

City of Green River

460 East Main Street, Green River, Utah

City Council Minutes

Special Meeting

Tuesday, October 16, 2023

6 p.m.

ATTENDING: Bo Harrison, Larry Packer, Kathy Ryan; Employees; Tyler Hunt, Julie Spadafora; Better City; Ryan Englund, Jason Godfrey, and Rachel Boyett.

CONDUCTING: Mayor Pro Tempore Kathy Ryan, the meeting began at 6:09 p.m.

EXCUSED: Mayor Ren Hatt, Kent Nelson, and Ben Lehnhoff.

ORDER OF BUSINESS:

Adjourn as the Green River City Council

Assemble as the Redevelopment Agency

1. Discuss work flow for nuisance buildings and other nuisances

Tyler Hunt presented, the Redevelopment Agency. Tyler Hunt and David Wilson researched the process for handling blighted buildings that are health hazards. They discussed the workflow with the city lawyer before bringing it before the City Council. They will start at the West side of the Green River and move along the redevelopment overlay zone. The first step is to pick buildings and send a letter to the property owners. Owners have 30 days to show progress. Another letter will be sent if no progress and a fine. Tyler was uncertain of the timing of the fines. David Wilson had meant to attend to help explain but didn't make it. There will be at least 90 days before any serious action. After 90 days we will obtain a court order to tear down the building. City tears down building. Prepares statement of cost. Bills land owner. Land owner has 20 days to object. If they object a public hearing is required. City council will then decide if objection is valid, and they then can adjust the bill if desired. Then a lien will be placed on the property for the amount of the bill, or the City can file a lawsuit to get the money. Tyler and David wanted to ensure the Council was behind this before moving forward. Bo requested that the council get to vote on moving forward with any demolition. Will probably need to do the EPA study to ensure asbestos and such isn't released. City plans to get a contractor to perform the demolition. With current Brownfields grant the city has money available to do the EPA required studies. It was requested that the city renotify landowners after we get a demolition quote so that landowners can reconsider. David will have to sign a document stating that he followed all the regulations with the notifications of the landowner. This will be Mainstreet and down Broadway. It looks like the first one the city tackles will be the Book Cliff lodge. Tyler and David have selected 4 commercial buildings. There are some residential properties with excess garbage that this processed will be used on too. The home directly behind the Chow Hound is also a focus of this workflow. Tyler's focus is the commercial buildings. Bo asked David talk to the council before starting the fines in this process that way the Council can't just back out on this process if someone comes and complains.

Adjourn as the Redevelopment Agency

Reconvene as the Green River City Council

1. Discussion on the City's debts, investments, available funds, and potential projects

Tyler Hunt presented on aspects of the City's financial standing and potential projects. The city is almost \$1.8 million in debt. About \$308,000 owed in principal on a bond for a sewer project that was done back in the year 2000. At the current payment rate, it won't be paid off until 2040. There's about \$130,438 in interest to be paid. City still owes \$1.1 million on the Public Safety Building. The city owes about \$290,000 on the first part of the Museum River Trail project. There's a loan for paying equipment lease to own agreements. About \$83,000 is still owed on the equipment lease loan. Luckily the Museum trail project loan has very low interest. Tyler showed different visualizations of the principal and interest amounts left on the loans.

Have about \$3 million invested in the UT Public Treasurers Investment Fund. Tyler showed a graph of the return on investment since 1981. Right now, the city is earning about 5% interest. Interest is high right now, but based on the previous performance of the fund Tyler was unsure how long it'd stay good. Tyler's upcoming numbers are based on a 1.5% return in the investment fund.

If we were to pay off the sewer bond and then put that monthly payment into our investment the city could earn about \$59,000 with the timeframe that is left on the loan. Or, we can lose \$80,000 even with that money sitting in the investment and earning interest. The loan interest robs the city of its compound interest. So, it always works out better to pay off the debt even if your investment interest is quite a bit higher than your loan's interest. If we don't pay off the loans with low interest, we can still profit with that money sitting and earning interest on our investment, but if we do pay the loans off we can earn a whole lot more. Tyler showed that if the investment earns 5% or all the way down to 0.32% it is better to pay off the loans.

