

**Tooele City Council
Business Meeting Minutes**

Date: Wednesday, September 03, 2008
Time: 7:00 p.m.
Place: Tooele City Hall Council Chambers
90 North Main Street, Tooele, Utah

City Council Members Present:

Steve Pruden, Chair
Mike Johnson
John Hansen
Scott Wardle
Dave McCall

City Employees Present:

Mayor Patrick Dunlavy
Glen Caldwell, Finance Director
Roger Baker, City Attorney
Sharon Dawson, City Recorder
Lisa Carpenter, Deputy Recorder/City Council Liaison
Chief Ron Kirby, Chief of Police
Kami Perkins, Human Resource Director
Cary Campbell, Public Works Director
Rachelle Custer, City Planner
Paul Hansen, City Engineer
Milo Berry, Communities that Care
Randy Sant, RDA Consultant

Others Present:

Debbie Winn, Chamber of Commerce

Minutes prepared by Elisa Jenkins

The meeting was called to order by Chairman Pruden at 7:00 p.m.

1. Pledge of Allegiance

The Pledge of Allegiance was led by Mayor Dunlavy.

2. Mayor's Community Recognition Awards

These awards will be given at a later date.

3. East Elementary Presentation to the City Council

Ms. Ruth Dunn, Chairperson for the Community Council at East Elementary and some students presented a banner that was signed by the parents and children of East Elementary thanking the City Council and the Mayor for the new sidewalk on 7th Street. Ms. Dunn asked the Council to thank the others that were responsible for helping to get the sidewalk finished. She also introduced Mr. Nix as the new principal at East Elementary.

Chairman Pruden acknowledged Cary Campbell, Paul Hansen and the Mayor for their work in getting the sidewalk completed.

Mr. Nix also thanked the Mayor and the Council. He said that safety of the students is very important to him.

Councilman Wardle welcomed Mr. Nix to Tooele. He comes from a high risk school in Salt Lake. He has been recognized statewide and nationwide for his leadership. It is good to have him in the community.

Mayor Dunlavy acknowledged Ms. Dunn and the safety committee at East Elementary. He also welcomed Principal Nix to the “greatest City in Utah”.

Ms. Dunn also thanked the PTA at East Elementary for their work in helping with the sidewalk.

4. Utah Chiefs of Police Presentation

Presented by Chief Terry Keefe, President of the Utah Chiefs of Police Association

Chief Keefe stated that it is a pleasure to be here and make this presentation to the Tooele City Police Department and Chief Kirby. Tooele City has a great Chief of Police. Mr. Keefe said on behalf of the Utah Chiefs of Police Association it is his pleasure to present to Chief Kirby with a plaque in recognition for completion of the standards of accreditation as mandated by the Utah Chiefs of Police Association. Mr. Keefe explained that accreditation is a rigorous operation that involves review of 32 areas of policy procedures and training. Each of those 32 areas has a multitude of sub-categories that have to be up to date when training personnel. Tooele City has distinguished itself by being the second City in the State of Utah to achieve this accreditation, Sandy City was first. This accreditation lasts for three years and then they will be back to reaccredit the Police Department. He congratulated Chief Kirby for excellent job. Chief Keefe thanked the council for allowing him to present this award.

Chief Kirby thanked Chief Keefe for taking his time to come and present this award to him. He also thanked the Executive Director of the Utah Chiefs of Police Association Frank Budd. He also thanked Tim Stark; he deserves much of

the credit for their accreditation. He also thanked the Council and the Mayor for their support.

Mayor Dunlavy acknowledged Chief Keefe for presenting this award to Tooele City and Chief Kirby. Tooele City has a great Police Department. Chief Kirby does a wonderful job and gave him personal thanks.

5. CTC Update

Presented by Milo Berry

Mr. Berry thanked the Council for the opportunity to give an update on what they are doing with the “Communities That Care” program. Mr. Berry stated that he appreciates the support of the administration and the Council.

