

**MINUTES
HARRISVILLE CITY COUNCIL AND OPEN HOUSE
July 9, 2024
363 West Independence Blvd
Harrisville, UT 84404**

Minutes of a Harrisville City Council Open House held on July 9th, 2024 at 6:00 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Karen Fawcett, Council Member Grover Wilhelmsen, Council Member Blair Christensen, Council Member Max Jackson.

Excused: Council Member Steve Weiss.

Staff: Jennie Knight, City Administrator, Brody Flint, City Attorney, Justin Shinsel, Public Works Director, Jack Fogal, City Recorder, Mark Wilson, Chief of Police, Bryan Fife, Parks and Recreation Director, Jessica Hardy, Finance Director, Sergeant Nick Taylor.

Visitors: Arnold Tait, Marcus Keller, Brandon Johnson, Roger Shuman, Joan Bairdland, Frances Hood, Steve Hood, Kim Engelby, Eric Engelby, Kevin Karras, Michelle Singleton, Gary Singleton, Joanne Christensen, Curtis Christensen, Jason Hadley, Marvin Farrell, Sandra Dinsdale, Corey Dinsdale, Kathleen Hahosh, Lynette Jensen, Kevin Jensen, Marc Moxham, Krystal Averill, Greg Montgomery, Sherry Farrell, Trent Nelson, Glade McCombs, Jim Bradshaw, Nancy Field, Aaron Field, Tawna Fields, Randy Smith, Jason Harris, Paul Davis.

1. 750 West Complex

Kevin Blalock with Blalock and Partners has been working with staff to put together the 750 West complex plan. Phase one was the public works project. Phase two is the new public safety complex. This would include the police and city hall building. North View Fire would also occupy some space in the proposed development. Marcus Keller with Crews and Associates presented on some financing options. The City currently has outstanding debt from the 2022 and 2023 series bonds. The 2022 series was used for the Public Works Facility. Series 2023 was meant for Phase 2 of the Municipal Complex. The plan was to use the \$9,000,000 from the bonds and Grants received to fund phase 2. Due to increased costs and inflation the amount was not enough to cover the project. The City started looking at lease revenue bonds to cover the rest of the cost. The City has some bond options. Scenario 1 pay off the 2023 bonds. The bonds are allowed to be paid off without charge if 30 days' notice are given. Council needs to be aware that the 2023 bond is a 4.29%. If you pay off this bond and try to reissue it later the interest rate could be higher. Scenario 2 is complete public works phase 2 and roads project for an approximate cost of \$3,000,000. Then the remainder would be paid back. Scenario 3 issue a General Obligation bond which would require the vote of the people. This type of bond would levy a property tax. Once the bond is paid off the property tax is no longer charged. A 25-year term \$13,000,000 GO bond would increase property tax for a \$320,000 house by \$237.01. Council Member Christensen inquired about Marcus Keller's example of \$13,000,000 and \$15,000,000 bonds. Marcus Keller explained these are numbers used are just an example. If you decided to pursue these bonds, he would provide concrete numbers.

Curtis Dinsdale asked would this be added to city taxes or county. Mayor Tait answered it would be assessed with your city taxes. Eric Engelby inquired about the difference between sales tax

bonds and lease revenue bonds. Marcus Keller explained the city promises to the bond holder that they will pledge their sales tax revenue as collateral in case they cannot pay the bond payments. The lease revenue bond is a different option for the city. Instead of pledging sales tax revenue they used the property of the project as collateral. A resident asked how the lease revenue bonds would affect the Harrisville Citizens. Marcus Keller explained two months ago the city had a work session where they discussed what they could bond for and pay. The City can issue up to \$6,000,000 in additional bonds and still make the bond payments. Corey Dinsdale inquired who would be issuing funds to the City. Marcus Keller explained the City created the local building authority which would issue the bonds and the City would make the payments. Kevin Karras asked if the lease revenue bonds were still on the table. Mayor Tait stated that has not been decided yet but it would be discussed during the Council Meeting. Kevin Karras inquired if the LBA and Council had two separate meetings. Mayor Tait clarified the LBA met to vote then reconvened as the Council. Michelle Singleton stated she was at the meeting and they did not separate meeting. Mayor Tait stated that is a different meeting. Council Member Fawcett stated the meeting was in April not June. Kevin Karras inquired when the public hearing for the LBA would be held. Brandon Johnson stated for a public hearing there is no action taken so they can run concurrently as the LBA and Council. Kevin Karras inquired why the local building authority did not have a meeting. Brandon Johnson explained because no action was taken, they do not need to separate. Curtis Christensen asked for clarification the city has already issued \$9,000,000 are we issuing an additional \$13,000,000 to \$15,000,000 in bonds. Marcus Keller explained those were just examples if the City wanted to pay back the sales tax bond and issue the GO bonds. Jason Hadley asked are the sales tax bonds that were issued in 2022 and 2023 already factored into our taxes. Marcus Keller explained those are already factored into your taxes. The only bond that might factor into your taxes would be the \$6,000,000 in lease revenue bonds that have not been issued yet. Roger Shuman is confused about the bond numbers. Are we asking for all these bonds that total \$25,000,000. How much are we spending. Mayor Tait explained initially we had \$6,000,000 in bonds then issued \$9,000,000. We know now that it will not be know enough. Michelle Singleton asked about the 2022 and 2023 bond and why bonds were issued even though people voted against the recreation center. Council Member Christensen stated in 2022 they issued \$6,000,000 and 2023 \$9,000,000 was issued. The recreation center was its own bond it is separate and not part of any of these bonds.

