(20,700.00)	(29,854.39)		
Combined - All Funds						
Net Revenue Over Expenditures - Combined		51,143.07	(445,480.00)	(496,623.07)		

Alliance Capital, LLC

255 South Main
Logan, Utah 84321
(435) 764-2200

August 9, 2019

Honorable Todd Rasmussen
Mayor River Heights City
520 South 500 East
River Heights, Utah 84321

RE: Old River Heights Ward Meetinghouse
495 East 500 South, River Heights

Dear Mayor Rasmussen,

As a follow-up to our conversations related to the ownership and/or financing structure related to the historic rehabilitation of the old church, we offer the following considerations:

1. **Historic Credits:** The historic credits are typically made available to the owner/entity that completes the renovation work. There are options whereby a lessee of the property, that completes the improvements, can be allocated the tax credits. That doesn't occur very often because such a structure creates a couple other layers of complexity. The typical historic tax credit financing structure has three (3) parties: a) the building owner (usually an LLC); b) the tax credit equity partner (typically a bank) and c) the lender (typically a bank). Let's assume we have a \$1,000,000 budget (just a number I picked for illustration purposes) to complete the purchase and rehabilitation of the building. A very vanilla financing structure would be that the bank lends \$650,000, b) we fund \$210,000 and the tax credit equity partner funds \$160,000. In order to take assignment of the historic tax credits, the tax credit equity partner is admitted into and becomes a co-member with us in the ownership entity. They remain as a co-member for 15 years.
2. **Construction Loan:** The bank making the construction loan must be receptive to the use of the historic tax credit ownership entity described above (there are several banks that work with us in these projects). In addition, the bank will need to take a 1st priority security interest in the building to secure their loan.
3. **River Heights City:** We understand and are supportive of River Heights City's desire to maintain ownership and/or control the property. As outlined above, I think it would be troublesome for the City to own the building and lease it to the party that

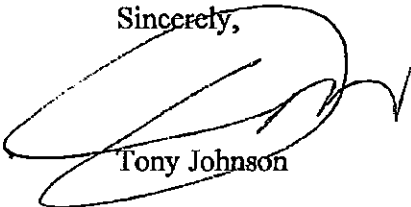
completes the rehabilitation. In so doing, the City would be a party to the construction loan and would have to agree to allow the Bank (lender) to secure the loan. In such a case, the City would likely need to show the loan as a liability on its books. This may impact bonding and/or other financial covenants. Most concerning might be the potential for liability that is attributable to the ownership and management of real estate.

4. Proposal: The City sells the property (for appraised value) and requires that the building be rehabilitated to National Park Service Historic Standards. The potential use of the building is memorialized/controlled in a recorded agreement between the City and the buyer. Perhaps the Historic Overlay Zone can be utilized with this project. The City maintains control of the property through an agreement (Historic Overlay Zone and/or a conditional deed) with the buyer such that if the building is ever not utilized for the intended/approved purpose or if the building is ever torn down or is destroyed for any reason, the property reverts to the City. This requirement can be similar to that existing between the Cache County School District and River Heights City. Effectively the City sells the property only for the purpose of the rehabilitation and the maintaining of the historic structure. If the building ever goes away, for any reason, the property reverts to the City for the appraised value existing at such time.

I hope this information proves helpful ... and was not too confusing. There are several moving parts to the historic tax credit rehabilitation process. I am willing to meet with the council to discuss and our answer questions re the foregoing. We are still committed to working with the City to see that the Old Church building is rehabilitated to its former glory!!!

I can be reached at (435) 764-2200.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Johnson", written over a circular scribble.

Tony Johnson

TRJ/ms