Mr. Berry gave a multi media presentation update to the Council. The following are a few highlights from his presentation. Mr. Berry recently visited Indianapolis to speak about Tooele City at the National Prevention Network meeting. Tooele City’s “Communities that Care” has become a model for other cities to follow. Research indicates that any community that adopted the “Communities that Care” program did better in protecting their youth. He reviewed some programs that they are doing. They are working with the community, families, schools, and children and their relationships with one another. They have had great encouragement from the community, such as the Mayor and the Chief of Police. Mr. Berry gave credit to Jacklyn and Marty who are a part of the Communities that Care staff and their hard work.

Mr. Berry stated that Family Conflict is one area they chose to work with in “Guiding Good Choices” and they have worked with 315 families. Life Skills training has been brought into the 7th, 8th and 9th grades. Lion’s Quest has been brought to the 6th grade. Kids need recognition which has come with the Mayor’s Community Recognition awards, which will be given out at the next meeting. He feels that most of the behaviors are trending down.

Mr. Berry said that they have implemented pass along cards to pass out to kids. They implemented the Teen Employee of the Month in the summer. They also have a Soar Program. “Alive at 25” will be going into 10th grade this year to help in Driver’s Education classes. They have a SPF/SIG grant that will help with prescription drug abuse classes.

Mr. Berry stated that they also received a 1.2 million dollar grant with the School District that the “Communities that Care” was a part of writing. “Smart Moves” will be brought in with the Boys and Girls Club as an after school program with the grant money. “Class Action” will go into the 11th grade, an anti-alcohol campaign will also be done in the County and there is money for training and technical assistance with the grant money.

Mr. Berry stated that in 2005 they were mandated to start a prevention coalition and right now they have 19 agencies and 31 programs. They are focused on prevention in the City and the County.

Mr. Berry said that it is great for kids to receive recognition. The effort is worth it in Tooele. Youth is the City's greatest resource. He appreciates the Council's support.

Chairman Pruden said on behalf of the Council he would like to thank Mr. Berry and his staff for all their hard work in the community. He stated that the Council will continue to support the "Communities the Care" program.

Chairman Pruden welcomed Scout Troop 1457 who are working on the Citizenship in the Community Merit Badge.

6. Open Forum for Public Comment

Melanie Hammer, 1883 N 120 W, addressed the Council. Ms. Hammer indicated that she is here representing the Overlake PTA. She stated that they need some cross walks in Overlake. Ms. Hammer said that they were here last year in September discussing this issue as well.

Councilman Johnson stated that there was a crosswalk put in on Berra Boulevard.

Ms. Hammer said they need one on Sunset and on 2100 N.

Mayor Dunlavy asked Ms. Hammer to get him the information and he will look into it. They first have to look at the intersection and make sure that it will work with a cross walk.

Chairman Pruden closed the Open Forum at 7:30 p.m.

7. Ordinance 2008-12 An Ordinance of the Tooele City Council Amending Ordinance 7-25 (Sign Ordinance) to allow for Off Site Directional Signs in all Zones.

Presented by Rachelle Custer

Ms. Custer explained that in July the Tooele County Showcase of Homes came before the Council and requested that administration look at the sign ordinance to allow for directional signs. Currently the policy allows for signs in commercial zones. They have drafted an ordinance allowing off-site directional signs to be allowed in all zones in Tooele City. The changes were presented to the Planning Commission on August 13, 2008 and they made a favorable recommendation to the City Council.

Chairman Pruden asked Ms. Custer to explain what off-site direction signs are for the benefit of the public.

Ms. Custer stated that off-site directional signs will be limited to 9 sq ft. They will only be allowed to announce an event that will be open to the public and has duration of less than seven days. The signs will be allowed to be placed three days prior to an event and must be removed three days within the events closing. They will be small signs.

Chairman Pruden said that an applicant must apply for a permit to post off-site directional signs.

Ms. Custer stated that they will have to take out a permit and make a \$25 refundable deposit which will be returned when the signs are removed.

Chairman Pruden said these are not garage sale signs.

Councilman Johnson stated that his concern is whether \$25 is enough of an incentive for applicants to come and take down their signs. He suggests charging a fee per sign or raising the fee to \$50. He doesn't have a problem with the ordinance change.

Chairman Pruden suggested trying the ordinance as it is written and if they find there is a problem they could look at increasing the fee.