Jennie Knight answered questions from the June 11, 2024 Council Meeting. There have been no bonds issued in 2024 for the 750 West complex. Was the bond resolution authorizing up to \$10,000,000 in bonds. State law requires us to state the maximum allowed for bonds, Council wanted to make sure the resolution allowed them to issue what was needed. Was the Council going to issue \$10,000,000 in bonds. No, they were not going to issue \$10,000,000, Council decided it would be fiscally irresponsible to issue more than \$6,000,000. Was the City trying to circumvent the public by issuing lease revenue bonds. No, it was discussed in every Council meeting and work session since January of 2024. All action has taken place in public meetings in accordance with the Utah Open Meetings Act. Would the issuance of new bonds affect property tax rates. Yes, a new bond could increase the property tax rates in Harrisville. What would any funds issued with new lease revenue bonds be spent on. Any funds issued with the bonds would be spent on the 750 West Complex.

Kevin Karras inquired if the petition for the lease revenue bonds was going to be on the ballot. Mayor Tait stated if Council decides to move forward with the lease revenue bonds, they would be on the ballot. Gary Singleton inquired about the \$9,000,000 that has been wasted on the bonds already. Why issue more money when you have been managing it poorly. Jennie Knight

explained the City issued \$9,000,000 in bonds in 2023 for phase 2 of the 750 West Complex. After review and planning with the architect it was established that the \$9,000,000 in bonds would not be enough to complete the 750 West complex. The \$9,000,000 has not been spent any portion of the complex. The City is asking to issue more bonds so they have the full amount to complete phase 2 of the project before starting.

2. Adjourn

The meeting adjourned at 6:54 P.M.

Minutes of a regular Harrisville City Council meeting held on July 9th, 2024 at 7:00 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Karen Fawcett, Council Member Grover Wilhelmsen, Council Member Blair Christensen, Council Member Max Jackson.

Excused: Council Member Steve Weiss.

Staff: Jennie Knight, City Administrator, Brody Flint, City Attorney, Justin Shinsel, Public Works Director, Jack Fogal, City Recorder, Mark Wilson, Chief of Police, Bryan Fife, Parks and Recreation Director, Jessica Hardy, Finance Director, Sargent Nick Taylor.

Visitors: Arnold Tait, Marcus Keller, Brandon Johnson, Roger Shuman, Joan Bairdland, Frances Hood, Steve Hood, Kim Engelby, Eric Engelby, Kevin Karras, Michelle Singleton, Gary Singleton, Joanne Christensen, Curtis Christensen, Jason Hadley, Marvin Farrell, Saundra Dinsdale, Corey Dinsdale, Kathleen Hahosh, Lynette Jensen, Kevin Jensen, Marc Moxham, Krystal Averill, Greg Montgomery, Sherry Farrell, Trent Nelson, Glade McCombs, Jim Bradshaw, Nancy Field, Aaron Field, Tawna Fields, Randy Smith, Jason Harris, Paul Davis.

1. Call to Order.

Mayor Tait called the meeting to order and welcomed all in attendance.

2. Opening Ceremony.

Council Member Jackson opened with the Pledge of Allegiance.

3. Consent Items

a. Approval of Meeting Minutes for June 11th, 2024 as presented.