About \$104,000 will be freed up in the budget each year if we paid off all the debts. If that's reinvested for the next 10 years at 1.5% that would grow to be around \$1,118,000. It would take over 15 years to rebuild our savings if our investment earned 1.5% that whole time.

If the City paid off just the public safety building that would save the city \$324,440 of interest over the life of the loan, and it would free up \$54,660 in the budget each year.

If the City paid off all debt except the Public Safety Building it would cost \$682,377.10 and would save the city \$161,594.50 in interest and free up about \$49,883.94 in the budget each year.

Tyler's goals for the coming years would be 15% to savings each year, but the city is too tight to do that next year. So, 10% is his current goal. To save 10% of the budgeted revenue in the general fund for this year (excluding grants and EMS stipends) it would take \$122,225.50 and to save 15% would take \$183,338.25. This year the City has about \$54,000 in General fund savings planned for the year and about \$24,000 in Capital Projects fund savings planned for the year.

After sewer and water projects the city will be paying \$50,000 a year from savings towards the loan payments for those projects. The city is planning to pay those debts off in 20 years which is saving a lot of interest compared to the 30-year timeline.

If the City doesn't do something we're looking at minuscule savings each year if we don't cut somewhere.

If we pay all payments to maturity the city will pay \$439,000 from today on a \$438,000 loan from back in 2000. We have already paid a substantial amount of interest on this loan.

Council suggested to Tyler to pay off the Public Safety Building and the Sewer Project bond. Tyler would love to open the budget and get those two loans paid off.

We have \$110,658 in COVID money to spend or we will need to give it back, they can spend it on sewer, water, broadband, or stormwater management. Have until Dec. 2024 to obligate the money and until Sept. 2026 to spend it. Tyler discussed multiple potential projects. The council stated they would like to revisit this agenda item when they had time to discuss it with Bryan.

In the next 4 years there are plans to spend about \$77,000 of the City's money on the airport. The airport is pure deficits. The city doesn't profit off the airport. Tyler plans to get with a company that sets up billing for airplane landings. There is a plan to spend over \$800,000 on snow removal equipment and a building to house that equipment. Bo asked if there's anything blocking the city from using our own equipment to push the snow off. Tyler said he didn't know of anything blocking that. Tyler said there's this idea where if you get a grant, it is good, but it almost always requires a match. Tyler would like to put the brakes on the projects. Kathy mentioned the importance of pavement preservation. The plan was to put a building that cost almost \$550,000 to house snow removal equipment. (The Federal government will be paying most of it.) Tyler wanted to put the brakes on the snow removal equipment/building projects if the council didn't have any resistance tonight. The council didn't have any resistance to that.

2. Report from Better City on their work for the city

Ryan Englund was the representative for Better City.

Better City's guiding principles are don't put the city in debt and don't make the city look like Moab.

They're working to help people at the state and federal levels see that Green River is a unique place and worth investing in.

Trying to promote awareness that Green River would be a great place to put facilities for electric vehicles and hydrogen vehicles.

There are 8 projects they've been focusing on. Inland port, Emery Refining activating part of their property in the west industrial park, Western Uranium and Vanadium uranium mill in the west industrial park, Broadway Project with Noel Vallejo, 6-mile road out through west industrial park, Pacific power's plan for bringing greater power capabilities to Green River, A1 Lithium's Lithium project.

Ryan touched on each of the 8 projects.

Back in June they submitted a grant for money to help establish alternative fuel facilities in Green River. Green River sponsored the grant with help from Enyo. This grant is also combined with projects in Beaver and Brigham City. Total project is \$1 billion and we're asking for about \$100,000 million. If the project has to be cut down due to not enough money from the federal government, then Green River will be the project with highest priority. Looking to have solar panels out West of town if needed.