Ms. Custer said that they are looking at the whole sign ordinance and could address the fee issue at that time.

Councilman Wardle said that he has the same concern as Councilman Johnson. He feels that it will cost the City money to remove the signs because \$25 is not enough of an incentive. He also feels that \$50 would be a better fee.

Councilman Johnson suggests charging \$5 a sign. He stated that staff will receive a list of where the signs will be located.

Ms. Custer stated that they will also have to have a letter from the property owner attached to the permit giving them permission to install a sign on their property.

Mayor Dunlavy stated that Mr. Fulmer knows who has a permit and all other signs are taken down and destroyed.

Councilman Johnson asked about public property, for example the North Tooele City Special Service District (NTCSSD) is concerned about signs being placed in the round-about in Overlake.

Ms. Custer stated that they would be required to have a letter from NTCSSD or Overlake Development Group in order to place a sign there.

Councilman Wardle also suggested a \$5 per sign fee, which would be refunded if they remove their signs.

Councilman Hansen did not agree with a \$5 per sign fee that could get costly. He would be o.k. with a \$50 fee.

Councilman McCall stated that staff is still reviewing the sign ordinance. This change was made to accommodate the Tooele County Showcase of Homes. He suggests leaving as it is to see if it works and if it is not working they could re-address at the next revision of this ordinance.

Councilman Hansen moved to approve Ordinance 2008-12 as it is.

Councilman McCall seconded the motion. All members present voted “Aye”.

8. Resolution 2008-39 A Resolution of the Tooele City Council Certifying Tooele City’s Policy Regarding “Pick-Up Elections” for Employee Contributions to the Utah Retirement System Contributory Retirement Plan.

Presented by Kami Perkins

Ms. Perkins explained that in 1996 the Utah State Retirement Office came out with an alternative retirement program that switched from a contributory benefit, which means that the employee paid a portion of their pension benefit, to a non-contributory plan which means that it is funded by the employers. At that time Tooele City adopted and elected to participate in the non-contributory plan and gave employees the option to switch over or keep their pension benefits under the old contributory plan. There were four employees that remained with the old contributory plan. Since that time Tooele City has traditionally picked up the employees contribution under the contributory plan. The retirement office has recently gone through an internal audit to determine their compliance with the IRS provisions on their plan and learned that they should have a Resolution or something certifying from each agency showing they have adopted a “pick-up provision”, which means that the employer is paying the employees portion as well as the employers portion of that retirement benefit. There are four employees still under this old plan and there are differences between the plan some are lesser benefits and some are more generous benefits. The retirement office sent a memo to all the employers that still have the old contributory plan requesting certification documenting what the City’s policy is. Ms. Perkins spoke with the retirement office showing them that it was approved and is funded through the budget process since 1996. That did not meet what their needs are and asked that a Resolution be brought back for formal approval.

Ms. Perkins said that prior to the meeting there was a Council Member that asked her what the difference is in cost between the plans. Is the City providing a more generous benefit to these four employees in terms of cost than the rest of the employees? Ms. Perkins stated that it is a 1.99% additional cost in the overall benefit to the employee. The rate changes every year sometimes it goes up and sometimes it goes down.

Councilman Johnson asked if the cost was to the employee or to the City.

Ms. Perkins replied that the cost is to the City. There are four employees, in terms of a pension benefit, that the City pays out almost 2% more for their benefit package. She does not know if that is the same percentage value since 1996 because those are reset every year. It has been funded through the budget process.

Councilman Johnson said that 2% is not a lot, but the City is providing four employees more of a benefit than the other employees. He would like to change it to say that the City will pay up to whatever they will pay on their behalf if they were in the non-contributory system.

Ms. Perkins stated that could be done but suggests that they make up for it in the 401K contributions instead of the pension benefit, simply because of how things work in the retirement office. She would like to propose that if the Council makes that change that they re-look at it when they do the budget and open enrollment so they can put those four employees on notice so they know how it might impact them.

Chairman Pruden asked if the grandfathered employees have worked for the City for a long time.

Ms. Perkins said that they have. They are employees that have been here fifteen years or more.

Mayor Dunlavy stated that he was not aware of this, they will look at it and make that correction.