Motion: Council Member Christensen made a motion to approve the meeting minutes for June 11th, 2024 as presented, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Excused
Council Member Christensen, Yes

Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously

4. Employee Recognition

a. Bill Smith – Years of Service

Mayor Tait recognized Bill Smith for his years of service on the Planning Commission.

5. Business Items.

a. Affordable Housing Discussion

Jason Harris with Fieldstone Homes presented on Affordable Housing. He explained our sense of belonging and success comes along with the American Dream of home ownership. The greatest thing he ever did was buy his first home. Four out of five households cannot afford the median priced home along the Wasatch Front. The median home price in 1980 was \$53,000, it is now over \$550,000. Household income has not kept up with the increase. He showed an example of a project Fieldstone is working on. The lots in the example are 1/3 acre lots and approximately 2700 SQ FT homes. The average sale price on the third acre lots is \$833,787. If you divide the lots in half front to back the average price drops to \$663,787. People often suggest not using granite counter tops or removing double vanities. If you nickel and dime these homes you can only cut \$10,000-\$15,000 per home. If you reduce the square footage of the home to 1900 SQ ft. the price is now \$573,825. It is still not affordable but it is a step in the right direction. He does not believe that up zoning everything will solve the issue. If you blanket land zone the price of the land increases. Do not be so concerned about density be concerned about what homes the City needs. He has presented in other cities and some are working on ordinances to help with affordable housing. Council holds the power to pass land use ordinances that can affect the price of homes. Council Member Wilhelmsen stated it reminds him of being in New Orleans and seeing the long row houses. Council Member Fawcett asked if these example homes would be zero lot line homes. Jason Harris stated no they are not. They have standard setbacks. The house is situated different from normal to fit the lot size. Different is not bad. Home ownership is worth the discussion. Council Member Jackson inquired if he has seen problems with his developments for infrastructure costs between the city and the developer. Jason Harris stated most cities have it written in their code that the developer is responsible for the costs. He is advocating for collaboration between the City and the developer. They should work together to find a way to get the home prices to benefit the community. Council Member Jackson stated the legislature has told us if we don't fix the housing issues they will. Is this presentation part of that. Jason Harris stated there is a lot of discussion in the Legislature that small cities will not be able to fix the problem. He wants to help cities get ahead of this issue. Mayor Tait inquired how adding two lots on a single lot helps. Jason Harris explained there are three benefits. First benefit is an approximate savings of \$250,000 for the resident. The second benefit is increased taxes per acre. The third benefit is the infrastructure of the units stays the same. Council Member Fawcett stated she grew up back east and lived in a row home. Crime was not bad and she had a good quality of life. Jason Harris stated these first-time homes may not be what everyone wants but they are important. His first home was downtown with no assigned parking. Without that first home he would not have been able to upgrade when needed.

b. Discussion/possible action to adopt Harrisville Ordinance 558; an ordinance adopting a Master Development Agreement for Oak Hollow Subdivision located at approximately 265 Larsen Lane.

Brody Flint explained we are here because Council passed an ordinance approving a cluster development plan. The plan was challenged administratively. The appeal judge stated this was not a master development agreement as proposed. Utah Code allows the developer to apply for a development with a master development agreement. There was a public hearing held by the Planning Commission, which gave a positive recommendation. Council Member Jackson inquired about the concerns voiced by residents. Glade McCombs stated one concern was the location of the pickle ball court. It was changed based on feedback from residents. Council Member Jackson inquired about back yard lot lines. Glade McCombs stated they could not change the backyard lots without making large changes. The development team did not want to make major changes to keep the development in line with the previous ordinance. He has heard concerns about irrigation but they have made a commitment to not affect users of the irrigation ditch downstream. Council Member Wilhelmsen inquired about the density in regard to the backyards to existing development. How many lots are there in the development. Glade McCombs stated there are 30 lots, they could have requested a higher density but did not to keep in line with the previous ordinance.

Motion: Council Member Wilhelmsen motioned to adopt Harrisville Ordinance 558; an ordinance adopting a Master Development Agreement for Oak Hollow Subdivision located at approximately 265 Larsen Lane, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Excused
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

c. Splash Pad Discussion.

Bryan Fife presented a proposal to adjust the hours of operation for the splash pad. He has received public comment inquiring why the splash pad is not open later. He is recommending opening the splash pad Memorial day to Labor Day Monday to Sunday 10am to 8pm. The cost increase would be minimal. Council Member Fawcett inquired what the cost increase would be. Bryan Fife stated it would cost approximately \$800. There are no barriers if the splash pad is operating.

d. 750 West City Complex Discussion.

