

**CITY COUNCIL WORK SESSION**  
Tuesday, September 8, 2015 6:00 p.m.  
Community Recreation Center  
10640 N Clubhouse Drive, Cedar Hills, Utah

Present: Mayor Gary Gygi, Presiding  
Councilmembers: Rob Crawley, Mike Geddes, Daniel Zappala, Trent Augustus  
(6:11 p.m.), C. Rees (6:44 p.m.)  
David Bunker, City Manager  
Chandler Goodwin, Assistant City Manager  
Jeff Maag, Public Works Director  
Charl Louw, Finance Director  
Greg Gordon, Recreation Director  
David Shaw, City Legal Counsel  
Colleen Mulvey, City Recorder  
Others: Lt. Sam Liddiard, Marc Edminster, Johnathan Ward, Brandon Johnson

**WORK SESSION**

This work session of the City Council of the City of Cedar Hills, having been properly noticed, was called to order at 6:02 p.m. by Mayor Gygi.

**Resolution Authorizing the Issuance and Sale of Excise Tax Revenue Refunding Bonds**

Charl Louw explained that over nine years ago the City had an excise tax bond that was issued for the Public Works Building. Johnathan Ward, a Financial Advisor from Zions Bank has approached the City, indicating that they could save the City money by advance refunding the excise tax bond. Therefore, the City invited Mr. Ward, along with Marc Edminster of Lewis Young Robertson & Burningham, to present a proposal.

C. Zappala asked why this particular bond was chosen as an excise tax bond as opposed to a general obligation bond. Charl Louw explained that the excise tax bond was an open option, and was secured with the City's Questar, Rocky Mountain Power, Comcast and Telecom taxes. The City's coverage ratio at the time was sufficient enough for securing a decent rate. It was also noted that the excise tax bond was chosen because it related to the function of the building. Furthermore, general obligation bonds, as were mentioned by C. Zappala, require an election. A general obligation bond was not deemed feasible at the time. Charl Louw explained that the General Fund and Sewer Fund both contribute about \$78,000 per year to this building, because the facility services both the Public Works and Administration Departments.

Mayor Gygi commented that he likes the idea of the City saving money. He asked about the pre-payment amount as well as the timeline for the advance refund. Charl Louw replied that the Zions Bank representatives will present the timeline during their presentation. He continued to explain that current refunding can take place for bonds that are more than ten years old. Cedar Hills is about six months away from a current refunding on the excise tax bond in question. Therefore, for an advance refunding, the City will put money in escrow for the last payment. They will most likely also propose a private placement and to have the transaction take place quickly, due to the volatility of the market.

Mayor Gygi called for a motion to move into a Closed Session.

**MOTION: C. Geddes – To go into Closed Session pursuant to state code 52-4-205(1) to discuss pending or reasonably imminent litigation in the Vista Room of the Cedar Hills Community Recreation Center.** Seconded by C. Zappala. (6:09 p.m.)

Yes - C. Crawley  
C. Geddes  
C. Zappala Motion passes.

\*\*\*CLOSED SESSION\*\*\*

C. Augustus arrived at 6:11 p.m.

C. Rees arrived at 6:44 p.m.

**C. Augustus –To adjourn Closed Session and reconvene work session.** Seconded by C. Geddes. (6:50 p.m.)

Yes - C. Augustus  
C. Crawley  
C. Geddes  
C. Rees  
C. Zappala Motion passes.

This work session was adjourned at 6:50 p.m. by Mayor Gygi.

/s/ Colleen A. Mulvey, MMC  
City Recorder