Councilman Johnson moved to adopt Resolution 2008-39 with the condition that due to the extent that the City is paying more of a percentage base for these four employees than they would if they were members of the non-contributory system that the proper adjustments be made by administration in their 401K or in some other area so all employees are treated equally.

Councilman Hansen seconded the motion.

Councilman Wardle asked if it would be in effect immediately or be done in open enrollment or in the budget discussion next year.

Ms. Perkins mentioned that they are in process of revising several policies. One of the policies being revised is a benefits policy that addresses how the 401K contributions are calculated. Those policies are in process of being sent out for employee feedback with about 10 other policy revisions. They will be brought to the Council for approval in the next few months.

Councilman Johnson made an amendment to his motion that the employees be informed by the end of the year. Councilman Hansen seconded the amendment. All members present voted “Aye”.

Ms. Perkins stated that would give them adequate time to notify these employees. When dealing with pension benefits employees need time to understand the changes.

9. Resolution 2008-40 A Resolution of the Tooele City Council Awarding the Public Defender Contract to Jacob L Linares and S. Dee Long.

Presented by Roger Baker

Mr. Baker stated that all government entities are constitutionally required to provide criminal defense to indigent persons that are charged with crimes. This resolution proposes a small amendment to the current contract. They are shifting from three defense attorneys to two. They are proposing to increase the current contract by \$4,800 a year for a total contract of \$48,000.

Councilman Wardle moved to adopt Resolution 2008-42. Councilman Hansen seconded the motion. All members present voted “Aye”.

10. Resolution 2008-42 A Resolution of the Tooele City Council Authorizing the Mayo of Tooele City to Sign an Interlocal Agreement with the Tooele County School District.

Presented by Roger Baker

Mr. Baker explained that this is an agreement they have been working on for some time that they reached in principle with the school district a few months ago. It is an example of two different government entities agreeing to pool their resources each for the benefit of the other. The School District has built a new elementary school in the Rancho Tooele Subdivision right next to the City’s Rancho Park. This agreement provides for the sharing of the western half of the park built as a soccer field. The school will be able to use that portion of the park during school hours. It also provides for the closure of 900 West which runs between the school and the park. The agreement also formalizes the City’s use of a school ballpark that runs off of 7th Street and Vine Street.

Chairman Pruden stated that since the City took over the baseball field it looks really nice.

Councilman Wardle stated that on back to school night the parking gates were open, he wondered what the District's policy will be on keeping those open at night.

Steve West, with Tooele County School District addressed the Council. Mr. West stated that the District has talked that during the day it is advantageous to leave the gates closed. They are still looking at what activities are going on at night; they feel that sometimes it would be advantageous to keep them open and other times better to keep them closed depending on what is happening. They have been looking at it very closely and trying to get a feel for what is happening in the neighborhood. On back to school night they used the road which was beneficial to have the extra parking. It did bring parking for the park as well.

Councilman Wardle stated if the school district can find a way to accommodate off-street parking with the park it would be appreciated.

Mr. West said they will work on that. He said that their number one goal is to keep the students safe. He said that one of the reasons they have not fully opened it up right now is because they do not have street signage yet. He agreed that this is a great interlocal agreement; it works well for both parties. They have not kept up the Oquirrh Hills ballpark and it is great for someone to keep it up and use it.

Chairman Pruden said that one request they get every year is that the City needs more ballparks so it is great for the City.

Mayor Dunlavy stated that one other added benefit is that the school has a state of the art surveillance system that takes in the park. They have told the City if they have any problems they could use the surveillance tapes. The surveillance system can be a graffiti deterrent.

Mr. West said there are 14 cameras on that school and one is dedicated to the park. They record 24 hrs a day 7 days a week.

Councilman Johnson asked for budget purposes how much a system like that costs.

Mr. West said that it is about \$35,000.

Mr. Baker thanked Doug Baylay in his office for preparing this agreement.

Councilman Johnson moved to adopt Resolution 2008-42. Councilman Hansen seconded the motion. All members present voted "Aye".