Kevin Blalock with Blalock and Partners explained approximately 85% of their work is in the public sector. He identified some deficiencies that the current city hall and police office have; some state mandated standards are not being met due to physical constraints, and the current building do not meet standards to be an essential facility. Staff has toured new public safety buildings in the state. They discussed with other chiefs and city administrators what could be done to improve the process. They have worked with Roth Sheppard Architects Firm. They are an expert in designing public safety buildings. With building codes today there are four classifications for essential buildings. To meet the essential facilities standards, it must be operational after a large-scale disaster. If you try to renovate the current building it would have to be brought up to code to meet the essential facilities standard. They used six guiding principles when designing the new building; design and construction for 50-year lifespan,

maximize functional efficiencies, develop site and buildings as a community-first amenity, create an appropriate civic building, capitalize on shared/multi-function uses, incorporate durable, cost-effective and low maintenance materials. In design work you have three variables; cost, quality, and quantity. If you make changes to two variables the other will rise or fall accordingly. He presented a graph of building construction costs based on the ENR index. In 2020 inflation for construction went up steeply. We are still experiencing above average inflation. The best-case scenario is it will catch up in ten to twelve years if it ever catches up. We may see new trends that never return to what they were before 2020. He reviewed phase 2 of the 750 West City Complex. City staff worked with the architect to trim the costs as much as they could without compromising functionality. The current cost estimate is \$14,675,000 if the project went out to bid in summer of 2025. Council Member Jackson inquired if we can get accredited with our current facility. Chief Wilson clarified yes, we can. Accreditation is done on policy alone not facility. Council Member Jackson inquired if we have planned enough space for an incident command if an emergency occurred. Chief Wilson stated yes, we have planned space for an incident command.

Marcus Keller explained if the City wants to move forward with the lease revenue bonds it has been put under referendum. It would need to go to vote from the residents. His recommendation is to no longer pursue the lease revenue bond. If Council still wants to try and find funding for the facility, they should look at GO bonds instead. GO bonds have better rates than a lease revenue bond. Typically, if a bond goes to referendum, it will not pass on a ballot. We do need to decide in about a year what we are doing with the 2023 series bond. If we are paying it back or pursuing other options for funding. Jennie Knight agreed with Marcus Keller to not pursue the lease revenue bond. She recommends if Council wants to move forward with bonds pursuing GO Bonds. Marcus Keller explained August 21st is the deadline if Council pursues a GO Bond. Council Member Jackson believes the people have spoken with the referendum. Council Member Wilhelmsen inquired about how much a tax increase would be on a \$6,000,000 bond. Jennie Knight explained the proposed tax increase is 5.25% for this year, we do not have exact figures on a tax increase for the bond. Council Member Wilhelmsen inquired how we can educate the public on the tax increase for the GO bond. Jennie Knight explained we have put together a excel spreadsheet that will give residents an approximation of what their tax increase will be for this year. Mayor Tait inquired if it is better to return the 2023 series bond and issue \$15,000,000 in GO bonds. Marcus Keller clarified no, right now the best option is to the use \$9,000,000 sales tax bond and look at a \$6,000,000 GO bond. Brandon Johnson stated you do not need to vote on an amount tonight. You can vote during the next meeting and include the amount during the motion. Council Member Wilhelmsen inquired if the GO bond does not pass what will be done with the \$9,000,000. Marcus Keller explained we would have to decide by spring of next year what to do with the \$9,000,000 whether paying it back or using it towards the complex. Council asked staff to proceed with the architectural plans for the project and gather information for the GO bond. Council Member Fawcett inquired does Council need to be prepared to vote during the next meeting. Marcus Keller stated yes, a decision would need to be made next month If you decide to move forward with a GO bond you would need to vote next month to meet the deadline.

e. Discussion/possible action authorize the purchase of Western Irrigation Water Shares.

Jennie Knight explained the City created the 4-Mile Special Service District for areas that are not covered by Pineview Water Systems. Developers must submit water shares to 4-mile for water servicing. A developer provided Warren Irrigation water shares which does not provide service to Harrisville. Staff contacted Warren Irrigation about selling the shares. The buyer of

the Warren Shares will purchase them and trade shares for Western Irrigation shares, Lynn Irrigation shares and cash.

