

CITY COUNCIL WORK SESSION
Tuesday, August 31, 2010 6:00 p.m.
Public Safety Building
3925 West Cedar Hills Drive, Cedar Hills, Utah

Present: Mayor Eric Richardson, Presiding (6:15 p.m.)
Council Members: Scott Jackman, Stephanie Martinez, Ken Kirk (Mayor Pro Tem), Marisa Wright (6:20 p.m.)
Konrad Hildebrandt, City Manager
Kim E. Holindrake, City Recorder
Others: Troop 1204, Stephen Lee, Jim Madsen, Cliff Chandler, Glenn Dodge, Jeff Dodge, Brent Schvaneveldt, Diane Kirk, Johnathan Ward, Keith Irwin

This work session of the City Council of the City of Cedar Hills, having been properly noticed, was called to order at 6:12 p.m. by C. Kirk, Mayor Pro Tem.

Presentation by the Blue Ribbon Committee – Recreation Proposal

- Mayor Richardson stated that the Blue Ribbon Committee is an adhoc committee created to provide recommendations on several matters regarding capital facilities. Impact fees have been collected and need to be put to work. Every day the value of those dollars decrease through deflation and decrease in benefiting the residents because they can't be put to use. The membership of the Committee came about by advertising in the city newsletter with over 50 residents expressing interest by submitting resumes, qualifications, etc. This number was narrowed down to 25 members, and he felt these residents would give a representation of the community. There is a variety of ages, skills, and lifestyles disbursed throughout the City, and it is good to hear from those individuals. The Committee has been very thorough in their approach and met over the last 6 months. The Committee created a report that they feel is best for the community and has been distributed to the Council for review.
- Stephen Lee stated that he is the chair of the Committee with Keith Irwin as co-chair, and Daniel Zapalla took minutes. The Committee began its work in April and concluded in July. The Committee was tasked with a number of questions. Ideas were established with ground rules, i.e. decisions were to be made deliberately, thoughtfully, and slowly. The Committee set a road map of every logical question and decision that needed to be tackled, put those in order, and tackled two or three items per meeting. The Committee determined that 10 to 15 questions needed to be addressed with some having multiple answers. The Committee decided to address each point, make a decision, and then move on noting the vote of the majority and minority.
 - It was acknowledged that the City had \$3,000,000 in recreation impact fees that were identified as use it or lose it.
 - A huge decision was whether to build one or two facilities. An overwhelming majority felt it was better to build two facilities when looking at the City's financial interest, long-term interest, and community interest. The Committee addressed parking, upgradability, and the long-term vision of the community.
 - Three properties were discussed for locations of a recreation facility, i.e. St. Andrews Estates, Smart Property, and the City's nine acres. The Smart property would be very good if the City could swap properties. St. Andrews Estates was favorable and would allow the commercial area to remain commercial since the City doesn't have much commercial property.

- The Committee felt the City should not bond for the first phase (event center) and then provide as much recreation as possible with the three million dollars. The most divided discussion was funding for the club house. The Committee agreed in spending the one million dollars allocated for city offices but not on how the City would fund any additional amount. The Committee discussed the City borrowing from itself or borrowing from the three million dollar funds, which the Committee was split 50/50.
- The report includes decisions, relative merits for and against, majority and minority opinions, and all the minutes of the Committee.

Discussion:

- C. Kirk stated that the City Council needs to decide whether golf is considered recreation. He researched information and found that golf and recreation are addressed together a lot. He considers golf recreation. He would like to receive comments from the Committee members on whether golf is recreation or not. He thinks the phasing idea is great.
- C. Jackman stated that the Committee spent hours on the question of whether golf is recreation or not. The question, can the City do it, was yes, but the question, should the City do it, was split 50/50.
- Konrad Hildebrandt stated that the City has received a legal opinion on this question stating that golf is considered recreation. The question now is should the City use recreation funds for a golf purpose. The City is actually looking at an events center with golf located in it.
- C. Martinez stated that she was surprised that the amenities did not include a pool but just a splash pad (page 6). Stephen Lee stated that a pool would be a subsequent phase. This is a priority list for phase 1 for the 3 million, and what the City is lacking in amenities. Pools (indoor or outdoor) operate as an ongoing expense to a city, and the City is not currently in a position to subsidize a pool. The Committee had professionals come and show them types of pools from the littlest splash pads to the full indoor competition pools. The Committee decided to defer a pool to a later day.
- C. Wright stated that a game room is for the teens, ages 12 to 18, to have something to do locally and especially in the winter. She envisions video games, a big screen TV, foosball tables, and a kitchen center where pizza and milk shakes can be served. The City needs to entertain teens within the bounds of the City.
- Noah Yamamoto (scout) asked if a skate park was considered. Many of his friends would enjoy a skate park instead of having to go clear to American Fork to skate. He stated that bullying and tormenting occurs all around not only at skate parks. If it was located in the recreation center, adults can watch; and the City receives money.
- C. Jackman agreed that there is a need for a skate park, and many members felt strongly in favor of a skate park.
- C. Martinez stated that a skate park is in the City's Park Master Plan for when the money is available.
- C. Jackman referred to point #5 in the executive summary. He would like to know the feasibility of borrowing and using other funds of the City. If not possible, then the Council needs to look at prioritizing and adjusting things. He is personally not in favor of borrowing from City funds although the Committee was overwhelmingly in favor of pursuing that opportunity. He doesn't want to go in debt and keep the City from taking care of its needs such as streets. He feels the Council needs to at least explore the options proposed by the Committee even if they may not be possible. The Committee proposed two facilities and left it up to the Council to decide on how to fund them.
- Mayor Richardson stated that currently the City collects roughly \$300,000 in franchise tax fees yearly that in the past were designated to capital facilities. These funds can be used and bonded against to finance a building of various sizes. Again it is "we can" but "should we." The Committee wasn't expected to come up with financing, but gave the Council the pulse of the community regarding the subject. The specifics

need to come from the City Council. There is a huge difference between bonding or using loans to spend money you don't have compared to bonding and using loans against money you do have. He wants to be conservative and help educate the community.

- C. Wright questioned whether the City even wants to bond. Her original thought is that the City should use all the impact fee money and the money for the city hall and build a modest event center that includes the golf, recreation, and reception facilities. She can't imagine trying to bond or borrow from the City. She doesn't want to do anything that would jeopardize the financial security of the City. The proper role of government is to provide services. She wants to see the city offices in the new facility and have this building occupied by fire and EMS.
- C. Kirk agrees 100% with C. Wright. The City can use these impact fees as discussed. These fees have been encumbered but not yet used. The community doesn't want to go in further debt, and he is in favor of moving forward. Currently, technically the City's golf course is profitable not including the bond payment. Tournaments make money for golf courses, and the City's current facility can't accommodate these tournaments. He does not want to borrow from other accounts designated with a specific purpose.
- Konrad Hildebrandt stated that staff will prepare an internal and external analysis of funding abilities for the next meeting. People need to understand that certain funds have to be used for their specific purposes. Public relations is needed. The Committee did have an architect, a pool contractor, and others attend meetings. Members asked them how to make a facility profitable, how to maximize the return on investment (ROI), and what components should be included. There are certain components in a facility because the community wants them and ROI isn't a factor. The architect stated that it is crucial to not skimp on a facility, and built it right from the start. Another point was to create the wow factor, which the golf course location has an incredible view. Next was to create something new each year. It doesn't have to be a major item but sends a message that the City is working for the residents.
- Jim Madsen stated that this is what is needed to be competitive. The course is grossly lacking.

Further Discussion:

- Market research and feasibility studies on a club house and reception center are needed although most of the information would not be public information. Other golf courses need to be contacted to see what they are currently experiencing. This is difficult because they are competitors and may not be motivated to provide accurate information. Companies who would build the facility want to build and will make it sound like a good idea. The City needs to make reasonable assumptions and be conservative. Building two facilities at the same time with the current amount of funds may not be possible without skimping on one of the facilities. Building two facilities at the same time may also be taxing on the staff. Staff will report at the next meeting on internal and external financing. The Council each voiced their appreciation to all the Committee members for their time and hard work on this proposal.

This meeting was adjourned at 7:57 p.m. by Mayor Richardson.

/s/ Kim E. Holindrake
Kim E. Holindrake, City Recorder