11. Resolution 2008-29 A Resolution of the Tooele City Council Authorizing the Purchase of Water Rights

Presented by Roger Baker

Mr. Baker stated that this was on a previous agenda but was tabled so they could gather more information about market value of water rights in the valley. The City received through discovery an expert report appraising Tooele area water rights. It was prepared in the Tooele Associates litigation by Tooele Associates (the cover page and summary is attached to the minutes as Exhibit A and becomes an official part of the minutes). They received it about a week ago and studied it to see if they could use any information from it. It was done by a reputable appraiser. It is not flawless but it identifies seven comparables of water right sales from the years 2007 and 2008. All of the sales are between \$8,000 – \$10,000 per acre foot, except for one. Some of the sales were contracts that did not close but some of them did. The one exception is a Castle Arch Company that entered a contract to buy water rights for \$15,000 an acre foot. He thinks that is high. Mr. Baker has been in contact with the water right appraiser that is doing an appraisal for the City. The appraisal is not yet complete but he indicates that his study of recent comparable sales indicates that a sale at \$12,000 is within market range for agricultural water rights.

Councilman Johnson thought the issue at the last meeting was that the Council understood that 89 acre foot of fully depleted use was a reasonable number. He thought that Mr. Baker had some questions about whether were really talking about 89 acre feet of depleted use or talking about something less. If you can only use half of that then they are paying \$24,000 an acre foot for a fully depleted acre foot of water.

Mr. Baker stated that the rights that will be purchased on approval of this resolution are agricultural rights that have been transferred to the City and are in the City's wells, and are currently approved for municipal use. The ability to divert the water and deplete water has been established by the state engineer. Those limits remain from the transfer. They are not 89 acre foot of fully depleteable water. The owner has the right to divert (to take out) 89 acre foot of water from the ground. But a percentage of that water would have to be returned back to the ground.

Councilman Johnson stated that he is struggling to understand how much of this they can use.

Mr. Baker said that examples of returning water to the hydrological system are when water is soaking back into the ground.

Councilman Wardle stated that with agricultural use they lose about half the water in the change application.

Mr. Paul Hansen said that is generally the rough approximation. Every water right has a different parentage, a different use, and a different basis.

Councilman Wardle said that when a developer comes in the City asks them to have one acre foot of water per lot. What they maybe looking at is 50 acre feet of water.

Mr. Paul Hansen said they look at it a little bit differently than that. Every use is different in terms of the amount of diversion and depletion, and the City considers both the diversion requirement and the depletion requirement. If they put the water onto a crop, or a lawn, they are allowed to pump from the ground a certain quantity and it is anticipated that a certain percentage will return to the ground water and a certain percentage is depleted and never returned. If they are looking at a home they assume that all the water inside the home is 100% depleted and approximately half of the water outside returns to the system. They evaluate it based on the particular need. Mr. Hansen used as a hypothetical example a Coca-Cola bottling plant; they would assume that all water coming into the plant would get bottled and sent out. He has to look at the diversion and the depletion and then require whatever water right they are crediting to that development that satisfies the diversion and the depletion.

Councilman Wardle asked that if they require that these 89 acre feet be placed on open space such as parks.

Mr. Paul Hansen said that they could use all 89 acre feet for outside watering.

Councilman Wardle also said that they could possibly take other water that they have diverted for more of a municipal use and switch it to development.

Mr. Paul Hansen stated "yes".

Councilman Johnson asked if this is really an issue. The 89 acre feet of water is being pulled out of the ground and put in the wells and mixed with the other water. How will the state know where it goes?

Mr. Paul Hansen said that the state makes an earnest effort to do that. They have the City provide documentation of how many acres of parks they have, how many homes, what is a typical lot size, how much water they pump. The state engineer is making a more aggressive effort toward enforcing water usage on an individual basis. It is challenging for the City. Should the Council decide to acquire these water rights the City would market these rights for commercial users. If a developer needs a certain amount of depletion for their intended use, they would have to purchase enough water right credit to satisfy both the diversion and depletion requirements.

Councilman Johnson said if a developer comes in and needs 1 acre foot of depletion the City would tell him he needs to buy 2 acre feet of water.