There's mention of a fertilizer plant going in out West of town that could turn natural gas into fertilizer.

Has a contact that works for a company who's working to put hydrogen hubs across the country.

Blue Castle is wanting to do something.

Grant applications:

Has been raising awareness of the railroad underpass on the West side of town. The state has reached out and gave advice on where to apply for funding to get that underpass fixed.

SS4A, Safe Streets For All. It's more about getting the City together for making safe streets, it's not quite for what was originally hoped for.

Rural Communities, asked for \$600,000, but was denied. Other entities were ready to go and we just weren't far enough along yet.

Showed a map highlighting how Green River sits in a very good place for providing alternative fuels.

Raise grant, for providing infrastructure out to west industrial park. We got high ratings on 6 out of the 8 categories, and low on 2 of the 8. Received recommendations on how to improve the next application.

SITLA and the BLM can land swap. SITLA is willing to lease their land.

SS4A discussion:

Bo asked if it must be used on Broadway, or can it be used elsewhere? Ryan answered that it doesn't have to be used on Broadway. But the question is if now is the time to do it.

Tyler asked if it didn't have to be used for a city-wide plan. Ryan answered that we should look at the contract in more detail.

Bo said he'd hate to have to redo the planning if a big project came. Ryan basically said that if we used this smaller amount of money the plan would probably be less than what we'd actually want out of a plan.

Tyler said this money cannot be used for construction, only for planning.

Ryan said to do Broadway would be \$250,000 to design and construction would cost in the \$3-4 million range.

Ryan mentioned that if you don't have a national park, you need a local base business that stays open.

3. Discussion on the SS4A grant

Skipped because it was covered in item 2.

4. Discuss/approve/deny SS4A grant agreement

MOTION: Bo Harrison made a motion to table the SS4A grant agreement. Kathy Ryan seconded the motion. **VOTE:** Bo Harrison, Kathy Ryan, and Larry Packer voted aye.

5. Discussion on developing a landfill

Ryan Englund explained that Jason Godfrey with Better City ran the numbers comparing setting up a landfill in Green River V.S., a large transfer station. Up on the T.V screen showed the cost comparisons.

Jason Godfrey attended virtually and explained his analysis. He has a background in running landfills. Jason said that Johansen and Tuttle's assumption that the city would need to compact so much for such a small landfill didn't make sense, so there would be a cheaper route. He would suggest setting up a self-serve system with cameras so that the city wouldn't need to hire someone to run the landfill. The only job would be pushing the waste and compacting it.

The transfer station is estimated to have a fixed costs total of \$150,000, the landfill would be \$1,152,406.

Bo said if we're going to start making our people clean up, then we need to get an easier way to do so.

Julie said at our current transfer station it costs \$450 per container to dump.

Jason's numbers showed that over the long term a landfill is cheaper than a transfer station, but it takes a lot more capital at the beginning.

Bo suggested that after 10 years the blighted buildings could be gone and then what would be our volume at the landfill.

Larry said many people say that if they have to pay to dump, they'll just dump on the other side of the railroad tracks.

Bo suggested we talk with City Sanitation to see what it'd take to set up a transfer station that could handle construction waste.

Jason noticed a flaw in his numbers and suggested that he re-run his numbers.

There was a general consensus that it would be hard for the city to maintain if the customers stop using the landfill after an initial cleanup phase.

Bo suggested that the transfer station would allow for people to bite off their projects a little at a time and then we'd only have \$50,000 initially instead of a couple million.

Currently, there isn't enough demand to justify the landfill.

Jason will come back with numbers on the city themselves just hauling, setting up a transfer station, and setting up a landfill.

6. Adjourn, the meeting adjourned at 7:41 p.m.

MOTION: Kathy Ryan made a motion to adjourn, Larry Packer Seconded the motion.

VOTE: Bo Harrison, Larry Packer, and Kathy Ryan voted aye. The motion carried.

Ren Hatt, Mayor

Julie Spadafora, City Recorder

Approved: December 12, 2023