Motion: Council Member Wilhelmsen made a motion to authorize the purchase of Western Irrigation Water Shares, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Excused
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

6. Public Comment

Mayor Tait opened the public comment period.

Marvin Farrell is concerned with water shares. He asked to present information from Western Irrigation. It involves the amount of water shares needed per acre. He values land and respects it. We need to be smart how we manage the land we do have. He likes houses to have acreage. We need to think about how to manage land. He understands the need for smaller lots but keep Harrisville, Harrisville.

Jason Hadley liked the information presented in the meeting. We had lots of information but we did not hear anything on the new fire department. Why can we not add the excel spreadsheet with tax rates online. He wants Council to exercise judgement with the architectural firm.

Aaron Fields is concerned about the Oak Hollow Subdivision. Council just approved a Master Development Agreement. Code is there to protect existing home owners. A developer comes in and needs to understand the code. A master development agreement throws out the code and does not protect the residents. Why enter a development agreement that puts the code in the garbage. We are talking about affordable housing how do we make it. What is a house going to cost in Oak Hollow Subdivision. It still won't be affordable. How close is this house going to be to his backyard.

Kevin Karras explained there is no confusion about the recreation bond. He has talked to the public about the \$10,000,000 bond. Now you say \$6,000,000 not \$10,000,000. He never heard the Council say we need to put a limit on how much we are spending. You cannot account for \$6,000,000. You should ask the departments what they really need. The fire station adds confusion.

Curtis Christensen appreciates the information distributed tonight. There is a lot of confusion. He encourages the Council to try and build the trust back. He is curious what is the code that requires these things for the new building.

Kathleen Hahosh does not want smaller lots. Why not make a code change for the small parcel the developer wants. Why are you letting a developer strong arm you. She disagrees about the cost of an affordable cost being \$500,000.

Michelle Singleton wants information to be specific for the clarification about the bonds. She does not understand the bond process. Not voting on bonds makes people think Council is being sneaky. The City's website can be confusing to navigate and the newsletter can be outdated by the time they get them. She recommended townhall meetings.

Roger Shuman is thankful for the information. He is still confused about the total cost of the project. He is curious about where the \$13,000,000 came from when discussing phase 2. He saw the \$12,000,000 but is concerned where it changed to \$15,000,000. He inquired about the code enforcement. If you follow city ordinances his neighbor's property violates code.

Mayor Tait closed the public comment period.

7. Mayor/Council Follow-up

Chief Wilson explained last week two detectives were sworn in with the DFAST team. All agencies volunteer officers for this team. They work on violent warrants, sex offenders, and with potentially violent offenders. Officer Silverwood should complete his FTO by September 2nd. The officers have stopped by some lemonade stands to spend time with kids in the City.

Justin Shinsel explained progress is being made on Highway 89. Both projects are proceeding on schedule. One is the sewer line for Ben Lomond and the second is Highway 89 resurfacing. There is a lot of new development and infrastructure going in. Ashlar Cove and Dixon Creek are making progress. Milenium Park is under construction with new; restrooms, playground equipment, sprinklers, and lighting around the track. The hope is to have that completed by early this winter. Council Member Jackson inquired who is paying for the park improvements. Justin Shinsel explained the Ben Lomond developer is paying for it as agreed in the MDA.

Bryan Fife explained the park on 1100 was hydro seeded. The grass is trying to grow. The movie in the park was very successful. We had approximately 150 people. He asked to have the splash pad open until the movie starts on movie night. Council agreed.

Jennie Knight explained the owner of HHI died in an ATV accident over the weekend. Staff has met every other week to prepare a Capitol Facilities Plan for Council's approval.

Council Member Wilhelmsen reported on the senior luncheon. The YCC assisted with the luncheon. They had a great time.

Council Member Fawcett inquired about the money for the planner and code enforcement. Jennie Knight explained it would be part of the proposed tax increase. Council Member Fawcett explained the state has mandated the City take steps for affordable housing. She wanted to clarify that Jason Harris was not stating \$500,000 as affordable but was providing an example. She also values land but people do need a place to live. She explained we did not receive a bid for the public safety building it was just a projection. She supports the idea of townhall meetings.

8. Adjournment

Council Member Jackson motioned to adjourn the meeting, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Excused
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

The meeting adjourned at 9:15 P.M.

MICHELLE TAIT
Mayor

ATTEST:

Jack Fogal
City Recorder
Approved this 13th day of August, 2024