Mr. Paul Hansen stated that is correct. The City does not mandate that developers acquire their water right credits from the City. Developers are allowed to bring water rights through whatever mechanism they wish to bring them into the City source. This was a mechanism the Council put into place to facilitate those that were unable to pick up water rights on their own.

Councilman Johnson asked to determine the value of a water right they need to know what depletion is allowed for this specific water right.

Mr. Paul Hansen said in this case he does not recall at this time the specific diversion and depletion limits, but that it has been established by the State Engineer.

Mr. Baker said that because it was converted from an agricultural right, it will have depletion limitations that are very similar as all other agricultural rights. The state engineer doesn't typically create new depletion limits for each agricultural right they are treated similarly.

Councilman Johnson said that what you really want is industrial rights that have a high depletion rate.

Mr. Paul Hansen stated that the best type of water rights for the City to accept would be stock watering, which is considered under State policy to be 100% depleted.

Mr. Baker added that you would pay more for those rights.

Mr. Paul Hansen stated that when cities were able to file on new water sources, when Tooele City came to creation and started to file water rights because there was no competition, a municipal right was able to be filed assuming 100% depletion. This gave cities full flexibility to say that they could use that water wherever, and whenever they choose as a City. Presently, all of the water within the valley has been claimed and rights have been filed. When we file change applications to move one water right from one use to another or from one point of diversion to another, we can't enlarge that water right, meaning that they can't give them more right to take than what historically has been taken. The State Engineer sets diversion and depletion limits on water rights. Simply because it is presently classified as a municipal use water right does not mean that it can be fully depleted. Old municipal water rights are generally considered to be 100% depleted, water rights that are approved today have the two limits for diversion and depletion.

Councilman Wardle asked if the appraisal that was given was for agricultural water.

Mr. Baker said yes. Each of the rights has their own diversion and depletion limits. But because they have an agricultural parentage those limits are similar percentages.

Councilman Wardle asked if the appraisal was within the ballpark for agricultural.

Mr. Baker said that they are in the ballpark, they are higher than most of the comparables. The City's appraiser thinks that it is in the ballpark. It is not a discount deal, neither is it totally speculative.

Councilman Hansen said that if a business comes in wishing to purchase water rights from the City, the City sells them a water right for \$15,000 each. If the City buys these water rights for \$12,000, the City will make \$3,000 from each water right, as long as the City has the money to buy these rights.

Mr. Baker said that the money will come from the Water Right Acquisition fund. It will basically take the entire fund. If the Council authorizes the purchase of these rights they will replenish the water rights that are available for commercial users to buy. At that point they would revise the policy so that they don't charge an arbitrary amount for those credits. The City would charge an amount that corresponds with what the City paid to get them. For example, if a commercial user came to the City and needed 50 acre feet of 100% depletable water rights, they would do a calculation to see how many acre feet of diversion that requires and what it costs the City to get. Then the City would charge them that amount and possibly a small administrative fee. They are not looking at using this as a revenue source.

Councilman Johnson stated that those fees go back into the Water Right Acquisition Fund.

Mr. Baker said that is correct. This is the purpose of purchasing these water rights. It is not to acquire them for the City's use. It is to replenish the pool of rights that is available to encourage commercial development.

Chairman Pruden said that this fund has been used to bring the newer businesses that are coming to town that are in need of water rights.

Councilman Hansen stated that takes the burden off a business that comes to town and have not yet acquired water rights. These businesses produce a tax increment, which helps the City. Sometimes when businesses come in they cannot find water rights.

Mr. Baker said this makes something available for them to acquire at cost.

Councilman Wardle thanked Mr. Paul Hansen and Mr. Baker for their help in understanding this Resolution.

Mr. Baker stated that he is not relying on the report from Tooele Associates (see Exhibit A); he is using it as information that is available in addition to information that was received from the City's water right lawyers, appraiser, and anecdotal information.

Councilman Hansen asked if Mr. Baker could offer \$8,000 per water right.

Mr. Baker said that Patterson would sell them in the market for \$12,000 - \$13,000 per acre foot. He also stated that if the City does not purchase these rights, they are already approved for use from the City's wells. They can not be used outside the City. Patterson would sell them to residential developers that need water rights, which would allow the developments to develop and the City would acquire the water rights from those developers.

Councilman Johnson stated that they do not want these water rights to end up with residential developers they want them for commercial developments.

Mr. Baker said that the starting price per acre foot was \$13,000 he came down twice in \$500 increments.

Councilman McCall asked if they could offer \$11,000 per share.

Mr. Baker said that it is his job to give the Council all the information he can in helping them make their business decision.

Mayor Dunlavy said that if these water rights became residential rights it would only be for about sixty homes.

Mr. Baker said if these water rights went to residential rights it would not result in a large growth.

Councilman Johnson said that the City needs to have a bank for commercial development.

Councilman Johnson moved to adopt Resolution 2008-29 with authorization to spend up to \$1,068,000, but first try to negotiate a flat fee of \$1 million to purchase the water rights. Councilman McCall seconded the motion. All members present voted "Aye".

12. Resolution 2008-41 A Resolution Authorizing the Issuance and Sale of not more than \$6,300,000 Aggregate Principal Amount of Franchise Tax Bonds, Series 2008 Of Tooele City, Utah, for the

Purpose of Financing the Renovation and/or Construction of a 1000 North Roadway Project and Related Improvements; Calling a Public Hearing and Establishing a Time, Place and Location for said Public Hearing; Providing for Publication of a Notice of Public Hearing and Bonds to be Issued; Providing for Pledge of the City's Municipal Energy and Telecommunications Franchise Taxes for Repayment of the Bonds; Fixing the Maximum Aggregate Principal Amount of the Bonds, the Maximum Number of Years over which the Bonds may Mature, the Maximum Interest Rate which the bonds may bear, and the Maximum Discount from par at which the bonds may be sold; Providing for the Running of a Contest Period; and Related Matters.

Presented by Randy Sant

Mr. Sant stated that this is the first step for providing financing for 1000 North. This is a parameter resolution, which means they can not exceed the parameters of the resolution. They try to do less but do not do more than the parameters that have been set. The parameters set in this resolution say that they can issue no more than \$6,300,000 in bonds, the effective interest rate will not exceed 5.95%, and the term of the bonds will not be longer than 20 years. The other thing the resolution does is require a public hearing which is set for October 1, 2008. They are pledging their franchise tax, the October 1st hearing will be for the pledge and information will be given at that meeting. It is a pledge but they are using other sources of revenue to pay. The bond will be a surety bond which means they won't have to put up a capitalized interest fund or a debt service reserve fund. This should give them a better interest rate which should be around 4 ¼ % to 4 ½ %.

Councilman Johnson asked when Mr. Sant hopes to close on this bond.

Mr. Sant said they are hoping to close October 15-20th, and be ready to start moving forward with the road. This also goes with the schedule with the state as far as the bidding.

Mr. Paul Hansen stated that going through the process of formalizing the storm drain easement underneath the railroad they have the road way permit but they do not have the pipe easement. The railroad has reviewed it, there is no conflict and they have been working with them aggressively to get that in place.

Councilman Hansen moved to adopt Resolution 2008-41. Councilman Wardle seconded the motion. All members present voted "Aye".

13. Minutes: Closed Meeting; Discussion Meeting; Business Meeting August 20, 2008

Councilman Hansen moved to approve the minutes as presented.
Councilman Wardle seconded the motion. All members present voted “Aye”.

14. Invoices

Presented by Sharon Dawson

- Holme Roberts & Owen for July Legal Services and Wikstrom Report in the amount of \$93,932.03.

Mr. Baker said that about 2/3 of this invoice is legal fees, and the other 1/3 is for expert witnesses that sent their bills to Holme Roberts & Owen, and they paid them and they are passing them along to the City. The deadline for expert reports was September 2, 2008. They submitted six reports and he will summarize them for the Council at a later date.

Councilman Johnson moved to approve the invoice to Holme Roberts & Owen. Councilman Hansen seconded the motion. All members present voted “Aye”.

15. Adjourn

Councilman Johnson moved to adjourn the meeting. Councilman Wardle seconded the motion. The meeting adjourned at 8:27 p.m.

Approved this 1st day of October 2008

Chairman Pruden